Understanding the Impact of Mortgage State and Income on Household Poverty Status*

An Analysis of Household Poverty Status in the United States in 2019

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This paper examines household poverty status in the United States in 2019 using the 2019 Revised Supplemental Poverty Measure Research Dataset from the United States Census Bureau. Using logistic regression analysis, we investigate the influence of household income level and mortgage state on poverty status. Our findings reveal a higher likelihood of poverty for households' total annual earning less than $50000 and for renters compared to property owners. All households with incomes exceeding $100000 are not in poverty. This implies that household mortgage status and income plays an important role in poverty status. These insights emphasize the need for targeted interventions to address socioeconomic inequalities and promote financial well-being among US households.

Table of contents

*Code and data are available at: https://github.com/marycx/us_poverty_analysis_2019.git

1 Introduction

Over the last few decades, the United States have implemented many policies, in an effort to address and mitigate poverty (Kearney and Harris 2014). In 2019, the United States experienced the culmination of an economic expansion that followed the Great Recession. The robustness of the U.S. economy during this period was evidenced by low poverty rates, which was estimated to be 10.5% in 2019, down from 11.8% in 2018, marking the fifth consecutive year of decline (Semega 2022). In order to reduce poverty further, it is important for us to analyze why some US household are in poverty in 2019. We analyze the 2019 Revised Supplemental Poverty Measure (SPM) Research dataset from the United States Census Bureau (USCB) (Bureau 2022). USCB is an agency of the U.S. Federal Statistical System, responsible for producing data about the American people and economy (Bureau 2023). Supplemental Poverty Measure was developed to address numerous concerns of official poverty measure critics, providing an improved statistical picture of poverty (Bridges and Robert V.Gesumaria 2015). We build a prediction model for households poverty status using 2019 Revised SPM dataset. We primarily look at two factors: mortgage status and income in each household. This allows us to look at the question whether potential financial factors may cause the poverty status for some US households in 2019.

In this paper, a logistic regression model is used to predict the poverty status of households in the United States in 2019, with data from the 2019 Revised Supplemental Poverty Measure Research dataset. Logistic regression is a great choice since it is used to predict binary outcomes, such as poverty status (in poverty or not in poverty). Our analysis focuses on estimating the likelihood of household being in poverty, based on various financial factors captured in the SPM dataset. We select 17 data features for analysis. After some data cleaning, we summarize 17 features into 2 variables: 1) mortgage state and 2) household annual total income after tax, plus government benefits and minus expenses. The estimand in this paper is the number of households who are in poverty in reality. However, it is difficult to measure the exact number of households who are in poverty since there are millions of people in the United States and not all of them will be assessed due to various difficulties. For example, due to regional issues, some people who live in rural areas are not included in the survey. Therefore, in this paper, we attempt to estimate the estimand using a logistic regression model which is trained using sample dataset from the 2019 Revised Supplemental Poverty Measure Research Data from USCS.

The logistic regression model shows that in the US in 2019, households with an annual total income less than $50000 are almost all in poverty. For households earning $50000 to $100000, the majority is not in poverty, yet a notable amount of them are still in poverty. For households earning above $100000, all of them are not in poverty. Additionally, renters are more likely to be in poverty compared to owners with or without mortgage.

The remainder of this paper is structured into different sections. Section 2 demonstrates the data used for our report and includes some tables and graphs to illustrate the different groups of people in our data. Section 3 builds the model and discusses its justification and explanation.

Section 4 highlights the results of the predictions using tables and graphs. Section 5 contains discussions that conducted based on the findings, which addresses the poverty status results based on mortgage states and income levels. Statistical programming language R (R Core Team 2023) is used in this report, with packages `tidyverse` (Wickham et al. 2019), `here` (Müller 2020), `rstanarm` (Brilleman et al. 2018), `modelsummary` (Arel-Bundock 2022), `ggplot2` (Wickham 2016), `knitr` (Xie 2014), `marginaleffects` (Arel-Bundock 2024), `plotly` (Sievert 2020), `tibble` (Müller and Wickham 2023), `margins` (Leeper 2021), `testthat` (Wickham 2011) and `kableExtra` (Zhu 2021).

2 Data

2.1 Data Source

This report uses the 2019 Revised Supplemental Poverty Measure (SPM) Research dataset provided by the United States Census Bureau as our main source of data. The Census Bureau provides information about the people and economy of the United States, with a goal to support economic growth, enhance scientific knowledge, and assist in making informed decisions. The official poverty measure has been criticized due to its multiple limitations (Service 2021). For example, it does not consider benefits from most of the largest programs that aid the low-income population. For instance, it uses money income before taxes, so it does not measure the income available for individuals to spend, which for most people is after-tax income. Therefore, any effects of tax credits designed to assist persons with low income are not considered by the official measure. The Supplemental Poverty Measure (SPM), similar to the official poverty measure, tackles the shortcomings of poverty assessment. It determines poverty status by gauging resources against a defined standard of living. This standard considers expenditures on essentials like food, clothing, shelter, and utilities, plus a bit more for additional expenses. The resources assessed include disposable income, accounting for taxes and some non-cash benefits, available to cover these needs (Bridges and Robert V.Gesumaria 2015). In 2019, the dataset contained a total of 157,959 entries.

