Experimental Modern Poverty Measures 2007

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Introduction

In 1995, the National Academy of Sciences (NAS) Panel on Poverty and Family Assistance, under the auspices of the Committee on National Statistics (CNSTAT), published a report, *Measuring Poverty, A New Approach* (Citro and Michael, 1995). This expert panel argued that the official U.S. poverty measure is outdated given the changes in U.S. society and in government policies (Citro and Michael, 1995; also see Ruggles, 1990). They noted that the current measure does not account for the increased labor force participation of mothers and working families, nor does it account for changes in health care costs and needs.

The experimental poverty measure presented in this study is based on spending needs; these needs are defined in terms of out-of-pocket expenditures using the U.S. Consumer Expenditures Survey data (CE). Out-of-pocket expenditures differ from the expenditures regularly published by the Bureau of Labor Statistics in that additional expenditures are counted, such as, payments to reduce one's mortgages principal (for details, see Rogers and Gray, 1994). The resource measure used here is after-tax money income plus near-cash benefits that are available to meet spending needs using the Current Population Survey Annual Social and Economic Supplement (ASEC)[1].

Experimental poverty measures

Since the NAS panel's report was released, research has been conducted on the experimental measures that they recommended. Much of this work has been conducted at the Bureau of the Census and Bureau of Labor Statistics (e.g., Garner et al., 1998, Johnson et al., 1997, Short et al., 1998). The current paper builds on this previous work, taking into account the concerns of the research and policy communities regarding the desirable properties of a poverty measure. Properties deemed desirable by the panel include: consistency in construction, statistical defensibility, understandability, broad acceptance by the public, and operational feasibility (Citro and Michael, 1995, p. 4).

The Census Bureau has published two reports that presented an initial implementation of the recommended measures (Short, 2001, Short et al., 1999). After the first report there were improvements to the methods and new data available that were included in the second report. Changes were made to valuation procedures, though in general, the conceptual framework was unchanged. One additional method was included for the valuation of medical out-of-pocket expenses (MOOP) that added medical expenditures to the threshold. Measures from this second report have been produced on an annual basis since that time.

Census Bureau and BLS research

Following the release of these reports, the Census Bureau continued to calculate and make these measures available either in reports or on the internet. In the meanwhile, additional work continued on various aspects of the NAS measure. One of the more difficult areas had to do with housing issues, in particular taking account of the fact that some households pay below market rent for their housing, such as valuing housing subsidies or valuing net rental income of homeowners (Garner and Short , 2009). In addition to taking account of homeownership, another issue raised was whether or not the thresholds should include payments made on mortgage

[1] [1] The data in this paper are from the Annual Social and Economic Supplement to the March 2008 Current Population Survey, and the estimates in it are based on responses from a sample population and may differ from actual values because of sampling variability or other factors. Further information about the source and accuracy of the estimates is available at http://www.census.gov/apsd/techdoc/cps/cpsmar08.pdf

principal that had not been included in previous reports and calculations. Thresholds have been calculated based on the concepts of consumption expenditure in the CE, where payments on mortgage principal are treated as savings, not consumption. If the thresholds are to represent out-of-pocket necessary expenses then payments on mortgage principal are to be included (Garner and Short, 2008).

Other work dealt with the area of medical out of pocket costs, specifically how to account for these necessary expenditures in a poverty measure. The second experimental report had presented two approaches, subtracting MOOP from income, which was presented in a measure designated as MSI (MOOP subtracted from income), and the second added MOOP to the thresholds, referred to as MIT (MOOP in thresholds). Comparisons of these two methods showed important differences in resulting estimates. Garner and Short examined these issues in a Monthly Labor Review article in 2002.

Most recently, O'Donnell revised the MOOP methods, Short revised the unit of analysis and the child care model, Renwick revised the geographic adjustments, and Garner revised the threshold calculations. Also, new questions have been introduced in the surveys for improving experimental poverty measures. Questions have been temporarily included in ASEC for 2010 that collect information on child care expenses, medical out of pocket expenses, child support paid, and presence of mortgage.

Outside developments

In June of 2009, the house bill, HR2909, was introduced followed by S1625 in the Senate in August to provide for an improved method to measure poverty. This legislation describes a measure conceptually similar to the NAS recommendation. Differences from Census Bureau measures included a new unit of analysis that could go beyond family and include other unrelated individuals living together as appropriate. The measure would include an accounting for homeownership that used two thresholds; one for renters and owners with mortgages and a second for owners without a mortgage and therefore paid less then market rent for their housing services.

NAS measures are now calculated by local areas that became interested in new measures for their jurisdictions. New York city, responding to an interest in measuring the effects of anti-poverty policy in a meaningful way, began to develop a NAS measure. They developed their own measure using the American Community Survey (ACS) and added information to the measure from the city's records on programs. Other areas devising their own poverty measures are the states of Minnesota, Wisconsin, Connecticut, New York, and the city of Philadelphia.

Moving forward

This paper attempts to respond to the measure described in the Modern American Poverty Act (MAPA). While conceptually the same measure as recommended by the NAS and calculated by the Census Bureau, some measurement methods require improvements, changes, or merely updating of those described in the second experimental report. In general, the approach taken here is to develop a measure that consists of many parts that would be regularly updated with the most current data available. This paper illustrates some of those new developments.

