

Counting the Poor with Competing Poverty Measures

By Diana M. Pearce

University of Washington School of Social Work

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ABSTRACT:

This paper addresses how and why there are now three quite different measures of poverty in current use—the Federal Poverty Line (FPL), its long debated revision, the Supplemental Poverty Measure (SPM), and basic needs budgets exemplified by the Self-Sufficiency Standard (SSS)—and the implications for research and policy of this fact. These three measures reflect not just methodological differences, but the contrasting purposes for which they were created, the varied circumstances and constraints under which they were devised, and assumptions about what is the underlying phenomenon being measured. How much difference does selecting one over another make in setting program eligibility guidelines, estimating poverty rates, understanding characteristics of the poor or evaluating poverty alleviation programs? This large question is examined by first describing each measure with attention to its origins, assumptions, methodology, and policy and research uses. The concluding section illustrates the contrasting findings using these measures, utilizing Census data that has been coded with the federal poverty measure and the Self-Sufficiency Standard to contrast the way that basic needs budgets track expenses, as well as how the choice of the measure affects both the count of the poor and the demographics of the poverty population.

How poverty is measured at a given point in time or by a given entity is not just a technical or methodological issue, confined to academia, but is embedded in the socioeconomic context, and even the politics of the time. For both researchers and those working in applied settings, there are now three quite different measures and approaches for assessing the levels, character and trends in poverty. Why and how these came about reveals the underlying perception of both what poverty is and its causes. By better comprehending these different perspectives, the sociologist can better understand how and why a particular measure is employed by a given entity as well as what the implications are of such choices for the resulting understanding of poverty, its dynamics and its mitigation.

Origins of the Federal Poverty Measure

Almost a half-century ago, Mollie Orshansky (1965) developed what has become the official poverty measure. Because the measure being used by the President's Council of Economic Advisers at that time had only one threshold for families regardless of size or composition, she felt that it underestimated the extent of poverty among children (Fisher, 1992, and so devised one that did vary by the number of adults and children. This measure is still the official federal poverty measure, updated today only for inflation.

Since its inception, the official federal poverty measure has been widely used in poverty research to track trends and analyze the characteristics of those in poverty (Iceland, 2006). Over Orshansky's objections, however, it also began to be used as a policy tool in government anti-poverty programs to determine eligibility and to allocate government resources to people and communities in need. Gabe (2007) estimates that it is used in 82 federal programs, not counting state or local programs, and most recently it was incorporated in the Affordable Care Act (where it defines the income range for eligibility for subsidized health care premiums.)

At the same time, over the decades, it became the subject of many critiques (Ruggles, 1990; Blank, 2008). The first and major critique was that the "line" (meaning the thresholds) over time has become too low. Even Orshansky herself tried to raise the line a few years later by changing the food multiplier to reflect more recent consumer expenditure data that showed that food had fallen from the 33% of average family expenditures she had used to 28% in the more recent data but this proposal was rejected (Fisher, 1992), leaving the multiplier of food times three unchanged (except for inflation). As a result, the federal poverty measure or poverty line (known commonly as the FPL), gradually fell from 50% of median family/household income in 1965 to 28% by 2009.

Besides being too low, there were other problems as well. First, because the methodology was "frozen", it could not change, even as family demographics and labor force participation patterns changed, as costs increased or new costs emerged (health care, child care, taxes, and so forth) (Ruggles, 1990). Second, the measure had no geographic variation, thus ignoring the very real fact that the cost of living varies substantially by place, and that these differences widened over time. Finally, the measure of resources was narrow, counting only cash income,

underestimating the non-income resources (such as food stamps, Medicaid, or child care assistance) increasingly received by the poor, arguably improving their well-being. By not taking into account such near cash or in kind benefits, resources that have expanded substantially over the last four decades, the impact of these programs could not be shown in terms of reducing the number of poor.

Not just academics and researchers critiqued the poverty measure, but those using it to as a policy tool to determine eligibility or allocate program resources found it was inadequate. Thus programs developed a number of “workarounds”. These included:

1. Using multiples of the federal poverty line, to make up for it being too low. These multiples range from SNAP (food stamps) (using 130% of the federal poverty measure (commonly called the Federal Poverty Line, or FPL, by programs), WIC using 185%, to 200% of the FPL used by the foundation-funded Working Poor Families Project.ⁱ

2. To incorporate geographic differences in prices, federal programs allowed states to use *different* multiples of the FPL in determining eligibility; for example, for the State CHIP (Child Health Insurance Program), with eligibility ranging from 160% (North Dakota) to 400% (New York) of the FPL. That is, it is recognized that the income level at which families are able to both secure the basics (food, housing and still afford to pay market rate for health insurance for their children varies considerably by where one lives.

3. Other programs simply gave up on using the FPL as a measure of need, and to get geographic variation instead used a percentage of state median income (child care in some states) or percentages of area median income (for federal housing assistance, on the assumption that incomes are a proxy measure of variation in local prices).

Nevertheless, these work-arounds were and are crude and at best an awkward approach to measuring or assessing poverty, even in multiples or with geographically-based adjustments. Whether one is qualifying households for assistance, or assessing the extent of “working poverty”, there is a conceptual difficulty in categorizing people as poor, as in need, when their income is well above the poverty line, as happens when using 200%, 300% or even 400% of the poverty measure. Moreover, it requires assumptions, for example, that there is a constant relationship between income levels and cost levels, i.e., that lower income levels means lower costs, and vice versa.