2.2 Features

The original SPM 2019 dataset, which shows in Table 1, contains 157959 data entries and many variables. Since it is difficult to observe such a large dataset, this report will only explore and analyze through several data features. We first chose these 17 variables: h_seq, spm_poor, spm_tenmortstatus, spm_totval, spm_snapsub, spm_caphousesub, spm_schlunch, spm_engval, spm_wicval, spm_fedtax, spm_eitc, spm_actc, spm_fica, spm_sttax, spm_childsuppd, spm_capwkccxpns, and spm_medxpns. Their explanation are in Table 5. This is because we want to calculate the income after tax, plus all the subsidies and benefits, minus all the expenses, just like how the SPM does it (Service 2021). If we

Table 1: Preview of the raw 2019 US Supplemental Poverty Measure dataset

(a)

h_seq	spm_poor	spm_tenmortstatus	spm_totval	spm_snapsub	spm_caphousesub
1	0	2	127449	0	0
1	0	2	127449	0	0
2	0	2	64680	0	0
2	0	2	64680	0	0
3	0	1	40002	0	0

(b)

spm_schlunch	spm_engval	spm_wicval	spm_fedtax	spm_eitc	spm_actc	spm_fica
0	0	0	13485	0	0	8301
0	0	0	13485	0	0	8301
0	0	0	1459	0	0	2601
0	0	0	1459	0	0	2601
0	0	0	2772	0	0	3060

(c)

spm_fica	spm_sttax	spm_childsuppd	spm_capwkccxpns	spm_medxpns
8301	4624	0	3654	10926
8301	4624	0	3654	10926
2601	0	0	2065	3280
2601	0	0	2065	3280
3060	1152	0	2065	2300

only choose income before tax to analyze, then our analysis will be like the official poverty measure, which requires improvement.

2.3 Data Measurement

The data is mainly collected by surveys. Portions of SPM resources, such as values of taxes and some non-cash benefits, are not asked of respondents and are estimated using models. The models takes in administrative data where appropriate to ensure that the estimated amounts reflect external totals and distributions (Service 2022).

2.4 Methodology

The original dataset includes duplicate responses from the same household. As the dataset features are related to the entire household as a whole, this paper will eliminate duplicate

Table 2: Preview of the cleaned 2019 US Supplemental Poverty Measure dataset

poverty_status	mortgage_state	income
Not in poverty	Owner without Mortgage	50k-100k
Not in poverty	Owner without Mortgage	50k-100k
Not in poverty	Owner with Mortgage	5k-50k
In poverty	Renter	5k-50k
Not in poverty	Owner without Mortgage	5k-50k

Table 3: Statistics summary of the cleaned 2019 US Supplemental Poverty Measure dataset

	poverty_status	mortgage_state	income
	Not in poverty:54563	Owner with Mortgage :23587	below 5k : 2273
	In poverty : 8427	Owner without Mortgage:19195	5k-50k :28543
	NA	Renter :20208	50k-100k :19569
	NA	NA	100k-150k : 7326
	NA	NA	150k-200k : 2706
	NA	NA	200k-250k : 1145
	NA	NA	above 250k: 1428

entries, using the variable "h_seq" which is an unique household identifier, to ensure data accuracy and consistency.

First, a new column "income after tax" is created by summing up all incomes, credits, and benefits and subtracting all expenses. Then the dataset is cleaned by renaming of column headers, defining column classes, grouping the income variable into different income levels (here the assumed facts are that the income unit is in USD and 'k' stands for thousand, eg. 5k = 10,000), and replacing numerical values in the table with their corresponding descriptions from the data dictionary to improve the readability. After cleaning, 62990 rows of data with 3 data features remain. Table 2 shows a preview of the cleaned dataset.

Table 3 is a summary of the cleaned data, showing detailed statistics about the dataset. As we can see from the table, there are more households which are not in poverty. Respondents cover a wide range of income levels, with "5k-50k" and "50k-100k" being more heavily represented. Also, the mortgage states of the households vary, each of the three mortgage states being fairly evenly represented.

2.5 Data Visualization

Figure 1 illustrates the relationship between mortgage state and poverty status of households. It can be seen that renters are the highest proportion of households experiencing poverty, followed by owners without mortgages, and finally owners with mortgages. Conversely, for households who are not in poverty, owners with mortgages represent the largest segment, followed by owners without mortgages, and then renters. In addition, it can be observed that overall a larger proportion of households are not experiencing poverty. Despite variations in poverty rates across different mortgage states, the cumulative data shows economic stability among the majority of households in the United States in 2019.