In addition, the Census Bureau is planning to include new questions in the ASEC that would directly collect information on some of the elements in the experimental poverty measure. The proposed questions include information about home ownership, such as value of home and presence of mortgage, amounts spent on childcare while parents work, amounts spent for child support by non-custodial parents, and amounts spent out-of-pocket for medical care including insurance premiums paid.

Thresholds The thresholds used here differ from previously released thresholds in some important ways. One is regarding the unit of analysis. Where available, we will use thresholds calculated for consumer units, whereas previous work only included families in the calculations. Consumer units are comprised of families, cohabiting couples, and individuals who indicate sharing expenses with one another. All previous thresholds have only been calculated for families. Also, these thresholds include principal payments on mortgages, whereas previous work did not, as noted above. Finally, to address the measurement issues about housing, following suggestions in the MAPA, two separate thresholds will be used, one for homeowners with mortgages and renters, and another for those who pay below market rent, such as homeowners who own their homes free and clear. The threshold, based on spending for food, clothing, and shelter, used for 2007 Census Bureau figures was $23,465. Including principal payments increases the threshold to $25,804. A similar threshold for consumer units rather than family units is $25,179. Thresholds calculated for renters and owners with mortgages only is $26,732, while a threshold for owners with no mortgage and renters with below market rent is $14,833 (Garner, 2009). These thresholds are based on consumer units at the 33rd percentile, rather than the median, and adjusted to 2007 dollars using the quarterly Consumer Price Index.

Resources The measure of resources also differs from those described in the second report. In the measures presented here the unit of analysis includes cohabiting couples with families and unrelated individuals under the age of 15 in the family with which they reside. The methods for valuing child care and MOOP expenses are changed to provide a method that is regularly updated with the most recent data, whether that is based on direct responses to new questions or on new data as inputs to imputation methods.

Unit of Analysis New questions in the ASEC allow us to form units of individuals who identify themselves to be in 'special' relationships with certain individuals to whom they are not related. Including these individuals in the unit of analysis for poverty measurement requires the assumption that individuals identified as 'boyfriend/girlfriend or partner' and who reside in the household with the respondent, share their income and economic resources. Relatives of cohabiting partners residing in the household are also included, if they can be identified. For example, an elderly parent of a cohabiting partner, if a parent pointer is set, will be included with the partner in the new poverty group unit. Further, unrelated individuals below the age of 15, many of whom are foster children, are included in these poverty units. The official measure excludes these individuals from the universe prior to calculating poverty status. In the following, these individuals are grouped together for purposes of sharing resources, both on the income side and for purposes of capturing needs and economies of scale in the threshold.

Childcare The Census Bureau has been publishing experimental poverty measures following the NAS report was released in 1995. Over that time, several approaches have been used to value childcare expenses for those households with children. Following the release of NAS report, questions were added to the ASEC about whether or not parents paid for childcare while they worked. Amounts paid were not collected.

The current approach to these valuations is described in Short (2001). That report employed the 1993 Survey of Income and Program Participation (SIPP) childcare module to model childcare expenses for those parents who reported paying for childcare. In addition to modeling childcare amounts, the NAS report recommended capping the amount subtracted from income, when combined with other work related expenses, so that these do not exceed reported earnings of the lowest earner in the family. This capping procedure is not considered explicitly here.[2]

Proposed questions for the ASEC include asking about amounts paid for childcare along with the questions about whether or not parents paid for care. If these data are of sufficient quality then these direct responses will be used to calculate childcare expenses paid. The method employed

[2] Some analysts have suggested that this cap may be inappropriate in certain cases, such as if the parent is in school, looking for work, or receiving types of compensation other than earnings.

here shows what we might expect from the new ASEC questions by replicating, as closely as possible, the reported distribution of childcare expenses from the SIPP.

This paper uses SIPP data for 2005, the most recent data available. These data were collected in wave 4 of the 2004 panel, administered between February 2005 and May 2005. The SIPP asks about childcare arrangements and expenses for children in a household where the designated parent or guardian is working, owns a business, or is going to school, or a combination of all three. We use these data, based at the level of reporting parents, to estimate a model of weekly childcare expenses. Then we use the predicted values in both the SIPP and the ASEC to perform a statistical match, assigning the actual reported expenses once the match is made. This process more closely replicates the distribution of childcare expenses reported in the SIPP than earlier methods. Table 1 shows descriptive statistics of the variables used in the model, Table 2 shows the estimated model in current use and the updated model estimates. Figure 1 shows the density of reported weekly child care expense and the density of predicted expenses in the SIPP, while Figure 2 shows the densities of amounts reported in SIPP and matched in the ASEC. The mean and aggregate value of predictions, and the mean and aggregate values of matched amounts are in Table 5.

