



Wider Opportunities for Women

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WOW Welcomes New Supplemental Poverty Measure, Encourages Moving to Economic Security

On Tuesday, Obama Administration officials announced plans to develop a supplemental approach to measuring poverty. Wider Opportunities for Women (WOW) applauds the Obama Administration for taking an important step toward updating the 1964 measure but at the same time encourages measuring what Americans need to be economically secure.

"The antiquated federal poverty measure focuses on what it means to be physically deprived, to be in poverty," said Joan Kuriansky, Executive Director of WOW. "WOW calls for the development of an additional measure using tools that reflect what it actually takes to make ends meet. However, this is a good first step because it includes geographically specific housing costs and work related expenses such as child care and commuting."

The new approach improves on the existing poverty measure, which simply multiplies the cost of a minimum food basket by three, by incorporating local costs of shelter, utilities, food and clothing. The resultant poverty thresholds, while higher than current poverty thresholds, nevertheless measure physical deprivation not what it actually takes to meet the basic needs of working families.

"America's families deserve an additional official measure that accurately reflects the number of Americans who live above the poverty line but lack sufficient income to meet basic needs," Kuriansky continued. "Such a measure would accurately identify those who need attention and assistance."

"For many years, WOW and allied groups have advocated for an alternative updated poverty measure which is geographically specific, reflects families' demographic compositions, incorporates working families' real costs, and responds to changes in prices. Members of the Administration and Congress have also acknowledged the need to capture the cost of making ends meet. Both the White House Task Force on the Middle Class and the White House Council on Women and Girls include the establishment of such a measure in their stated goals. Furthermore, the 2009 Measuring American Poverty Act (S. 1625 and H. 2909) calls for the creation of a 'decent standard of living', or the amount of annual income that would allow an individual to live beyond deprivation at a safe and decent, but modest, standard of income," Kuriansky stated.

"Now is the time to move past simply measuring what it means to be deprived to what it means to be secure," Kuriansky concluded.

WOW has worked for 15 years on the development of such measures as the Family Economic Self-Sufficiency Standard (Self-Sufficiency Standard) and the Elder Economic Security Standard™ Index (Elder Index). Together, these measures reflect what it really costs for workers, families and elders to make ends meet. In 2008, the national median of all Self-Sufficiency Standard values for one renter parent and one preschooler was \$25,553. In comparison, the poverty threshold for a two-person family was only \$14,051. In 2008, the national median Elder Index for a single renter in good health was \$20,346 compared to the federal poverty threshold for a person 65 and over of \$10,326. The Self-Sufficiency Standard and the Elder Index are being used by state and local advocates, providers, administrators and policy makers for planning, evaluation and the development of policies and programs that promote economic security across the generations.

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Wider Opportunities for Women (WOW) works in 40 states, the District of Columbia, and at the federal level to promote programs and policies that enhance or support the economic security of families across generations. For more information, please visit www.wowonline.org. The Self-Sufficiency Standard, developed by Dr. Diana Pierce of the University of Washington while she directed the Women and Poverty Project at WOW, and the Elder Economic Security Standard™ Index, developed by WOW in conjunction with the Gerontology Institute at UMASS Boston. Both standards enumerate local costs of housing, food, transportation, health care costs and miscellaneous personal and household items. The Standard for families also includes the cost of child care and taxes.