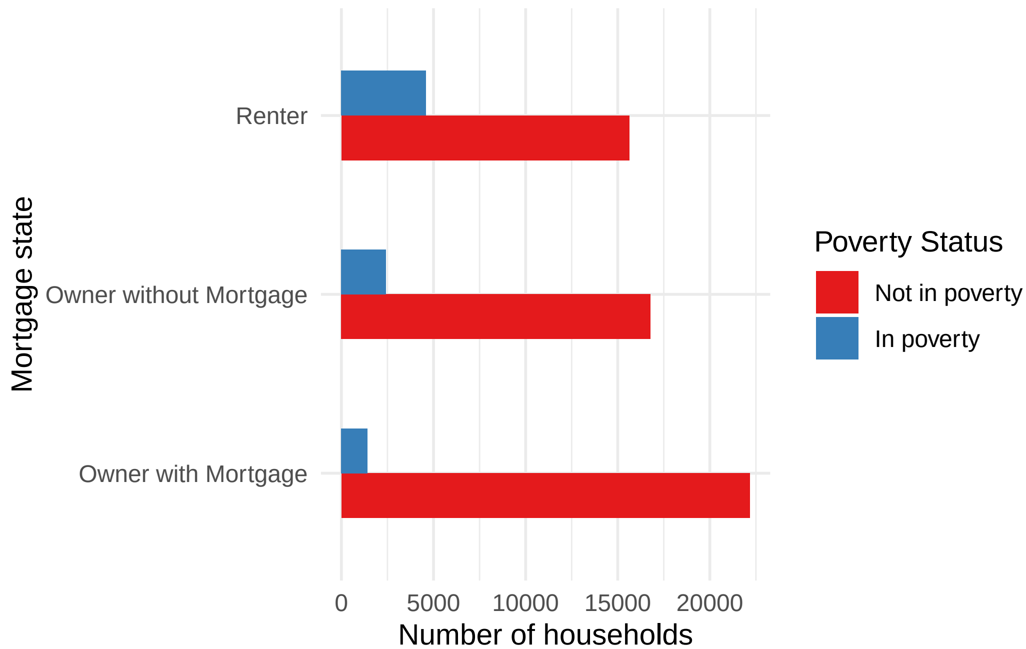


Figure 1: The distribution of poverty status by mortgage state

Figure 2 shows the relationship between household annual total income and their poverty status. We can see that among households earning more than 100k annually, no household is in poverty. For household with income between 50k to 100k, almost all of them are not in poverty with only a very small number of households in poverty. Within the income range of 5k-50k, the majority of households are not in poverty, but there are some families in poverty. However, for households earning below 5k annually, all of them are in poverty. This indicates a strong positive correlation between higher income levels and financial stability.

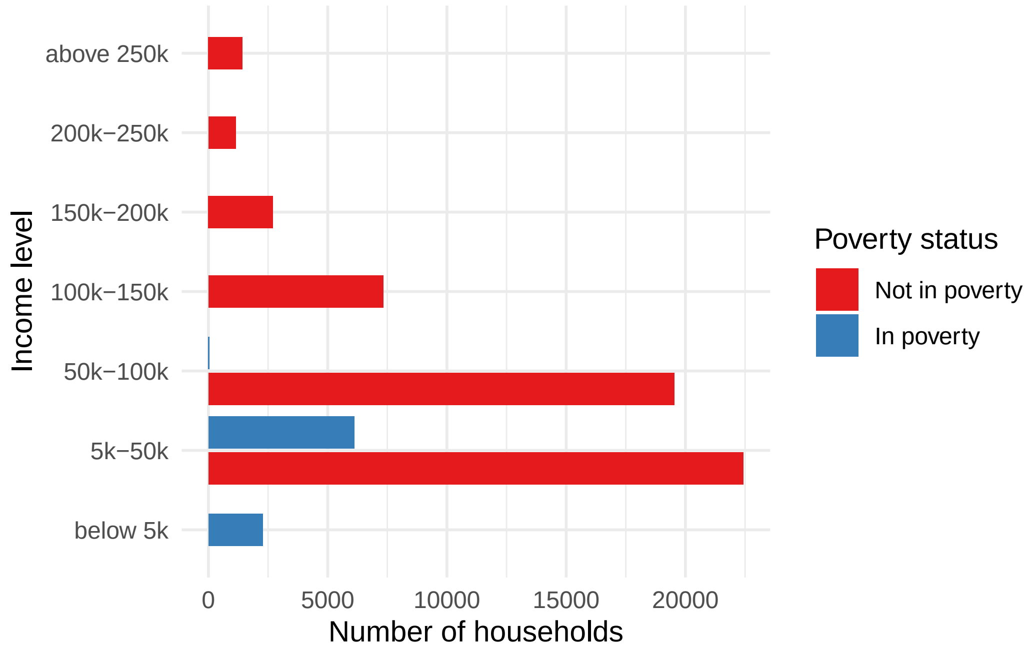


Figure 2: The distribution of poverty status by income level

3 Model

In our analysis, we utilized a Bayesian logistic regression model to examine the relationship between poverty status and two demographic factors, mortgage status and income of the household. Background details and diagnostics are included in Appendix B.

3.1 Model set-up

The model is formulated as follows:

$$y_i|\pi_i \sim \text{Bern}(\pi_i) \tag{1}$$

$$\text{logit}(\pi_i) = \alpha + \beta_1 \times \text{mortgage}_i + \beta_2 \times \text{income}_i \tag{2}$$

$$\alpha \sim \text{Normal}(0, 2.5) \tag{3}$$

$$\beta_1 \sim \text{Normal}(0, 2.5) \tag{4}$$

$$\beta_2 \sim \text{Normal}(0, 2.5) \tag{5}$$

In this model, y_i represents the binary outcome variable indicating whether a household is in poverty (as opposed to not in poverty). The probability of being in poverty (π_i) is modeled using a logistic link function ($\text{logit}(\pi_i)$), which is a linear combination of the intercept (α) and the coefficients (β_1, β_2) corresponding to the predictor variables, mortgage state and income level, respectively. These predictor variables are denoted as income_i and mortgage_state_i, where i indexes the individual households in the dataset.