MOOP A similar exercise for medical expenses shows what we might expect from new ASEC questions by statistical match to SIPP that replicates the reported distribution. Following O'Donnell (2009) we model medical out of pocket expenses using the SIPP 2004 panel data on utilization of health care, again performing a predicted mean match to assign medical expenses to the ASEC. Tables 3 and 4 show descriptive statistics and the estimated model used in the match. Figure 3 shows the densities of reported and predicted MOOP using SIPP. Figure 4 shows the density of reported values in SIPP and the matched valued in the ASEC. Table 5 shows the mean and aggregate values of the predicted expenses, and the mean and aggregate values of the assigned expenses after the match. In these calculations it is assumed that the responses to questions in the SIPP about expenditures on health insurance premiums do not include reporting of Medicare Part B premiums. Given this assumption, we add the standard premium amounts, $93.50 per month in 2007, to the MOOP of elderly individuals who are not covered by Medicaid.

Housing As described above, one important issue in developing an experimental poverty measure is treating housing appropriately. The major challenge is to treat those who pay market rent or equivalent and those who pay below market rent for housing services in an equivalent way. This issue was addressed in the NAS report, in later research, by the MAPA, and groups developing local measures. Following the approach described in the MAPA, this paper assigns two thresholds; one for those who rent or own with a mortgage, and another that applies to those who pay below market rent. This approach assumes that out-of-pocket expenses for renters and homeowners with mortgages are the same, and that out-of pocket expenses paid by homeowners without mortgages are all the same amount. Except that, in both cases the thresholds are adjusted for geographic differences in housing costs as described in Short, 1999.

An issue for consideration is the assignment of households living in subsidized housing. There are two possible treatments. If we use the below market rent thresholds for subsidized renters, we are taking account of their lower out-of-pocket housing needs in the thresholds. However, this implicitly assumes that all subsidized renters have the same out-of-pocket costs as homeowners without mortgages, but vary by geographic adjustments. We also assign the same subsidy to all subsidized renters in the same geographic area.

If we assign them the *renter/owner with mortgage* threshold, we are assuming that this threshold represents 'market rent' for these renters. In this case, we would include a value for housing subsidies in income to account for the fact that they received a benefit to help them pay the market rent (see Renwick, 2010 for updated methods to value housing subsidies). These are important simplifying assumptions that should be examined for validity.

In-kind benefits All of the in-kind benefits, as well as taxes, that are included in the experimental measures shown here differ from earlier family benefits because of the new unit. So average

values of family food stamp benefits, for example, will be larger, as more individuals are brought together to share these resources. All values are made at the family or individual level, as before, and then aggregated across the families and individuals combined into the new unit. One additional program benefit that is included that has not been valued before is Supplementary Nutrition Program for Women, Infants, and Children (WIC).

Child support paid One final issue is that of child support that is paid for children residing elsewhere. Previous estimates have not taken account of this amount that would be considered as a necessary expense. New questions have been added to the ASEC to ascertain whether or not respondents pay child support and the amounts they pay. Without these data it is difficult to impute amounts, particularly to determine who pays child support. Earlier work by Short (2003) used data from the 1996 SIPP panel to calculate experimental poverty measures and subtracted reported amounts of child support paid from income. For that year 3.2 percent families or individuals paid child support and the mean amount paid was $4,929. Subtracting these payments from income, holding all else constant, changed the poverty rate from 12.8 to 12.9 percent.

Results

Table 6 shows the mean and aggregate values of additions and subtractions on the resource side for two measures. One based on the methods used in current Census Bureau releases and the second includes the methods described here. The first two columns show the percentage of families, or poverty units, that received a benefit or spent an amount. Aggregate values are shown for all units combined, for those units classified as poor, and for units classified as near poor using the official measure. The table also shows the percent of the official poor receiving benefits and paying expenses and the average amounts they pay, compared with the overall population.

The final table shows poverty rates for four different measures and for select groups. The four measures are the official poverty measure, the measure released by the Census Bureau referred to as MSI, and two new measures. The first new measure is an updated MSI measure that incorporates new thresholds, new unit of analysis, and new MOOP and childcare expense imputations. The second new measure is the same, but uses two thresholds based on housing status as described above. In this measure, subsidized renters are assigned the same threshold as homeowners without mortgages and, therefore, no subsidy is added to income for them.

In general, poverty rates are higher with the new methods that increase the amounts subtracted from income for MOOP and for childcare. Also, the thresholds are higher as they include payments for mortgage principal. Differences between the two new measures reflect the effect of taking account of the lower need for housing on the part of those who pay below market rent for their housing in the threshold. In this measure no amount is added to income valuing a subsidy received. Since this threshold is also assigned to those who own there home free and clear, particularly true for the elderly, their poverty rates fall considerably in the second measure.

Discussion

This paper presented some new developments in the experimental poverty measure series prepared by the Census Bureau. The developments respond to drafted legislation aimed at improving the official poverty measure. The main areas addressed include the unit of analysis and imputations for necessary expenditures to be subtracted from income. The unit of analysis changes from the Census defined family to include cohabiting couples and young unrelated children previously excluded from the universe for the calculation of poverty statistics. Methods to impute medical out-of-pocket spending and spending for childcare, have been updated with more recent data than were previously used.

Efforts were made to use a consistently defined threshold with the concept of the unit of analysis and the concept of out-of-pocket spending on basic goods. Thus, mortgage principal payments were included in the

threshold. Responding to the proposed legislation, two thresholds were employed based on housing tenure and presence of mortgage or housing subsidy.