Advocates have also developed other alternatives to the FPL. One example is that of the “housing wage”. Created in 1989 by Cushing Dolbeare, the “housing wage” uses the formula, based on housing assistance policy, that households should not pay more than 30% of their income for housing (DeCrappeo et al, 2010). If the cost of their housing exceeded that percentage, their ability to meet their other needs would be compromised. Although this sounds like the “single cost” approach of the FPL, because it is based on the U.S. Department of Housing and Urban Development (HUD)’s Fair Market Rents (FMRs), it is varied geographically as well as by family size. Usually set at the 40th percentile, the FMRs are calculated for over 400 housing market areas. By determining what percentage of renters cannot afford a modest housing unit without exceeding 30% of their income, this metric determines how many renter

households find housing “Out of Reach”, the title of the report using this metric issued annually by the National Low Income Housing Coalition. Joassart-Marcelli (2005) used the NLIHC as well as variations on the FPL, the SPM, and other approaches to analyze working poverty in southern California.

The Second Measure: National Academy of Sciences (NAS)/Supplemental Poverty Measure (SPM)

These critiques and problems with the FPL culminated in the Congressionally mandated report from the National Academy of Sciences entitled *Measuring Poverty* (Citro and Michael, 1995) which summarized research and made a series of recommendations for revising the federal poverty measure (Focus, 1995). These recommendations were applied by Census Bureau researchers (e.g., Garner and Short, 2008) as “experimental” measures and by others as well (often as the “National Academy of Sciences” measure, e.g., see Mayor’s Office [NYC], 2008). They were also the subject of proposed legislation, the Measuring American Poverty Act of 2009. In 2010, the Obama Administration implemented the “Supplemental Poverty Measure” (SPM) by Executive Order, a revision of the Orshansky measure shaped largely by the recommendations of the National Academy of Sciences 1995 report (Interagency Technical Working Group, 2010). The first official statistics using the new measure and methodology were released in the fall of 2011 (US Census Bureau, 2011).

The Supplemental Poverty Measure (SPM) addresses many of the critiques of the official measure as well as most of the recommendations of the National Academy of Sciences. Rather than being based on a single budget component (food) and assuming an unchanging ratio to other items, as with the current federal poverty measure, it is based on the prices of four “core essentials”: housing, utilities, food and clothing – the essentials for survival (plus a little extra for miscellaneous). These prices are calculated based on expenditures of the modal household at the 33rd percentile, based on a moving average over the last five years (thus smoothing year to year spikes or declines in particular prices). By basing it on expenditures, the SPM will rise (or fall) as living standards rise (or fall), thus making the SPM a relative (rather than absolute) measure, and preventing it from falling further and further behind as has happened with the federal poverty measure. In addition, it is varied by geography in part (for the housing portion of the measure), using area housing prices. And, perhaps most important for policymakers, it uses a broadened resource measure to assess the impact of receiving cash (such as tax credits) and near cash assistance (such as “food stamps”, now called Supplemental Nutrition Assistance Program, or SNAP) that augment cash resources.

The SPM also attempts to assess the impact of other items not anticipated in the original measure, such as health care, as well as “new” or greatly expanded costs associated with employment, including child care, transportation, and taxes. However, rather than being included in the threshold, *actual* expenditures in these areas (except taxes) are deducted from the resource side of the equation. This assumes that the amount of actual expenditure is an accurate indicator of the amount *required* to meet the need. However, less outlay up front on these items may reflect *inadequate resources* rather than less *need*. As a result, this privileges some needs (those in the threshold, such as housing) over others which are not in the

threshold, such as child care. Put another way, employing this approach misses the poverty of those who are able to meet core essentials such as housing but who must forgo health care or child care because of limited resources.

Many have applauded the SPM as having created a more accurate and nuanced measure of poverty. Without question, counting resources more comprehensively, including the value of tax credits, non-cash assistance, and homeownership without a mortgage, and at the same time allowing for the deduction of necessary expenses, results in a more accurate counting of the poor. In addition, one of the most important impacts of the SPM is that it has broken the logjam of two decades of debate, proposals, reports and research by introducing at the federal level an alternative approach to measuring poverty. This has opened up for debate the methodology and measures used to assess poverty.

The SPM, overall, results in a count of the poor that is only slightly above the numbers produced by the official poverty measure. This is not an accident: the original NAS report intended that the initial count of the poor using the NAS/experimental/SPM measure of poverty be at roughly the same level as that of the federal poverty measure for the same year. By doing so, analysis would reveal how the changes in the methodology, such as broadening the resource measure, would change *who* is counted as poor. In addition, setting it at approximately the current level would avoid having to explain how suddenly the number of “poor” increased, opening up the question of whether the resulting sudden increase reflected changed methodology, or a change in the “definition” of poverty.

Given this reality, the SPM does not close the gap that developed over the last half century between what people *mean* by poverty and what is now being *measured*. Indeed, it may be most accurate to describe the SPM (as well as the current FPL) as measuring “deprivation”, not poverty. That is, those who are designated as “in poverty” by the SPM lack sufficient resources to meet the core essentials for survival – food on the table, a roof over one’s head, lights and heat, and clothing on one’s back. However, for most people, being poor means something like “not having enough to make ends meet”, to meet one’s basic needs, and the latter include not just survival needs, but also health care, and the means to earn one’s income – transportation, child care, etc. In short, the NAS/experimental/SPM measure is still “too low”.

The other issue unresolved by the SPM is that, unlike the FPL, it does not yield usable thresholds (or benchmarks) for use in applied settings (such as eligibility determination, program evaluation and resource allocation). The NAS report and subsequent work on the development of the SPM has focused on improving the “macro” measure of poverty that yields a more accurate count of the poor, and data that allows analysis which reveals the extent, characteristics, and trends of poverty. For the practitioner or policymaker however, the desire for an improved “poverty measure” is for a policy tool that can be used to measure whether an individual or household is poor, that is, thresholds. For these policymakers and policymakers, poverty measurement is primarily a “micro” problem as it is about assessing who is poor, or what programs, occupations, or policies move persons above or out of “poverty”.