The intercept (α) and coefficients (β_1, β_2) are assigned informative prior distributions to regularize the model. Specifically, we assume a normal distribution with a mean of 0 and a standard deviation of 2.5 for each parameter. Setting the prior to 0 assumes there is no poverty in any household regardless of their mortgage or income. Then, when we factor in real observations, we can see how things shift. If the distribution shifts left (less than 0), then we know that particular mortgage or income state is more likely to result in household poverty. This approach gives us a clear way to see how data affects the financial situation of households

We chose this modeling approach for several reasons. Firstly, logistic regression is ideal for binary outcome variables, making it appropriate for analyzing poverty status. Also, Bayesian methods enable us to integrate prior knowledge and uncertainty into the analysis, resulting in more reliable estimates of the model parameters. While alternative modeling approaches like linear regression were considered, we selected Bayesian logistic regression due to the binary nature of our outcome variable: poverty status.

We use the `rstanarm` package (Brilleman et al. 2018) in R (R Core Team 2023) to run the model. Default priors from `rstanarm` is used. Rstanarm employs Markov chain Monte Carlo (MCMC) techniques to estimate the posterior distribution of the parameters. To avoid excessive runtime, 1000 data entries are randomly sampled to fit the model with random seed 215. Model diagnostics, including convergence checks and posterior summaries, are available in the supplementary materials (see Appendix Section B).

3.1.1 Model justification

Regarding the relationship between mortgage state and poverty state, we anticipate that both owners without mortgages and owners with mortgages are less likely to experience poverty. Owners without mortgages typically indicate financial stability, as they have already paid off their homes and can allocate financial resources toward household necessities, other than paying back the mortgage / rent. Also, without monthly mortgage or rent payments, their financial burden is reduced, further decreasing the likelihood of poverty. Similarly, owners with mortgages demonstrate financial responsibility by securing loans from banks. The approval of these loans suggests that the bank is confident in owner's ability to manage repayments, indicating a lower possibility of poverty. On the other hand, renters are more likely to experience poverty due to their lack of property ownership and the hidden implication that they do not earn enough to purchase their own property. Renters typically have fewer savings and may earn insufficient salaries to cover rental and essential expenses. Consequently, the combination of rental payments and other financial obligations increases their vulnerability to poverty.

In terms of income levels, we expect a positive relationship between household's income level and their poverty status. This expectation arises from common sense that higher income typically reduces the likelihood of experiencing poverty. If a family is earning a lot of money, then naturally it would not be in poverty. Households that are earning less than 5k annually in the United States obviously have a larger chance in being in poverty due to the high cost of living. Their income probably barely covers or cannot cover for essential expenses such as housing, transportation, or food.

3.2 Model Implication

For posterior predictive checks, in Figure 3, the great fit of the posterior distribution from our logistic regression model with actual poverty data suggests accurate capture of poverty status patterns. This indicates the accuracy of our model's poverty status prediction to the 2019 SPM data. Also, Figure 4 compares the posterior to the prior, which shows some parameter changes such as "below 5k" and "5k-50k", as well as the intercept (people who are owners with mortgage and earn 100-150k). The discrepancy for the parameter suggest that our prior may not be very accurate in regards to these specific aspects.

The trace plots in Figure 5 and Figure 6 do not suggest anything out of the ordinary. Also, with the Rhat plot (Figure 7), we can observe that everything is close to 1, and no more than 1.05, which shows the great convergence of Markov chain Monte Carlo for our model.

More detailed explanation of each plot can be found in Appendix Section B.

4 Results

Our results are summarized in Table 4. Our results generally matches our expectation. To avoid multicollinearity, the model excludes one variable from each category: mortgage state "Owner with mortgage" and income level "100k-150k". The intercept represents the estimated log-odds of being in poverty when all other predictors are held constant at their reference levels. In this case, the estimated log-odds of being in poverty for people who are owner with mortgage and their total household income level to be 100k-150k annually is -6.896.

The possibility of households with income level below 5k being in poverty is large. The estimated coefficient of 17.352 suggests that, holding all other variables constant, households with income less than 5k are estimated to have a 17.352 unit increase in the log-odds of being in poverty compared to the reference group. Households with income level at "5k-50k" and "50k-100k" on average are also more likely to be in poverty compared to the reference group, with the estimated coefficient to be 5.346 and 1.502 respectively.

The mortgage status of individuals also influences their poverty status. As expected, renters exhibit a higher likelihood of experiencing poverty, as shown by the estimated coefficient of 0.645. However, it's important to note that while the coefficient is positive compared to the reference group, its magnitude is relatively small, suggesting a moderate rather than a substantial difference.