Estimates of poverty rates incorporating these changes were presented and compared to previously released poverty rates. In general, updated estimates of out-of-pocket spending were higher than earlier imputed values and poverty thresholds that included principal payments for mortgages were higher than previously employed thresholds. These developments resulted in higher poverty rates overall than those using older methods. Using thresholds based on housing status produced lower poverty rates for some groups, particularly the elderly.

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Table 1: Descriptive statistics for parents with children who paid for child care

	SIPP 2005		ASEC 2007	
	Mean	**Std dev**	**Mean**	**Std dev**
Children 0-2	0.385	0.726	0.403	0.754
Children 3-5	0.416	0.742	0.493	0.793
Children 6-11	0.679	0.966	0.720	1.011
Children 12-15	0.221	0.616	0.216	0.632
ln family income	8.437	1.320	9.800	1.080
Mother's earnings share	0.572	0.415	0.536	0.385
Age	34.953	10.250	36.352	0.745
Age2 (/100)	12.813	7.558	13.921	8.769
Married	0.674	0.622	0.666	0.618
Avg. hours	35.124	17.093	38.188	12.991
Avg. hours2 (/100)	13.996	9.582	15.568	10.319
Urban residence	0.855	0.468	0.842	0.477
Suburb	0.576	0.656	0.525	0.654
Some college	0.398	0.650	0.320	0.611
College	0.236	0.564	0.245	0.563
Advanced degree	0.116	0.426	0.036	0.243
Subsidy	0.054	0.299	0.054	0.296
Extra adult	0.158	0.484	0.107	0.405
Midwest	0.229	0.557	0.249	0.566
South	0.349	0.633	0.370	0.632
West	0.244	0.570	0.213	0.536
Ln child care expenses	4.143	1.494	4.620	0.732

The unit of anaylsis in the SIPP is designated parent. The unit used for the ASEC is poverty group unit. There may be more than one designated parent in a primary family or poverty group unit in ASEC. Standard deviations incorporate a sample design effect of 2.3 for the SIPP and 1.4 for the ASEC.

Table 2. Estimated Coefficients of Model of Family Expenditures on Childcare

	2005 All Parents		
	Coefficient		**std error**
Intercept	1.67	***	0.611
Children 0-2	0.75	***	0.042
Children 3-5	0.58	***	0.039
Children 6-11	0.23	***	0.034
Children 12-15	-0.02		0.053
Midwest	-0.15	***	0.071
South	-0.16	***	0.070
West	-0.05		0.073
ln family income	0.20	***	0.034
Avg. hours	-0.02		0.007
Avg. hours2 (/100)	0.04	***	0.012
Some college	0.05		0.057
College	0.20	***	0.066
Urban residence	0.32	***	0.076
Suburb	0.05		0.050
Age	0.01		0.030
Age2 (/100)	-0.02		0.042
Advanced degree	0.32	***	0.075
Mother's earnings share all income	-0.19		0.185
Extra adult	-0.21	***	0.076
Subsidy	-0.83	***	0.146
Interaction w/ married			
Avg. hours	0.02	**	0.009
Avg. hours2 (/100)	-0.03	*	0.016
Mother's earnings share all income	0.50	**	0.217
Subsidy	0.47	*	0.276
Root MSE	0.97		
R2	0.26		
Observations	2810		

Note: Estimates based on observations 4th wave of 2004 panel of the SIPP

Natural logarithms specification of dependent variable., estimated with Proc Surveyreg.

* Significant at .10 level.** Significant at .05 level. ***Significant at .01 level.

Table 3: Descriptive statistics for families medical out of pocket spending

	SIPP 2005		ASEC 2007	
	Mean	**Std dev**	**Mean**	**Std dev**
Private insurance	0.775	0.718	0.713	0.667
Public insurance	0.128	0.574	0.169	0.552
Elderly	0.216	0.707	0.216	0.607
Excellent health	0.218	0.710	0.202	0.592
Income lt 1.5 poverty	0.244	0.738	0.238	0.628
Single person	0.384	0.836	0.397	0.721
More than 3 in family	0.214	0.705	0.196	0.586
Midwest	0.225	0.717	0.223	0.614
South	0.290	0.780	0.365	0.710
West	0.210	0.700	0.230	0.620
Urban residence	0.827	0.651	0.839	0.542
ln family income	9.472	3.620	9.640	2.709
Own home	0.654	0.818	0.651	0.703
College	0.171	0.647	0.189	0.577
Advanced degree	0.092	0.497	0.027	0.240
Ln MOOP	5.809	5.369	5.613	2.466

The unit of anaylsis in the SIPP is census family. The unit used for the CPS ASEC is poverty group unit that includes cohabitors and unrelated individuals under age 15. Totals for the unit are the sum across combined families and UIs. Standard deviations incorporate a sample design effect of 2.3 for the SIPP and 1.4 for the ASEC.

Table 4. Estimated Coefficients of Model of Family Expenditures on MOOP

	Coefficient		std error
Intercept	2.85	***	0.152
Private insurance	2.15	***	0.076
Public insurance	-0.54	***	0.083
Elderly	0.43	***	0.042
Excellent health	0.43	***	0.044
Income lt 1.5 poverty	-0.60	***	0.057
Single person	-0.83	***	0.038
More than 3 in family	0.26	***	0.039
Midwest	0.24	**	0.084
South	0.00		0.087
West	-0.12		0.087
Urban residence	0.03		0.095
ln family income	0.10	***	0.011
Own home	0.72	***	0.043
College	0.38	***	0.044
Advanced degree	0.38	***	0.053
Root MSE	2.6463		
R2	0.2823		
Observations	40385		

Note: Estimates based on observations 4th wave of 2004 panel of the SIPP

Natural logarithms specification of dependent variable., estimated with Proc Surveyreg in SAS.