The SPM addresses the need for a better “macro” measure of poverty, but leaves untouched the need for an improved “micro” measure as wellⁱⁱ. While the SPM does have thresholds, they are not equivalent to the FPL thresholds, for the methodology is different. To measure poverty with the FPL, gross income of the individual or household is compared to the appropriate threshold. With the SPM and related measures, one needs to know not only gross income, but also certain expenditures, housing tenure status, etc., before being able to determine poverty status; thus the SPM thresholds are only an intermediate step in determining poverty status, and thus cannot be used in the same way as the FPL thresholds. In particular, they cannot be used to determine allocation of resources in anti-poverty programs, for one cannot both measure poverty that includes the impact of anti-poverty programs at the same time as determining the need extant in that population.

A Third Measure: Basic Needs Budgets, with a Focus on the Self-Sufficiency Standard

A substantially different approach to addressing the issues raised by critiques of the FPL sought to address its limitations, not by using multiples, surrogates or workarounds, but by starting from scratch and building comprehensive thresholds “from the ground up”. Of course, building budgets based on a list of basic needs, sometimes long and sometimes short, has a long history (Johnson, Rogers & Tan, 2001; Bergman and Renwick, 1993). More recent versions, however, are able to take advantage of the much more extensive data on prices and expenditures not available even two decades ago, and that is moreover, timely, geographically (and where appropriate, age) specific.

The most extensive and developed of these is the Self-Sufficiency Standard. Although there have been other budgets calculated by individuals, organizations (such as the Economic Policy Institute, see www.epi.org) or states, there are more similarities than differences between these budgets, as noted by Bernstein in his early survey of these budgets (based on a conference; see Brocht, Bernstein and Spade-Aguilar, 2000).

The Self-Sufficiency Standard has been in continuous existence for over 16 years, has the most extensive set of thresholds in terms of family types and is the most geographically detailed. Unlike the FPL or the SPM, it was not developed as a measure of poverty, however, but rather as a workforce program performance measure for federal job training programs. At the time, programs were evaluated on the basis of a performance measure of “self-sufficiency” that consisted of the average wage of all participants. This resulted in reinforcing gender and race-based inequities as the higher wages of white males resulted in “creaming” in order to meet program performance thresholds. The Self-Sufficiency Standard was developed as an individualized metric, reflecting what was required for each participant, given his/her household composition and place of residence, to achieve self-sufficiency.

The resulting performance measure, the Self-Sufficiency Standard, thus calculated what was minimally required for households in which all the adults were employed to meet their basic needs, including employment-related costs, such as transportation, taxes, and child care. Unlike earlier budgets that used “experts” to set the minimally adequate level of costs, the Standard is able to use government-determined price minimums, either in terms of standards such as

nutrition (USDA food budgets), or what is deemed adequate for assistance (FMRs for housing; child care subsidy levels for child care costs). When publically determined levels of adequacy are not available, as with transportation, then expenditure data is used. Data is as geographically detailed as possible, as well as age specific as appropriate (child care, food, and health care). Only data that is calculated consistently across time and place is used; as improved data becomes available, e.g., more geographically specific data levels, these are incorporated into the methodology.ⁱⁱⁱ

The extent of the need for a basic needs budget approach can be gauged by the widespread adoption and institutionalization of this approach to poverty measurement. The Self-Sufficiency Standard is found in 37 states and the District of Columbia, and almost all the remaining states have a similar basic needs budget/wage standard (usually simpler, with less extensive detail in terms of family types and/or geography). Originally designed for use as a performance standard in workforce/welfare settings, the Self-Sufficiency Standard is used by these types of agencies to determine eligibility for services and to allocate training and education resources towards occupations/industries that have self-sufficiency level wages. Moreover, the Standard has become the basis for online calculators which help clients (and policymakers) strategize how to combine benefits, training, and work to move towards self-sufficiency while at the same time stabilizing family's housing, child care, food and other basic needs. As an analytic tool in applied settings, the Standard helps guide client choices and at the same time enables the evaluation of various strategies (training, soft skills, transportation, child care and other services) in terms of their anti-poverty effectiveness.

Like other reforms, including Unemployment Insurance and more recently, welfare reform, the use of the Standard and other basic needs budgets has been primarily at the state level. Even without federal recognition or support, it has become institutionalized, in that states, workforce councils at the state or local level, and other public and nonprofit agencies have built into their budgets ongoing updating and applications of the Standard.

How Basic Needs Budgets Challenge Common Understandings of Poverty Rates & Trends

The basic needs budget approach, exemplified by the most extensive of these, the Self-Sufficiency Standard, has found its most widespread use as a policy tool, but like the SPM and the original federal poverty measure (the FPL), it also has begun to be employed as a measure of income adequacy. As such, it reveals trends and disparities that challenge commonly held assumptions about the nature and distribution of poverty in the United States. However, because the term “poverty” is associated with the official federal poverty measure (as well as the SPM), and because both of these measures have become lower and lower relative to American living standards over the last half century, in the minds of many “poverty” has become the equivalent of “deprivation”. For this reason, discussion in this section will use more neutral language, i.e., referring to households with incomes which are adequate versus inadequate, sufficient versus insufficient, or most simply, are above or below the Self-Sufficiency Standard.

