

How Poverty is Calculated in the ACS

Poverty statistics presented in ACS reports and tables adhere to the standards specified by the Office of Management and Budget in Statistical Policy Directive 14. The Census Bureau uses a set of dollar value thresholds that vary by family size and composition to determine who is in poverty. Further, poverty thresholds for people living alone or with nonrelatives (unrelated individuals) and two-person families vary by age (under 65 years or 65 years and older).

If a family's total income is less than the dollar value of the appropriate threshold, then that family and every individual in it are considered to be in poverty. Similarly, if an unrelated individual's total income is less than the appropriate threshold, then that individual is considered to be in poverty. The poverty thresholds do not vary geographically. They are updated annually to allow for changes in the cost of living (inflation factor) using the Consumer Price Index (CPI).

Poverty status was determined for all people except institutionalized people, people in military group quarters, people in college dormitories, and unrelated individuals under 15 years old. These groups were excluded from the numerator and denominator when calculating poverty rates.

Since the ACS is a continuous survey, people respond throughout the year. Because the income items specify a period covering the last 12 months, the appropriate poverty thresholds are determined by multiplying the base-year poverty thresholds (1982) by the monthly inflation factor based on the 12 monthly CPIs and the base-year CPI.

For further information on poverty data in the ACS, see "2008 Subject Definitions" at <http://www.census.gov/acs/www/UseData/Def.htm>.

For information on poverty estimates from the ACS and how they differ from those based on the Current Population Survey Annual Social and Economic Supplement (CPS ASEC), which is the official source of poverty statistics for the United States, see "Guidance on Differences in Income and Poverty Estimates from Different Sources" at www.census.gov/hhes/www/poverty/methods/measure.html.

For a comparison of poverty rates and analysis of differences between the ACS and the CPS ASEC, see "A Comparison of the American Community Survey and the Current Population Survey" at http://www.census.gov/hhes/www/poverty/about/datasources/acs_cpspovcompreport.pdf.