* Significant at .10 level.** Significant at .05 level. ***Significant at .01 level.

Table 5: Means and aggregates of estimates

	Means ($)	se	Aggregates (bil$)	se
Childcare expenses				
SIPP 2004 topical module				
Reported (annualized * 46 weeks)	4,876	101.80	41.0	1.16
Predicted	3,483	46.20	29.2	0.79
Reported in 2007$	5,362	112.00	45.6	1.27
CPS 2007				
Predicted	4,498	41.80	33.2	0.62
Matched*	6,053	105.40	44.5	0.51
MOOP				
SIPP 2004 topical module				
Reported	3,101	73.14	317.4	7.56
Predicted	743	2.85	94.0	0.35
Reported + Part B in 2007$	3,535	75.54	371.2	8.03
CPS 2007				
Predicted	653	2.20	85.1	0.32
Matched	3,037	54.00	299.6	5.41
Matched + Part B*	3,489	54.20	364.0	5.73

Means are for those with positive values.
* unit includes cohabitors and UIs under 15.

Table 6: Noncash Benefits and Necessary Expenses of Poverty Units in the CPS: 2007
nominal dollars

	% paid/received				mean amount ($)				aggregate (bil$)					
	all	se	poor	se	all	se	poor	se	all	se	poor	se	near poor	
MOOP	85.3	0.2	65.2	0.5	3,489	54.2	1,715	50.8	364.5	5.73	18.1	0.59	9.2	0.42
Food Stamps	6.3	0.1	30.2	0.5	2,192	31.9	2,501	39.0	16.9	0.42	12.2	0.35	1.7	0.10
School lunch	18.4	0.2	25.1	0.5	344	3.5	718	9.8	7.8	0.10	2.9	0.08	0.9	0.04
WIC	2.6	0.1	9.5	0.3	476	1.6	529	2.1	1.5	0.04	0.7	0.03	0.2	0.01
Energy Asst.	2.4	0.1	9.3	0.4	344	8.0	356	11.8	1.0	0.03	0.5	0.03	0.1	0.01
Housing subsidy	3.5	0.1	16.1	0.6	5,589	91.1	6,419	109.4	24.1	0.90	16.7	0.71	3.3	0.25
Work expenses	78.5	0.2	46.7	0.6	1,887	4.4	1,166	10.8	182.1	0.93	8.8	0.16	4.7	0.13
Childcare	6.0	0.1	3.6	0.2	6,053	105.4	3,775	241.2	44.5	0.51	2.2	0.17	1.1	0.15
Taxes before credits	72.0	0.2	11.5	0.4	10,566	105.1	1,920	12.7	935.0	9.39	3.5	0.25	2.1	0.82
EITC	13.7	0.1	35.3	0.6	1,871	16.7	2,161	35.2	31.5	0.40	12.3	0.30	5.5	0.18
FICA	78.5	0.2	46.5	0.6	4,932	20.3	1,036	16.7	476.0	1.87	7.8	0.17	5.1	0.14

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	% paid/received				mean amount ($)				aggregate (bil$)					
	all	se	poor	se	all	se	poor	se	all		poor	se	near poor	se
MOOP	85.9	0.1	65.3	0.5	2,235	10.8	1,100	19.7	250.0	1.20	12.9	0.30	6.2	0.20
Food Stamps	6.1	0.1	28.3	0.5	2,126	30.7	2,412	36.6	16.9	0.10	12.3	0.35	1.6	0.09
School lunch	17.5	0.2	22.9	0.5	342	3.5	709	9.7	7.8	0.10	2.9	0.08	0.9	0.04
WIC														
Energy Asst.	2.3	0.1	8.9	0.3	323	7.3	328	10.0	1.0	0.04	0.5	0.03	0.1	0.01
Housing subsidy	3.4	0.1	14.9	0.5	4,894	77.2	5,516	91.0	21.6	0.80	14.8	0.63	3.0	0.20
Work expenses	78.2	0.2	43.6	0.6	1,789	4.5	1,015	8.9	182.3	0.50	8.0	0.15	4.7	0.12
Childcare	5.7	0.1	3.2	0.2	4,486	53.3	3,462	212.9	33.1	0.61	2.0	0.20	0.9	0.11
Taxes before credits	71.2	0.2	6.4	0.3	10,618	110.0	2,323	384.7	984.4	10.16	2.6	0.45	2.1	0.83
EITC	13.0	0.1	33.2	0.5	1,843	16.2	2,075	33.7	31.3	0.40	12.4	0.30	5.6	0.18

FICA	78.2	0.2	43.3	0.6	4,676	20.2	730	9.3	476.0	1.85	5.7	0.12	4.8	0.13
Capital gains	7.5	0.1	1.3	0.1	34,818	1,884.0	69,757	10,547.0	341.4	19.00	16.5	3.10	4.2	1.20
Capital losses	6.1	0.1	0.6	0.1	2,512	15.6	2,748	85.7	19.9	0.35	0.3	0.04	0.2	0.03