Below we present findings based on the Standard, using it as a measure of income adequacy (or poverty). As with the common use of the FPL and the SPM, to do so, we have used datasets from the 2000 Census, CPS or ACS data, coding households with their appropriate Standard, given household composition and place of residence, as well as with the FPL, to provide a comparison. Because the Standard is not intended to apply to households headed by elderly or those with work-limiting disabilities, only households headed by non-disabled adults 18-65 are included. (This paper summarizes data analysis found in individual state level reports, where details of methodology and further findings can be found^{iv}, as well as the basic thresholds themselves; the latter data is publically available at the website, www.selfsufficiencystandard.org.) To anticipate, this analysis will show that:

- (1) Low-income American households are experiencing a largely hidden “crunch” (Bernstein, 2008) as living costs rise faster than not only wages, but faster than official inflation (as measured by the CPI, the Consumer Price Index);
- (2) Taking into account variations in the cost of living across the United States changes the geographical incidence of inadequate income;
- (3) The demographics of the incidence of income inadequacy changes: while the burden of income inadequacy, as with the FPL and SPM, falls disproportionately on people of color and/or households maintained by women alone, this is “working poverty” , with most households with inadequate income having at least one worker, many of them with substantial work effort. .
- (4) The impact of the Great Recession has been much greater in terms of increased income inadequacy than the FPL indicates, and it has fallen disproportionately certain groups, increasing gender and race/ethnic inequality.

#1. The “crunch”: Charts 1 and 2 depict the gap between the Standard as it changes over time, and what the official CPI-updated Standard would be. That is, starting with the first calculation of the Standard, the values of the actual Standard when it is updated are shown, as well as what it would be if updated with the CPI (note that taxes and tax credits have been removed from the SSS here). As can be seen, in all but one of the urban counties (Chart 1) and all but one of the rural counties (Chart 2), over the decade a gap between the increase in actual expenses (the SSS) and the CPI-inflated original Standard has increased, to as much as \$10,000 (King County). This means that on average, the SSS increases 4.78% more than the regional CPI in the urban counties per year, and 4.55% more per year in the rural counties.

Why does the CPI underestimate the increase in living costs? There are several possible explanations: first, prices of basic needs (rent, food, health care) are rising faster than other goods and services included in the CPI (which includes everything) but not the SSS (which only includes only basic needs). As can be seen in Table 1, this is not due to one of these costs, as all basic costs have increased, depending on the state and the time period, so there is not one single cost that is driving the increase in the SSS across these states; the one exception is health care, which is the fastest growing cost (over 5% annually on average), but it is also not the largest budget item, with housing usually being the largest (and/or child care, if there are young

children. Second, the data sources used by the SSS better track living costs than the CPI (Renwick, 1998). Whatever the cause, the Standard documents that the devastating impact of stagnating wages on low-income families is being exacerbated by the hidden costs of prices that are rising faster than wages.

#2. The geographic distribution of inadequate income. Although the Standard is without exception higher than the FPL for all family types/composition and in all places, the ratio varies considerably, reflecting the substantial regional and urban-rural variations in the cost of living.

In Chart 3, the proportion of households with inadequate income (excluding elderly/disabled) is shown for 7 states, and compared with the proportion below the poverty level. As can be seen, the ratio ranges from the number below the Standard being not quite double the proportion below the FPL (1.8) in Mississippi to over three times the FPL percentage (3.3) in California. At the same time, as can be seen here, there is remarkable consistency among five of the states, with about one in five households lacking adequate income for states in the West and Northeast. However, the most striking result is that the rate of income inadequacy is nearly the same for Mississippi as for California. While most poverty analyses place Mississippi among the poorest, if not the poorest of the states, California is not usually seen as equally “poor”. Yet when one “controls” for the actual cost of living, the proportion of households lacking adequate income to minimally meet their basic needs is nearly identical in these two states.

#3. The demographics of inadequate income. In terms of race/ethnicity, as shown in Table 2 we find that rates of poverty/income inadequacy are higher for people of color, particular Hispanics and African Americans. But which measure used makes a difference: using the FPL, we see that the poverty rates of these two groups are very similar, within two percentage points, in four of the states, averaging 18.5% versus 18.8% overall. In contrast, using the Self-Sufficiency Standard, Latino households have rates of income inadequacy that are 8 to 12 percentages higher than African American households in every state except Mississippi. This is likely driven by the fact that Latino households are younger and more likely to have children in them, so that their income is lower but their needs as reflected in their Standards are higher. In addition, the racial gap between whites and nonwhite groups increases with the Standard: the Latino and African American poverty rates across these seven states average about 12 percentage points higher than the white poverty rate of about 6%, but income inadequacy rates, compared to whites, are 21 percentage points higher for African Americans and 31 percentage points higher for Latinos. In sum, almost 4 out of 10 African American, and almost half of Latino non-elderly non-disabled households lack adequate income to meet their basic needs in these seven states.

How much of this is due to lack of workers/inadequate employment? In Table 3, the incidence of poverty (FPL) and income inadequacy (SSS) is shown for households with children by household type (married couple and single father households versus single mother households) and by number of workers and presence of at least one full-time year-round worker. Overall, across all the states shown, almost one-third of households with children lack adequate income. Although having two (or more) workers lowers this rate, at least for married couple and single father households, even having a full-time year-round worker leaves over a third of

these households with inadequate income, and among single mother households, having a full-time year-round worker leaves over half the households on average with inadequate income.

These trends are in spite of the fact that among all households with inadequate income, the vast majority have at least one worker, ranging from 80-85% in each state; moreover, about half of these workers are full time year-round workers (data not shown). Essentially, work effort does not differ substantially between those above and below the Standard. Wages, however, do differ substantially. That is, the burden of income insufficiency has shifted to those in the workforce, many full time and/or with more than one job. Thus, using a measure like the Self-Sufficiency Standard challenges the analyst to examine much more systematically the issue of wage rates and earnings play in explaining poverty/income inadequacy, that is, a more structural analysis (Cauthen and Hsien-Hen, 2003).

4. The Impact of the Great Recession: all of the above data on the incidence of income inadequacy has used datasets from 2007 or before, and thus do not reflect the impact of the Great Recession. However, a study using 2010 ACS data has just been completed for Pennsylvania. Two findings from this study stand out:

First, while the poverty rate increased less than 2% between 2007 (pre-recession) and 2010 (in the midst of the recession), the rate of income inadequacy increased substantially more, almost five percentage points (See Chart 4).

