

Measuring American Poverty Act of 2009



To be Introduced by Rep. Jim McDermott & Sen. Chris Dodd

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Presented at the Twelfth Annual Welfare Research and
Evaluation Conference being held May 27-29, 2009, at the
Capital Hilton in Washington, DC

**The views expressed here are those of the presenter and do not necessarily reflect those of any
Congressperson or Senator.*

Overview



- Why measure poverty?
- What's wrong with the current measure?
- What are our options for moving forward?
- What does the MAP Act propose?
- Why does the proposal make sense?
- How would the MAP Act help?

Prepared on 5/24/2009

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Why measure poverty?



- "Poverty" is meaningful for nearly all of us
- Poverty is costly and of concern to policymakers
- Poverty indicates how widely shared prosperity is in the economy and who falls from or struggles to join the middle class
- Poverty is a key benchmark for targeting resources

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1 What's wrong with the current measure?

- The threshold has less and less meaning
- The resource definition is less and less appropriate, wrongly indicating the failure of substantial government spending

Type of Change	Reflected in		Estimated Annual Expenditure (FY 2010 Levels)
	Current Official Measure	Proposed Modern Measure	
Change in federal, state, or local income taxes	No	Yes	\$1,465.5 billion (FY 2009)
Change in Earned Income Tax Credit	No	Yes	\$46.8 billion
Change in Child Tax Credit	No	Yes	\$4.8 billion
Change in Supplemental Nutrition Assistance Program (SNAP)	No	Yes	\$767.0 billion
Change in SNAP (Formerly Food Stamp) receipt or benefits	No	Yes	\$65.0 billion
Change in housing assistance receipt or benefits	No	Yes	\$13.0 billion
Change in home energy assistance receipt or benefits	No	Yes	\$4.79 billion
Change in child care subsidies	No	Yes	\$1.99 billion
Change in child support awards and enforcement	Partly	Yes	\$27.9 billion
Change in Social Security benefits	Yes	Yes	\$600.4 billion
Change in receipt of benefits under Title II	Yes	Yes	\$17.1 billion
Proposed or existing programs to help households shift to clean energy	Minor	Yes	\$1,100 billion

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2 What's wrong with the current measure?

- The threshold has less and less meaning
- The resource definition is less and less appropriate, wrongly indicating the failure of substantial government spending
- The threshold does not adequately account for important variations in needs
- The measure is not easily updated

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3 What are our options for moving forward?

- Doing nothing
- Updated Orshansky method
- Other wealthy countries, OECD, EU, UK
- Legislatively-based thresholds
- *Poverty Measurement Improvement Act* by former Rep. Jerry Weller (HR 3243; 110th Congress)
- NAS-based measure: *Measuring American Poverty Act* by Rep. Jim McDermott (HR 6941; 110th Congress) and Sen. Chris Dodd (S 3636; 110th Congress)

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4 What does the MAP Act propose?

- "Modern Poverty Measure"
- "Official" measure ➤ "Traditional" measure
- No Impact on Eligibility or Distribution of Funds
- Shift Authority to Statistical Agencies
- "Decent Living Standard" Measure
- "Medical Risk Measure"
- Periodic Updates

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5 Why does the proposal make sense?

- Addresses major concerns

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6 Why does the proposal make sense?

- Addresses major concerns
- Consistent with public opinion

Public Opinion & Proposal vs. Official Thresholds
Estimates of Average Sample Size for 95% Confidence Interval: Thresholds: 100,000; 100,000; 100,000; 100,000; 100,000

Category	Value
Official Threshold	100.0%
Polling Data Estimate 1	138.4%
Polling Data Estimate 2	138.6%
Polling Data Estimate 3	138.5%
Official Threshold	100.0%
Polling Data Estimate 4	117.4%
Official Threshold	100.0%
Polling Data Estimate 5	122.2%

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5 Why does the proposal make sense?

- Addresses major concerns
- Consistent with public opinion
- Balanced, consensus-based approach builds on 14 years of research and analysis
- Makes some judgments agencies may be less willing to make; leaves others to agencies
- Moves forward to develop rigor and consensus with regard to other critical measures of well-being

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6 How would the MAP Act help?

- Provides meaningful and more lasting threshold & income definition
- Provides public, policymakers, and researchers with an improved understanding of the anti-poverty effect of many programs and policies
- Common modern poverty measure focuses attention, while proposal moves towards additional measures of well-being

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