

# Measuring America: How the U.S. Census Bureau Measures Poverty

June 2022

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## How the Census Bureau Measures Poverty

The U.S. Census Bureau releases two poverty measures every year that describe who is poor in the United States. The first is the nation's official poverty measure based on cash resources. The second is the Supplemental Poverty Measure (SPM) that includes both cash resources and noncash benefits from government programs aimed at low-income families and subtracts taxes and necessary expenses.



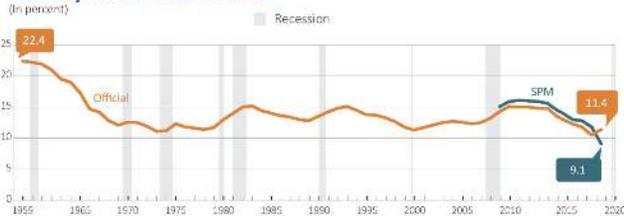
The official poverty measure has remained mostly unchanged since the mid-1960s, whereas the SPM was designed to keep pace with changes in data, methods, and new research.

### The Official Poverty Measure



The United States has an official measure of poverty. The current official poverty measure was developed in the early 1960s when President Lyndon Johnson declared war on poverty. This method does not reflect key government policies enacted since then to help low-income individuals meet their needs.

### Poverty Rate: 1959 to 2020



Note: The data points are placed at the midpoints of the respective years. The data for 2011 and beyond reflect the implementation of the redesigned income questions. The data for 2017 and beyond reflect the implementation of an updated processing system.

Source: U.S. Census Bureau, Current Population Survey, 1960 to 2010; Annual Social and Economic Supplements.

### The Supplemental Poverty Measure



The SPM extends the official poverty measure by taking into account government benefits and necessary expenses, like taxes, that are not in the official measure. This second estimate of poverty has been released annually by the Census Bureau since 2011.

For both measures, individuals are considered in poverty if the resources they share with others in the household are not enough to meet basic needs.



### How the Two Measures Compare



Official Measure



Supplemental Measure

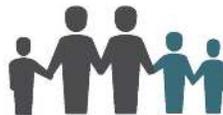
#### Who shares resources?

The two measures make different assumptions about who shares resources. The SPM assumes that more people in a household share resources with one another.

The official measure of poverty assumes that all individuals residing together who are related by birth, marriage, or adoption share income.



The SPM starts with the official family definition and then adds any coresident unrelated children, foster children, and unmarried partners and their relatives.



#### How do we measure needs?

The **poverty threshold**, or **poverty line**, is the minimum level of resources that are adequate to meet basic needs.

The official measure is three times the cost of a minimum food diet from 1963 (in today's prices).



The SPM uses information about what people spend today for basic needs—food, clothing, shelter, utilities, and telecommunications.





**Are needs the same in every state?**

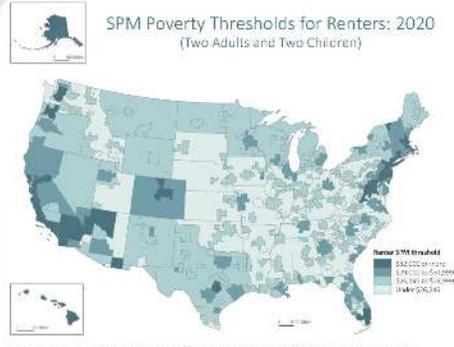
**Poverty thresholds** for both measures are adjusted to reflect the needs of families of different types and sizes. Only the SPM thresholds take into account geographic differences in housing costs.

**Yes**, the official poverty threshold is the same throughout the United States.

**No**, SPM thresholds vary based on several factors such as place of residence and whether it is a rental unit or purchased property or home with a mortgage.



Source: U.S. Census Bureau, 2021 Current Population Report, P60-273.



Note: Geographic boundaries are based on the year 2020. Data from the U.S. Census Bureau, 2020 SPM thresholds for renters, \$26,246 for two adults and two children. Source: U.S. Census Bureau, 2020 SPM thresholds for renters, \$26,246.

**What resources do people have to meet their needs?**

What we count as available resources differs between the two poverty measures.

The official measure uses cash income such as wages and salaries, Social Security benefits, interest, dividends, pensions, or other retirement income.

The SPM starts with cash income, then...

**ADDING BENEFITS**      **SUBTRACTING EXPENSES**

The SPM adds benefits from the government that are not cash but help families meet their basic needs. The SPM subtracts necessary expenses like taxes, health care, commuting costs for all workers, and child care expenses while parents work.



**Unlike the official measure, the SPM accounts for noncash government benefits and living expenses in determining who is in poverty.**

The SPM calculates the number of people affected by tax credits and government benefits. It also shows the effect of necessary expenses that families face such as paying taxes, work-related costs, and medical expenses.

**Keeping Millions of People Out of Poverty**

- Tax credits
- Housing subsidies
- Utility assistance
- SNAP
- School lunch
- WIC

**Pushing Millions of People Into Poverty**

- Work expenses
- Payroll tax
- Child support paid
- Federal income tax
- Medical expenses

-  **How the Census Bureau Measures Poverty** [[<1.0 MB](#)] [\[/content/dam/Census/library/visualizations/2021/demo/poverty\\_measure-how.png\]](#)
-  **Census Bureau Poverty Measure** [[1.7 MB](#)] [\[/content/dam/Census/library/visualizations/2021/demo/poverty\\_measure-how.pdf\]](#)  
Supplemental Poverty Measure
-  **Census Bureau Poverty Measure (multi-paged)** [[1.9 MB](#)] [\[/content/dam/Census/library/visualizations/2021/demo/poverty\\_measure-how\\_print.pdf\]](#)  
Supplemental Poverty Measure

## Sources and Reference

**U.S. Census Bureau, Current Population Survey, 1960 to 2021 Annual Social and Economic Supplements** [[/topics/income-poverty/poverty/data/tables/cps.html](#)]

### Related Information

Supplemental Poverty Measure Visualizations [[/topics/income-poverty/supplemental-poverty-measure/library/visualizations.html](#)]

## Others in Series

<p><b>Visualization</b></p> <p><b>State Government Tax Collections</b></p> <p>Revenue from state government tax rose 6.1% between fiscal years 2012 and 2013, the third year in a row there has been an increase.</p> <p><a href="#">[/library/visualizations/2014/comm/state_tax.html]</a></p>	<p><b>Visualization</b></p> <p><b>How Ready Are We? Natural Disaster or Emergency Preparedness</b></p> <p>The 2013 American Housing Survey asks U.S. residents how prepared they are for disasters.</p> <p><a href="#">[/library/visualizations/2015/comm/how_ready_are_we.html]</a></p>	<p><b>Visualization</b></p> <p><b>30-Year-Olds: Then and Now</b></p> <p>This infographic shows how 30-year-olds today compare with those in 1975.</p> <p><a href="#">[/library/visualizations/2016/comm/30-year-olds.html]</a></p>
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