Second, the burden of increased income inadequacy from the Great Recession has fallen disproportionately on people of color and single mother families. While all race and demographic groups experienced increases in the proportions below the Standard, these groups' rates increased the most. Thus while white households' rate of income inadequacy (percentage with income below the SSS) increased from 17% before the Great Recession to 21% in 2010, during the recession, African American families' rate increased from 41% to 48%, and Latino families increased from 50% to 55%. Similarly, among married couple households with children, income inadequacy rates increased from 19% to 24%, compared to an increase of 58% to 65% among single mother households (See Chart 5).

Thus one legacy of the Great Recession appears to be a widening of race/ethnic and gender inequality.

Conclusion

This paper reviewed three approaches to measuring poverty and income inadequacy in America. The first of these, the federal poverty measure developed by Orshansky a half century ago, was an enormous improvement for the time, but had no geographical variation and was "frozen" in its methodology. Critiques led to an NAS study, whose recommendations were eventually implemented as the SPM, which corrects some of the problems with the FPL, but was pegged to the same, now too low a level, so that it can be more accurately described as a measure of deprivation.

The third type of measure discussed is the basic needs budget approach, exemplified by the Self-Sufficiency Standard. To illustrate the impact this has on the understanding of who is poor and why, data was presented from seven state-level case studies which contrast the FPL and the SSS. These studies reveal that about one in five (non-elderly, non-disabled) households have inadequate income in five of the states in the Northeast and West, while about one in three households in both Mississippi and California lack adequate income, a very different geographical distribution of income inadequacy/poverty than that shown by the federal poverty measure. Not surprisingly, people of color, particularly African American and Latino households, have higher rates of income inadequacy, as do single mother households, but the levels are quite high, often reaching more than half of these groups.

Most important, there is a high level of work effort among these households, with at least four out of five households having at least one adult employed, with about half of these working full time year round. What distinguishes households below compared to above the Standard is not work effort, but wages, with those below experiencing wages that are about a third to less than half of those above the Standard, depending upon the state.

Chart 1

Annual Difference Between the Actual Self-Sufficiency Standard and the CPI-Updated Standard Over Time, 1999-2012.
 Select Metropolitan Areas