Figure 8 (see Section B.3) shows range of coefficient estimates of our model within the 90% probability. Due to the fact that the credibility interval for mortgage "Renter" and "Owners without mortgage" is quite small, it is hard to observe the trend of the 90% credibility intervals of these two variables. Therefore we created Figure 9 with the x axis limited from -5 to 5.

Combining Figure 8 and Figure 9, we observe statistical significance for the coefficient estimates for household with income below 5k, household income between 5k to 50k, renters, and the intercept, household which owns a property with mortgage and has a income level between 100k to 150k. The estimates are significant because their credibility intervals do not cross 0. The value for the estimates are in log-odds, indicating that if the coefficient is positive, the household is in poverty, if negative, the household is not in poverty.

5 Discussion

5.1 Relationship betwen Mortgage State and Poverty Status

In the USA in 2019, housing costs accounted for more than 30% of household expenditure, making mortgage status a critical factor in determining a family's risk of falling into poverty (Labor Statistics 2020). With 11.8% of the total population (38.3 million people) living below the poverty line, it's evident that housing affordability significantly impacts economic stability. The percentage of individuals below the poverty threshold, adjusted for housing costs are: \$29,080 for a family of four with a mortgage, \$24,413 for a family of four without a mortgage, and \$29,194 for a family of four (Rose Khattar 2023). From this, we can assumed that families without mortgages experienced the lowest housing costs, leaving more funds available for other essentials and eliminating the need for alternative housing options. In contrast, families with mortgages may face burdensome monthly payments, especially if they have chosen a floating interest rate, making them vulnerable to fluctuations in interest rates. Renters also encounter challenges, as rent increases can strain finances and necessitate either accepting higher housing costs or undertaking the time-consuming and costly process of finding new accommodations. These housing-related challenges exacerbate the risk of poverty for affected families, underscoring the importance of addressing housing affordability as a key component of poverty alleviation efforts.

5.2 Relationship betwen Income and Poverty Status

The relationship between a household's income after tax and its poverty status is characterized by a negative correlation, wherein higher income corresponds to a reduced probability of experiencing poverty. This correlation shows the role of financial resources in mitigating

Table 4: Explanatory model Poverty Prediction (n = 1000)

	In poverty
(Intercept)	−6.896
	(1.779)
mortgage_stateOwner without Mortgage	−0.248
	(0.351)
mortgage_stateRenter	0.645
	(0.302)
income150k-200k	−5.447
	(7.365)
income200k-250k	−9.312
	(11.319)
income50k-100k	1.502
	(1.938)
income5k-50k	5.346
	(1.795)
incomeabove 250k	−7.004
	(9.012)
incomebelow 5k	17.352
	(5.627)
Num.Obs.	1000
R2	0.403
Log.Lik.	−229.780
ELPD	−234.5
ELPD s.e.	15.5
LOOIC	468.9
LOOIC s.e.	31.1
WAIC	468.9
RMSE	0.27

economic hardship and facilitating socio-economic well-being. However, in the United States, the cost of living is notably high, low-income households often struggle to meet basic needs, resulting in an unending cycle of poverty. In 2019, the poverty guideline for a one-person household was set at $12,490 annually (ASPE 2019). So, it is evident that families earning less than $5,000 are definitely living below the poverty line. Conversely, individuals with high incomes are less likely to experience poverty, as their financial resources enable them to comfortably cover living expenses. They will be able to have savings accumulation, further consolidating their financial security and contributing to wealth accumulation over time.

For household in poverty, escaping poverty is tough, but the US government and communities are stepping up to help. For example, single parents often struggle with low incomes. But they can get help from government programs such as the Supplemental Nutrition Assistance Program (SNAP) (Food and Agriculture 2024), commonly known as food stamps, which provides eligible low-income individuals and families with funds to purchase nutritious food. They can also receive child support payments to help cover expenses for their kids. Families with low incomes and lots of kids can also get help. Programs like the Child Tax Credit (CTC) (Government 2021), which provides tax credits to eligible families with qualifying children. Other programs, like housing assistance and Medicaid, provide support with things like affordable housing and healthcare. These programs are all aimed at helping families in need to get back on their feet and improve their poverty situation.

5.3 Policy Implications

Broaden the discussion to include potential policy implications and recommendations based on your findings. How can policymakers use this information to address household poverty?

5.4 Limitations

5.4.1 Data Consideration

Firstly, the data are estimates based on a sample of the population, so it cannot represent the whole population of the United States. This creates margins of error. Also, since the SPM poverty estimates are from household survey data, the data might be affected by issues such as under-reporting, over-reporting, or making up data. Some people might not remember the exact value of some data, for example, not all people have or know that they receive income from government benefit programs, so they might be reporting it inaccurately. In addition, some SPM resources, such as taxes and non-cash benefits, are estimated using models. The models use administrative data, but the estimated amounts are not perfect.

5.4.2 Measurement of Medical Subsidies

Even the SPM accounts for expenses for healthcare and insurance by subtracting them from family resources, it does not directly value health insurance provided as a resource (Service 2022). The treatment of medical expenses does not take account of all the economic effects of subsidized medical care, for example, there are families who purchase a less comprehensive insurance plan and decide to forego some health care. Moreover, some of the largest non-cash benefits programs (Medicare, Medicaid, etc.) are not explicitly taken into account when determining poverty status.