Table 7: Percent of People in Poverty by Different Poverty Measures: 2007

	Number*	Official	se	MSI	se	newMSI[1]	se	MSI/HSG[2]	se
People	298,699	12.5	0.2	15.3	0.2	21.0	0.2	19.5	0.2
Children	73,996	18.0	0.3	17.9	0.3	24.3	0.3	23.9	0.3
Nonelderly Adults	187,913	10.9	0.2	13.6	0.2	19.3	0.2	18.6	0.2
Elderly	36,790	9.7	0.3	18.6	0.4	22.7	0.3	15.3	0.4
White	239,133	10.5	0.2	13.5	0.2	15.4	0.2	13.6	0.2
Black	37,665	24.5	0.6	24.8	0.6	31.5	0.6	30.3	0.6
Other	21,901	13.3	0.5	17.7	0.5	23.6	0.7	22.1	0.7
Hispanic Origin	45,933	21.5	0.5	28.7	0.6	36.5	0.7	35.8	0.7
Tenure									
Owner	210,320	6.5	0.2	9.4	0.2	14.2	0.2	11.5	0.2
Renter	84,837	26.5	0.4	29.1	0.4	37.1	0.4	39.1	0.4
Rent free	3,541	30.6	1.9	32.1	1.8	37.1	1.9	22.1	1.6
Renter/Mortgage	226,911	12.9	0.2	15.1	0.3	21.0	0.2	22.6	0.2
Owner/No mortgage	71,788	11.3	0.3	15.3	0.2	21.0	0.4	9.6	3.0
Residence									
Central city	96,730	16.5	0.4	20.4	0.4	26.7	0.4	26.0	0.4
Suburb	154,292	9.0	0.2	12.3	0.2	17.7	0.3	16.4	0.3
Not metro	47,676	15.4	0.5	14.4	0.5	20.1	0.5	16.5	0.5
Region									
Northeast	53,952	11.4	0.3	16.3	0.4	21.8	0.5	20.7	0.4
Midwest	65,403	11.1	0.3	11.3	0.3	17.6	0.4	16.4	0.3
South	109,545	14.2	0.3	15.1	0.3	20.5	0.4	18.3	0.3
West	69,799	12.0	0.3	18.4	0.4	24.2	0.4	23.5	0.4

(Numbers in thousands and do not include Uis under 15. People as of March of the following year.
For information on confidentiality, protection, sampling error, and definitions,
see www.census.gov/apsd/techdoc/cps/cpsmar07.pdf)
* Does not includes unrelated individuals under 15

Details of these calculations:

Thresholds:

--Thresholds FCSU with mortgage principal payments, 2007q2 - 2008q1 CE (Garner, T. memo, 06/05/2009)

[1] Threshold for all reference units within 26th to 40th percentile $25,181

[2] Owners with mortgages and renters, $26,732, owners with no mortages, $14,833.

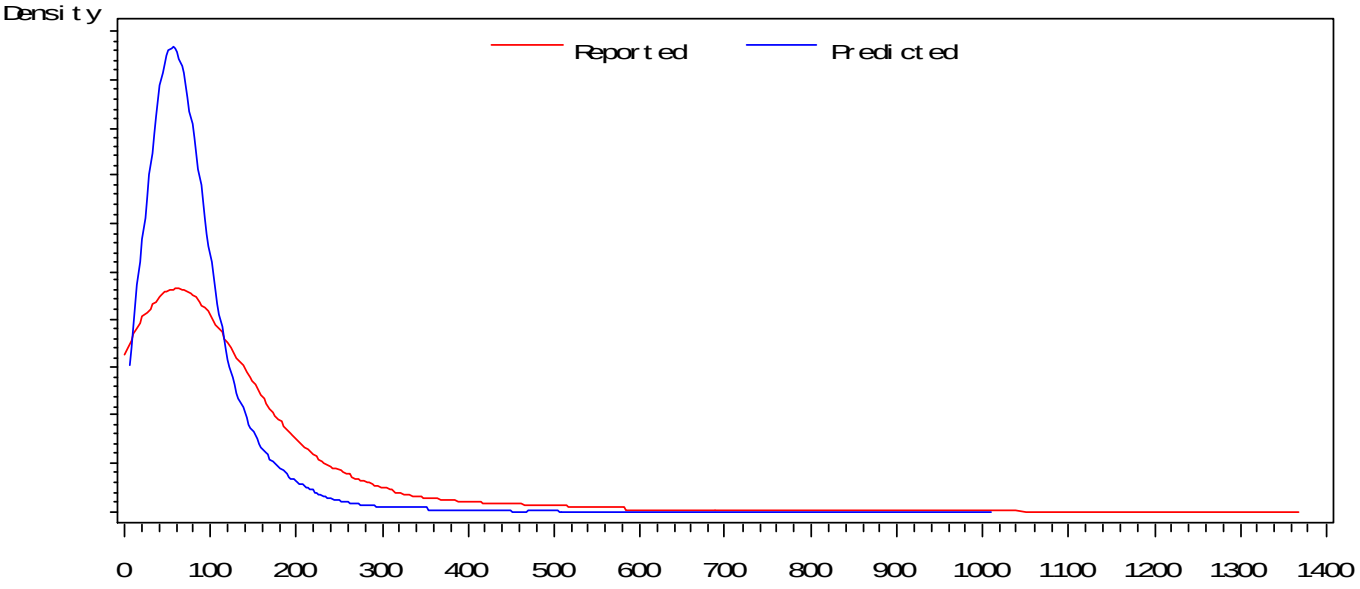
--With geographic adjustments using FMRs, 3-parameter equivalence scale