Two Adults, One Preschooler, and One School-age Child

DIFFERENCE BETWEEN THE ACTUAL SSS AND THE CPI-UPDATED SSS

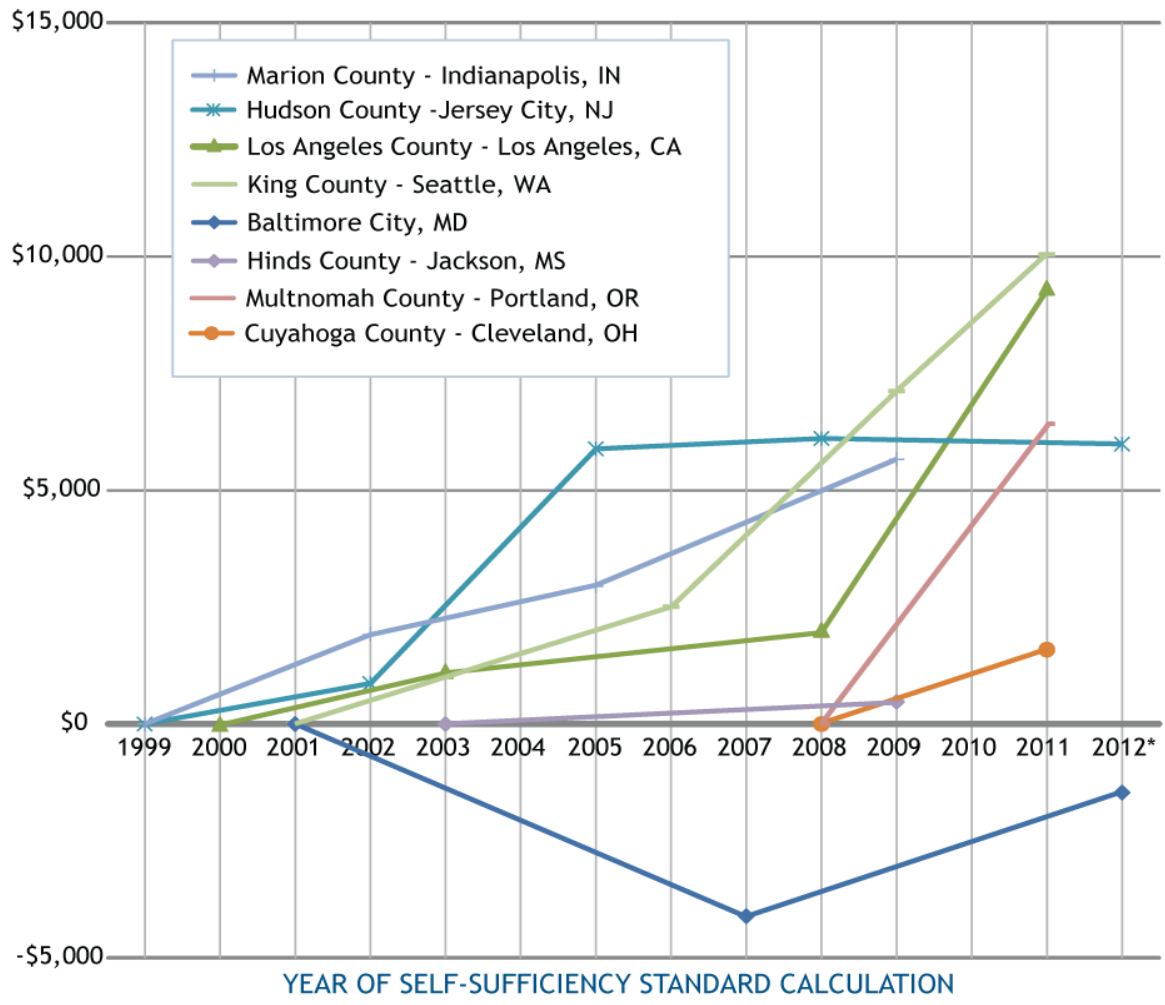


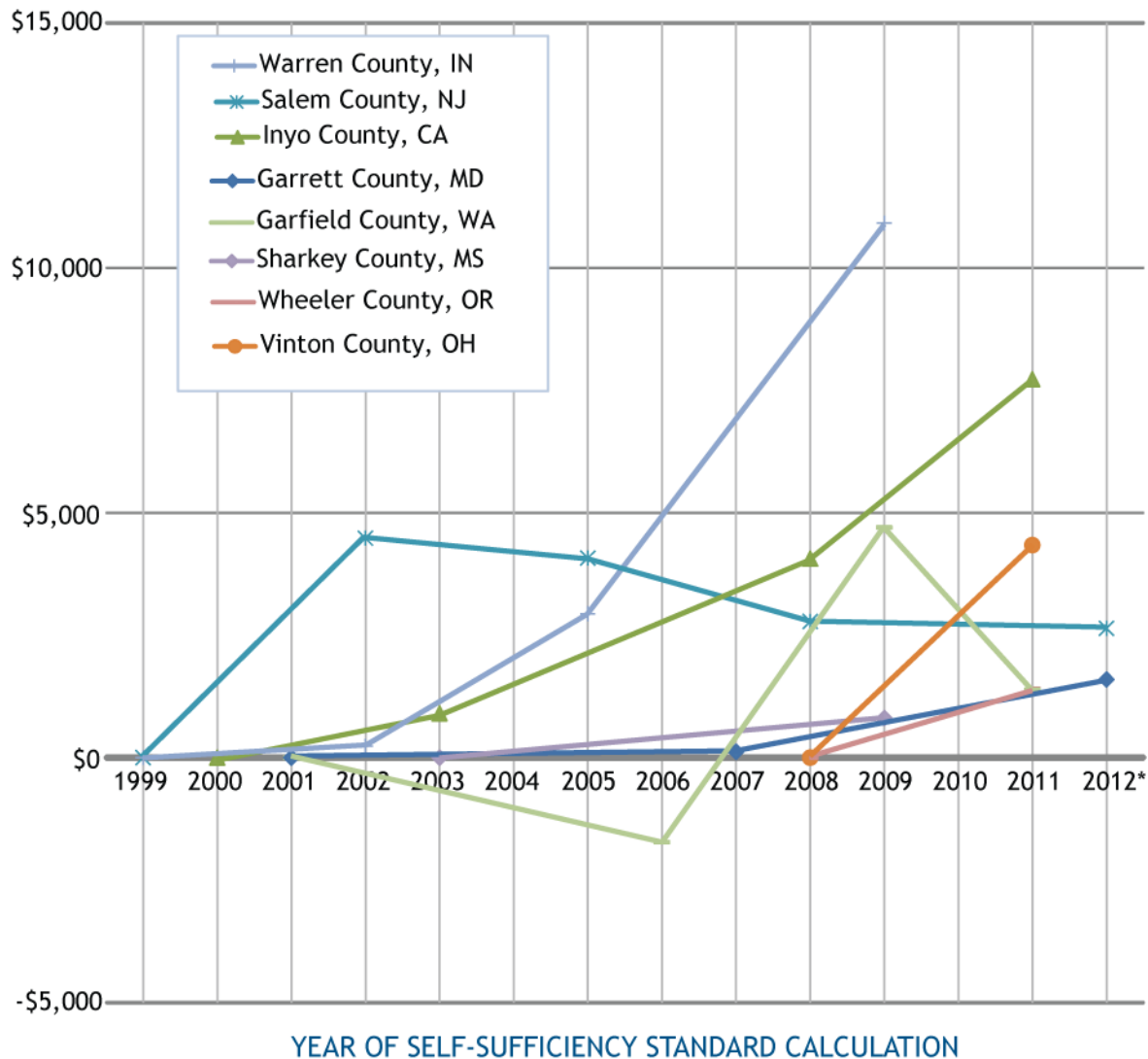
Chart 2.

Annual Difference Between the Actual Self-Sufficiency Standard and the CPI-Updated Standard Over Time, 1999-2012.