5.4.3 Lump sum nature of tax credit

In the SPM, taxes paid and tax credits in the year that are earned are include (Service 2022)d. But typically the credit would not appear in the family income until the next year. Also, tax credits are given as a lump sum, but poverty is a something that might happen anytime in the year. For example, a family may experience poverty because someone lost a job and cannot find another, so the family is in poverty. The tax credit may or may not provide relief depening on the timing in the year and the severity of expenses faced by the family throughout the year. So it is not very accurate that the SPM examine resources in a full calendar year compared with a threshold based on the calendar year. The family might have experienced 11 months of poverty before they got their tax credits in the 12th month.

5.5 Future Steps

not done

Table 5: Preview of the raw 2019 US Supplemental Poverty Measure dataset

Data_feature	Data_definition
h_seq	Household sequence number, unique identifier for each household.
spm_poor	the poverty status: 1 representing 'in poverty' and 0 representing 'not in poverty'.
spm_tenmortstatus	household's tenure/mortgage status: 1 representing 'owner with Mortgage', 2 representing 'owner without Mortgage or rent-free', and 3 representing 'renter'.
spm_totval	household's cash income, unit in USD.
spm_snapsub	Supplemental Nutrition Assistance Program (SNAP) subsidy, unit in USD.
spm_caphousesub	capped housing subsidy, unit in USD.
spm_schlunch	school lunch subsidy, unit in USD.
spm_engval	energy subsidy, unit in USD.
spm_wicval	Women, Infants, and Children subsidy, unit in USD.
spm_fedtax	Federal tax, unit in USD.
spm_eitc	Federal Earned Income Tax Credit, unit in USD.
spm_actc	Additional Child Tax Credit, unit in USD.
spm_fica	Federal Insurance Contributions Act and federal retirement contribution, unit in USD.
spm_sttax	state tax, unit in USD.
spm_childsuppd	child support paid, unit in USD.
spm_capwkccxpns	capped work and child care expense, unit in USD.
spm_medxpns	Medical Out-Of-Pocket (MOOP) and Medicare Part B subsidy, unit in USD.

Appendix

A Data Features

B Model details

B.1 Posterior predictive check

In Figure 3, we implement a posterior distribution. This compares the poverty status of people in reality with the prediction results from the posterior distribution from our logistic regression model. It can be seen that the posterior distribution fits well with the actual data. It suggests that the posterior is able to generate simulated data that closely resembles the actual data (Andrew Gelman and Modrák 2020), because the model accurately captures the observed data patterns. This is good because it indicates that our logistic regression model is a good representation of the actual poverty status in the 2019 poverty data from United States Census Bureau.

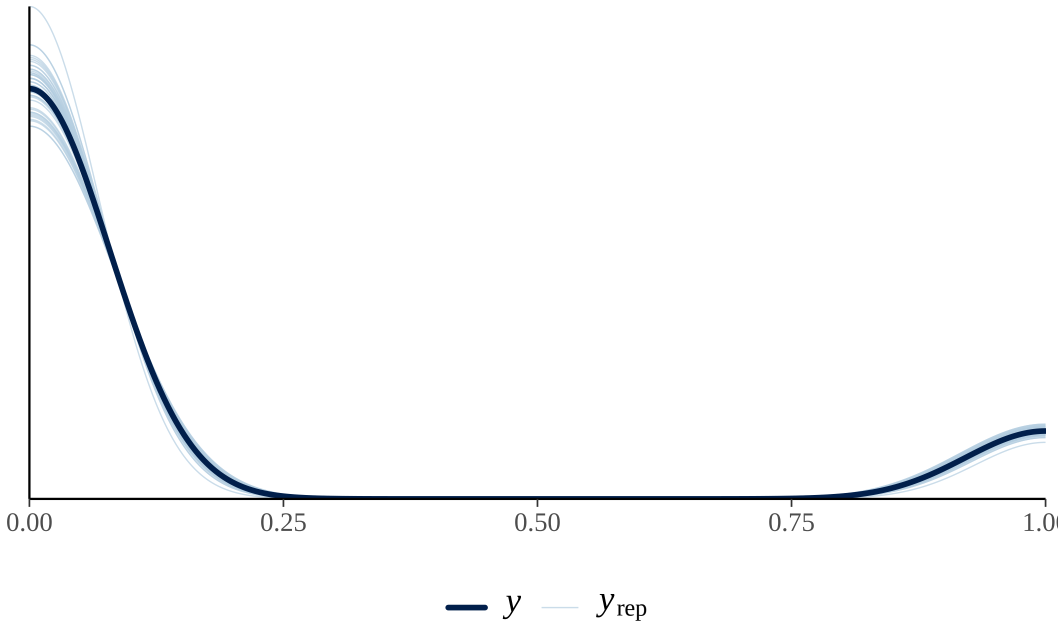


Figure 3: Posterior distribution for logistic regression model

Figure 4 compares the posterior with the prior. This compares the prior distribution of parameters with the posterior distribution of parameters in our logistic regression model. We can see that half of the model parameters do not change after data are taken into account, while some parameters shift slightly. This shows that the observed data partially matches with our initial belief and expectation about the poverty status of people in the United States in 2019. We can see that for people with income level at "below 5k" and "5k-50k" and "Renters", the posterior distributions shift from their prior after we input observed data; their distribution not crossing 0 at all. This is suggesting that the observed data for "below 5k" and "5k-50k" strongly contradict our initial belief. So the majority of people in US who earns less than a total amount of 50k per household annually was in poverty in 2019. Also, the intercept (people who are owners with mortgage and earn 100-150k) shifts to the left; its distribution not crossing 0. This indicates that the actual observation does not match with our prior belief. People in this category was less likely to be in poverty state in 2019 United States.