Resources:

-- Unit of analysis is Census family for Official and MSI, otherwise includes cohabitors.
--Work expenses imputed from 2004 panel wave 6 SIPP
--Combined work expenses and childcare expenses capped at earnings of secondary earner.
--MOOP in new measures imputed from 2004 SIPP wave 6 and subtracted from income
--Housing subsidies = FMR - 30% income, capped at 44% threshold
-- Income is after-tax and includes face value of foodstamps, and value of
free and reduced-price school lunch, WIC, and energy assistance
-- Presence of mortgage obtained with statistical match to 2003 AHS

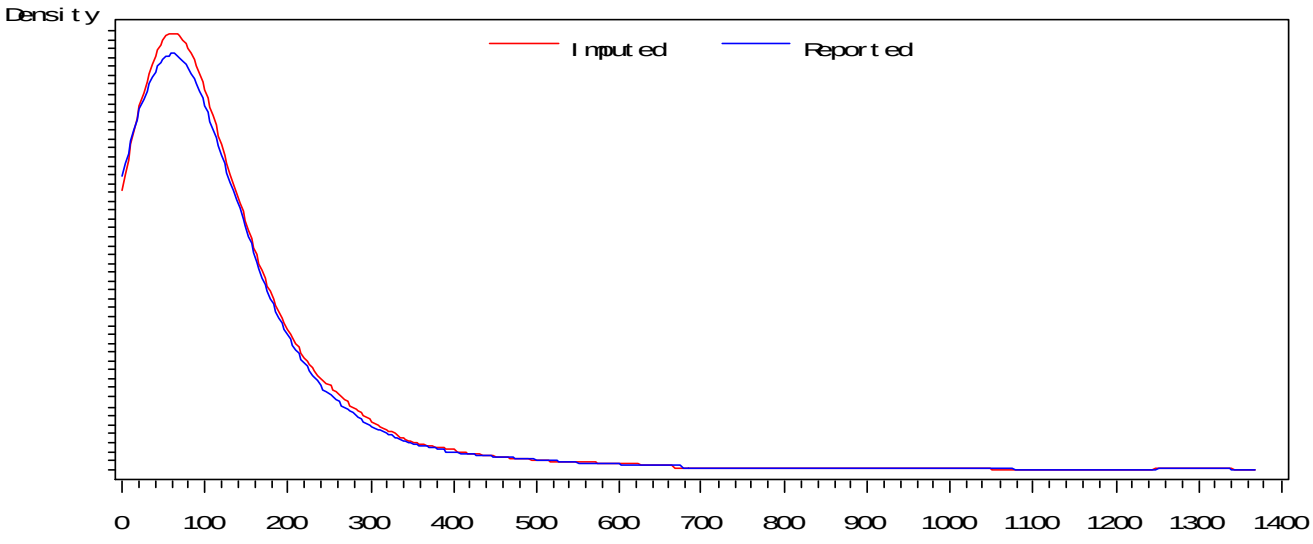
Source: Calculations use data from the Current Population Survey ASEC and Consumer Expenditure Survey,
by Kathleen Short, U.S. Census Bureau, and Thesia I. Garner, Bureau of Labor Statistics.
For more details on measurement see Short, Kathleen, Experimental Poverty Measures: 1999, U.S. Census Bureau,
Current Population Reports, Consumer Income, P60-216, U.S. Government Printing Office, Washington, DC, 2001.