Select Non-Metropolitan Areas

Two Adults, One Preschooler, and One School-age Child

DIFFERENCE BETWEEN THE ACTUAL SSS AND THE CPI-UPDATED SSS



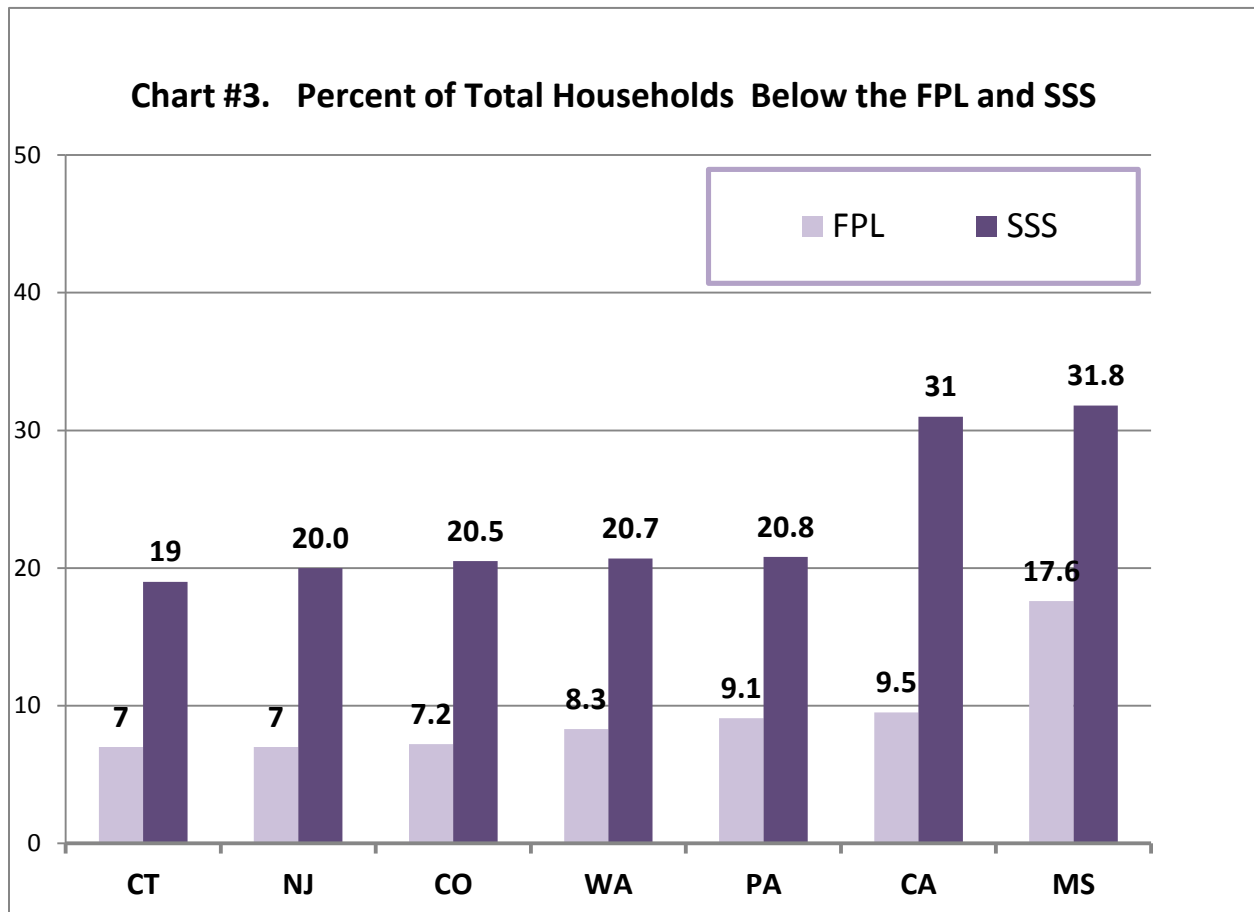


Chart 4. Impact of Great Recession on Poverty Rate versus Self-Sufficiency Standard Rate, Pennsylvania 2007 and 2010



Chart 5. Impact of Great Recession on Poverty Rate versus Self-Sufficiency Standard Rate, Pennsylvania 2007 and 2010, by Race/Ethnicity

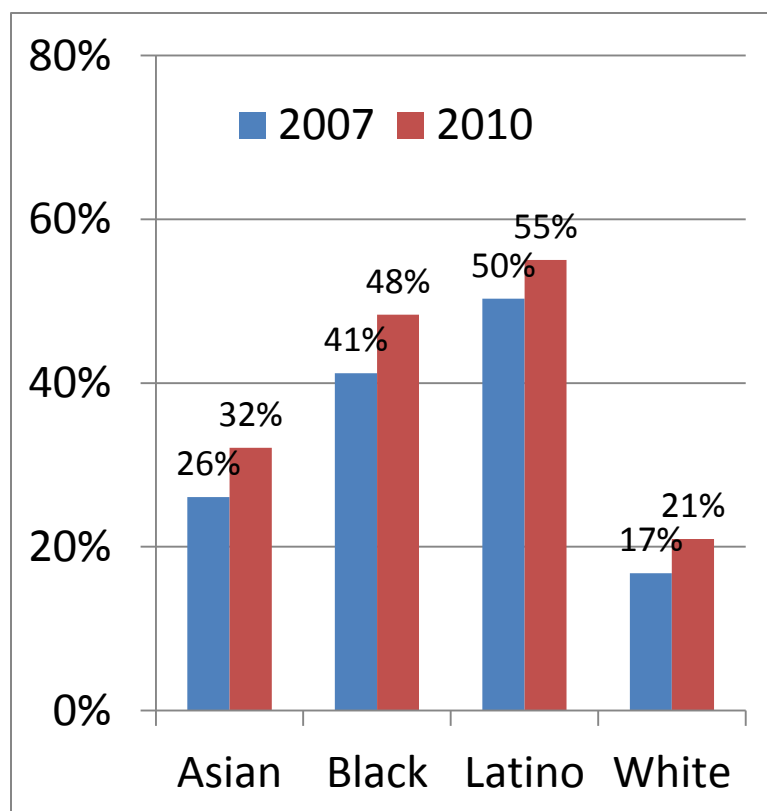


Table 1. Average Annual Percentage Difference of Median of Basic Needs between Standards at Point #1 and Point #2, by metro and non-metro counties across all family types.