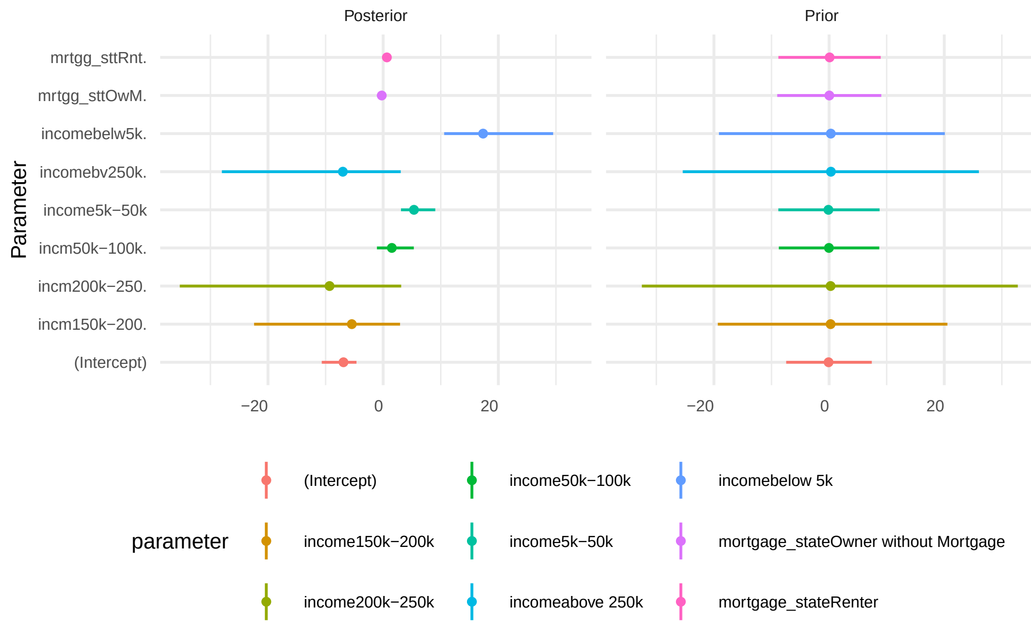


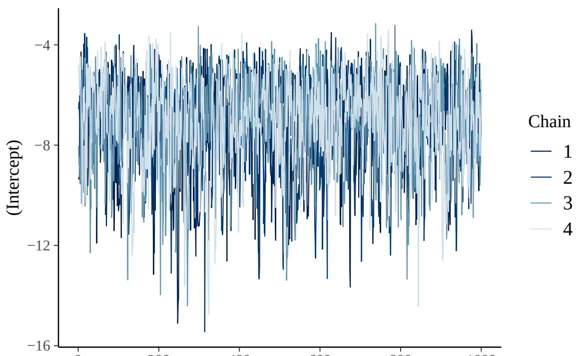
Figure 4: Comparing the posterior with the prior

B.2 Markov chain Monte Carlo Convergence Check

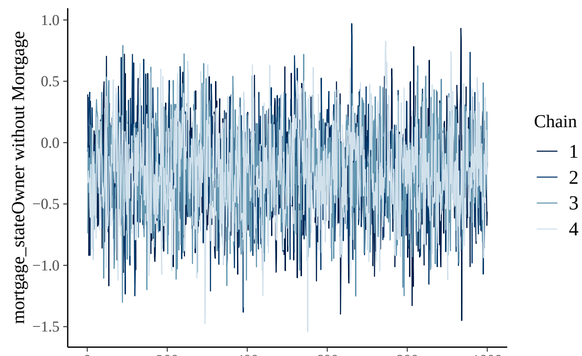
Figure 5 and Figure 6 are the trace plots of the model. It tells us if there is existence of signs that the our model runs into issues. We observe lines in all the trace plots are horizontal and oscillating, and have overlaps between the chains. This suggests that there is nothing strange in this trace plot.

Figure 7 is the Rhat plot of the model. It compares the variability within each chain to the variability between chains in MCMC. We can observe that our Rhat plot are all close to 1, and no more than 1.05. This is a good sign because it suggests that the MCMC algorithm has reached convergence for our model.