Figure 1: Reported child care expenses; SIPP 2005



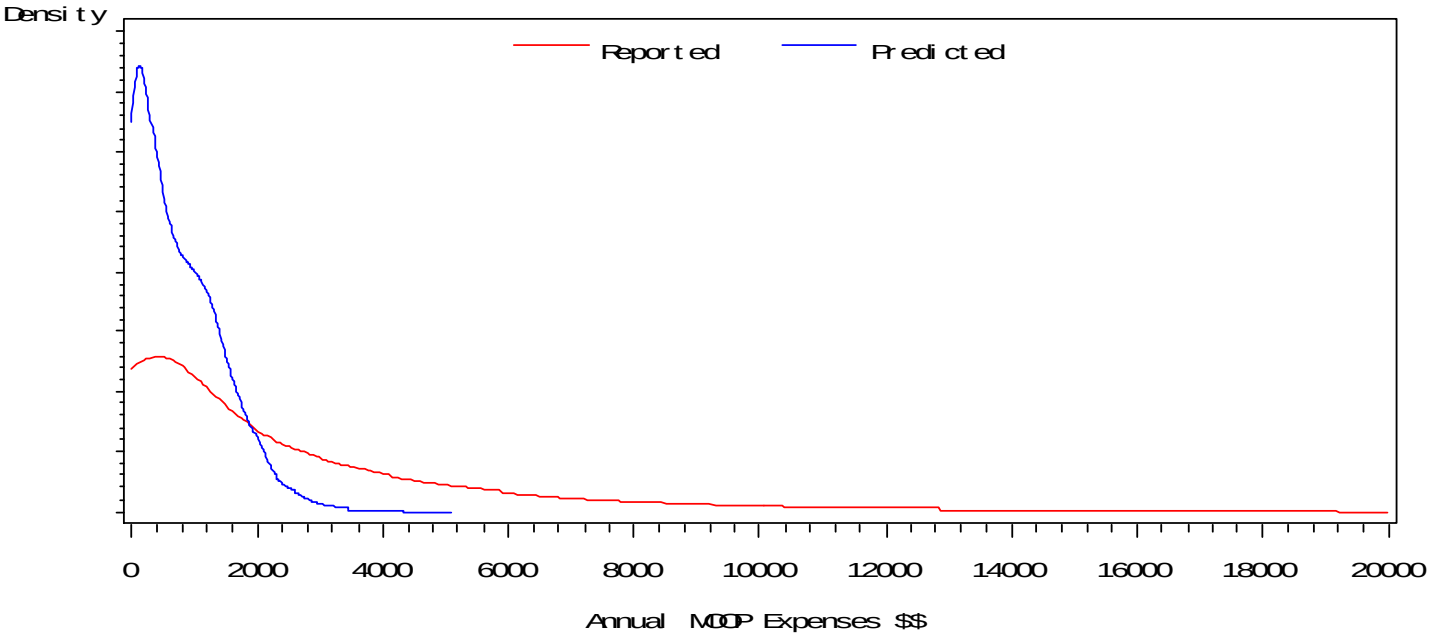
Source: Survey of Income and Program Participation 2004 Panel

Figure 2: Child care expenses; SIPP 2005 and CPS 2007



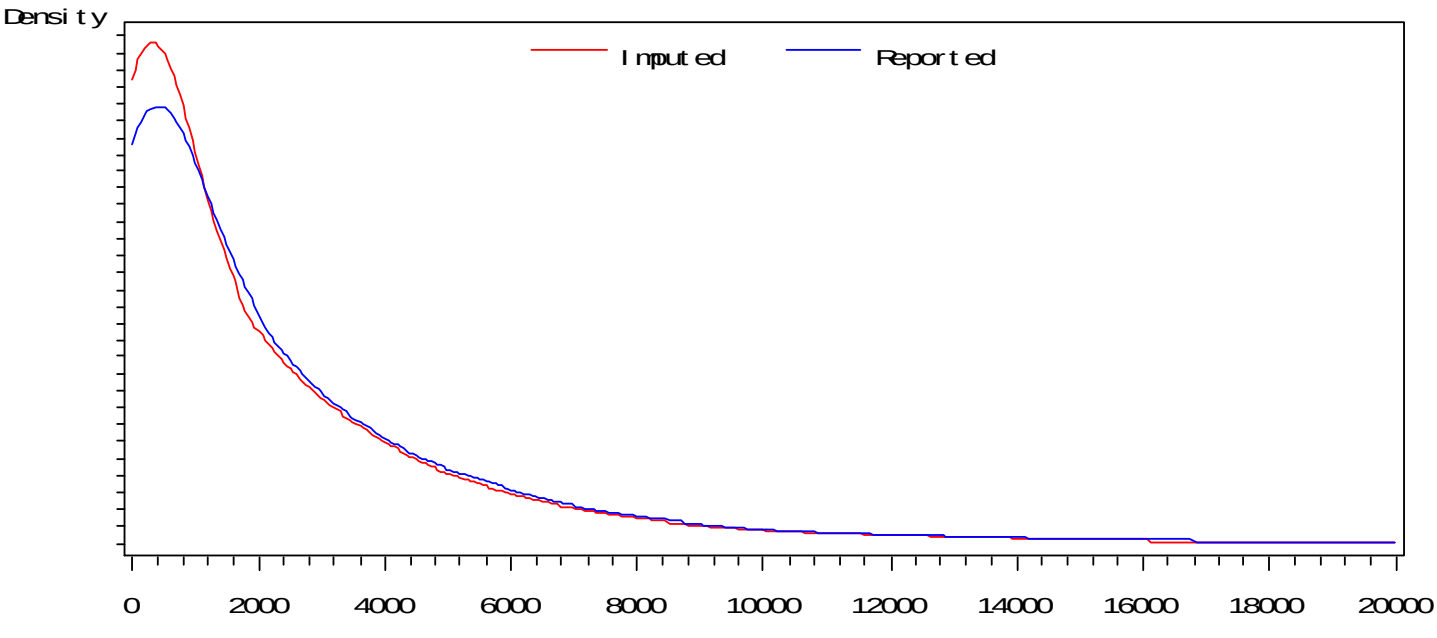
Source: SIPP 2004 Panel and CPS 2008

Figure 3: MOOP expenses; SIPP 2005



Source: Survey of Income and Program Participation 2004 Panel

Figure 4: MOOP expenses; SIPP 2005 and CPS 2007



Source: SIPP 2004 Panel and CPS 2008