		HOUSING	CHILD CARE	FOOD	TRANSPOR TATION	HEALTH CARE	MISC	TAXES	TAX CREDITS
		MED	MED	MED	MED	MED	MED	MED	MED
California (2003-2008)	Metro	4.1%	3.6%	9.2%	0.9%	6.6%	4.8%	9.4%	0.0%
	Non-metro	6.9%	6.1%	6.7%	0.8%	7.3%	6.0%	14.1%	-0.1%
Illinois (2000-2010)	Metro	1.7%	4.0%	2.7%	1.3%	4.6%	2.9%	0.8%	8.1%
	Non-metro	3.8%	2.5%	2.7%	1.4%	4.5%	2.9%	0.1%	10.2%
Montana (2002-2008)	Metro	2.7%	5.7%	5.2%	2.1%	0.8%	3.6%	-0.5%	8.7%
	Non-metro	4.3%	4.5%	4.7%	3.7%	0.8%	3.7%	-0.7%	11.2%
New York (2000-2010)	Metro	3.8%	4.6%	4.5%	4.1%	4.7%	4.2%	3.4%	10.3%
	Non-metro	4.8%	5.0%	4.5%	4.0%	4.6%	4.6%	4.1%	10.3%
Oklahoma (2002-2009)	Metro	1.4%	3.2%	2.7%	2.1%	4.9%	2.7%	-2.4%	13.3%
	Non-metro	5.4%	3.2%	2.8%	3.0%	5.2%	4.0%	-0.7%	12.7%
Pennsylvania (2008-2010)	Metro	3.0%	3.0%	4.1%	4.7%	8.7%	4.3%	4.3%	9.5%
	Non-metro	3.0%	4.0%	4.2%	4.8%	9.2%	4.5%	5.1%	9.5%
Average Metro		2.8%	4.0%	4.7%	2.5%	5.1%	3.8%	2.5%	8.3%
Average Non-Metro		4.7%	4.2%	4.3%	3.0%	5.3%	4.3%	3.7%	9.0%

Table 2. Percent of Households Below the FPL and SSS in Select States by Race-Ethnicity

	California		Colorado		Connecticut		Mississippi		New Jersey		Pennsylvania	
	FPL	SSS	FPL	SSS	FPL	SSS	FPL	SSS	FPL	SSS	FPL	SSS
Total Households	9.5	31.0	7.2	20.5	6.9	19.0	17.6	31.8	6.8	20.4	9.1	20.8
Asian & Pacific Islander	8.7	26.0	9.6	27.1	11.3	26.3	18.6	39.1	5.6	17.4	12.4	26.1
African-American/Black	16.0	39.2	14.5	34.2	16.4	38.8	30.2	49.0	14.6	34.0	22.8	41.2
Latino/Hispanic	14.5	51.9	16.6	42.7	23.3	50.5	20.6	48.2	13.1	41.5	24.0	50.3
White	5.8	18.4	5.3	16.1	4.1	13.6	10.3	21.3	3.9	12.9	6.6	16.8
Native American			13.1	32.9	9.1	26.8						
Other							12.1	29.7	7	34		
Data Source:	ACS 2007		Census 2000		Census 2000		ACS 2007		ACS 2005		ACS 2007	

Table 3. Percent of Households Below the FPL and SSS in Select States by Household Type and Number of Workers

	California		Colorado		Connecticut		Mississippi		New Jersey		Pennsylvania		Washington		Total	
	FPL	SSS	FPL	SSS	FPL	SSS	FPL	SSS	FPL	SSS	FPL	SSS	FPL	SSS	FPL	SSS
Total Households	9.5	31.0	7.2	20.5	6.9	19.0	17.6	31.8	6.8	20.4	9.1	20.8	8.3	20.7	9.3	23.5
Households with Children	12.1	42.8	8.2	29.2	7.8	27.4	22.2	38.3	8.0	27.4	11.0	29.1	9.5	28.9	11.3	31.9
Married Couple and Single Father Households	8.2	37.1	5.3	23.9	3.5	19.3	10.3	24.3	3.3	17.9	5.0	20.5	6.2	23.6	6.0	23.8
<i>Two or more workers</i>	3.5	29.7	1.8	16.7	1.0	13.1	4.7	15.9	1.9	12.9	2.2	13.9	2.5	16.1	2.5	16.9
<i>One FTYR worker</i>	12.5	49.7	5.4	32.5	2.5	28.9	16.3	39.9	3.1	27.8	6.1	34.0	4.8	30.9	7.2	34.8
Single Mother Households	26.5	63.5	22	54.1	24.4	58.9	46.8	67.8	23.9	57.3	31.1	58.1	24.2	52.0	28.4	58.8
<i>Two or more workers</i>	10.3	50.0	5.5	32.5	7.1	35.6	21.7	45.8	4.8	36.8	9.2	32.3	5.9	31.2	9.2	37.7
<i>One FTYR worker</i>	14.9	58.3	7.5	47.6	6.3	51.0	31.4	60.0	13.4	54.7	14.5	54.5	6.3	38.6	13.5	52.1
Data Source:	ACS 2007	Census 2000	Census 2000	Census 2000	ACS 2007	ACS 2005	ACS 2007	ACS 2007	Census 2000							

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ⁱ Funded by Casey, Charles Stewart Mott, Joyce, and Ford foundations, see <http://www.workingpoorfamilies.org/about.html>. For description of indicators used, see http://www.workingpoorfamilies.org/pdfs/Framework_of_Indicators.pdf

ⁱⁱ This is not an accident, but rather reflects the perspective of those who conducted the NAS studies and wrote the report and subsequent papers. Indeed, Rebecca Blank (personal communication) has stated that thresholds were not of concern to her or the committees, and that the focus is on getting an accurate count/measure of the poor.

ⁱⁱⁱ Details of methodology and data sources can be found in the reports for each state, available at www.selfsufficiencystandard.org.

^{iv} Most reports are entitled “Overlooked and Undercounted...” and all can be found at www.selfsufficiencystandard.org; Pearce, 2007a [CO]; Pearce, 2007b [WA]; Pearce, 2007c [CT], Pearce; 2008 [NJ]; Pearce, 2009a [PA]; Pearce, 2009b [MS], Pearce, 2009b [CA].