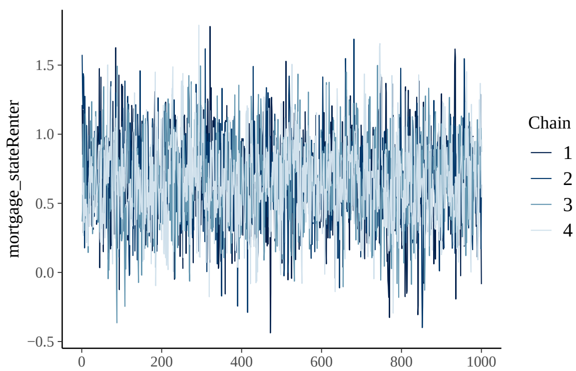
B.3 90% Credibility Interval



(a) Trace plot of Intercept

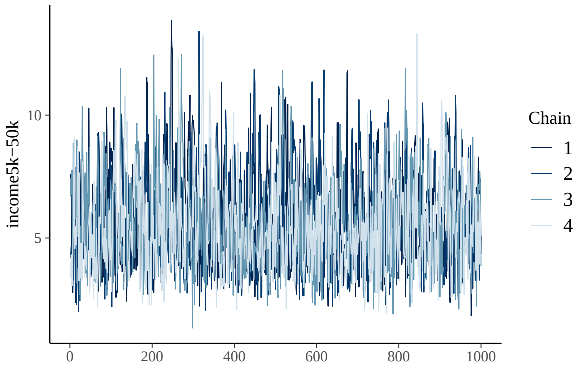


(b) Trace plot of Owner without Mortgage

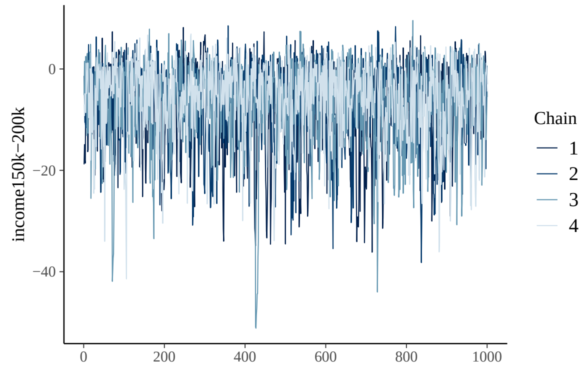


(c) Trace plot of Renter

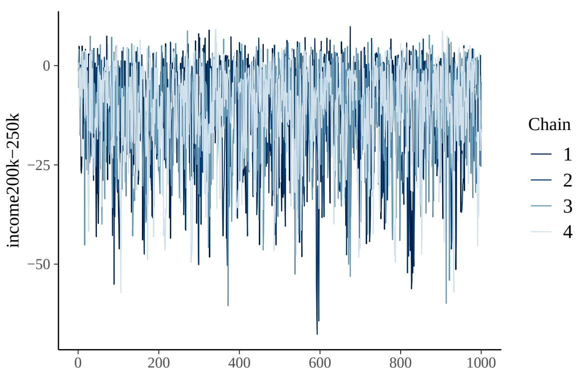
Figure 5: Trace plot of intercept and marital status



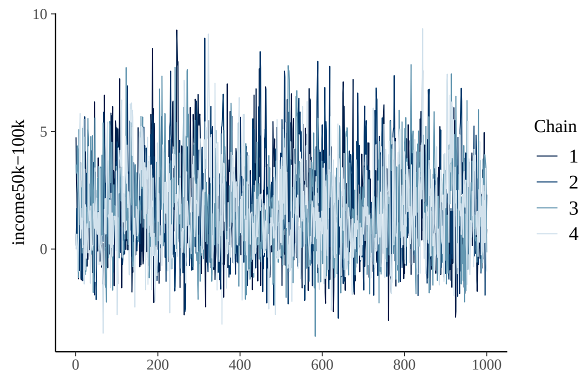
(a) Trace plot of income 5k-50k



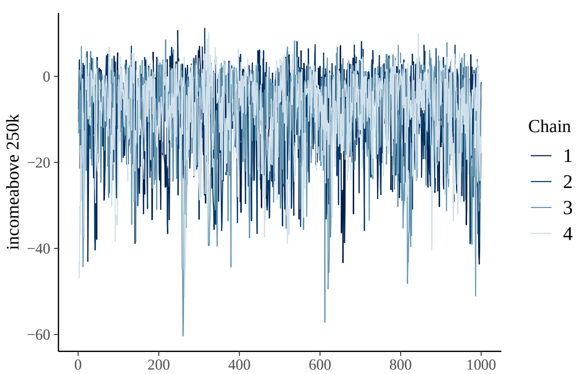
(b) Trace plot of income 150k-200k



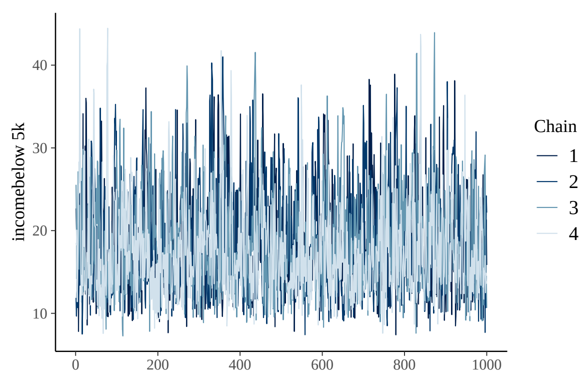
(c) Trace plot of income 200k-250k



(d) Trace plot of income 50k-100k



(e) Trace plot of income above 250k



(f) Trace plot of income below 5k

Figure 6: Trace plot of income

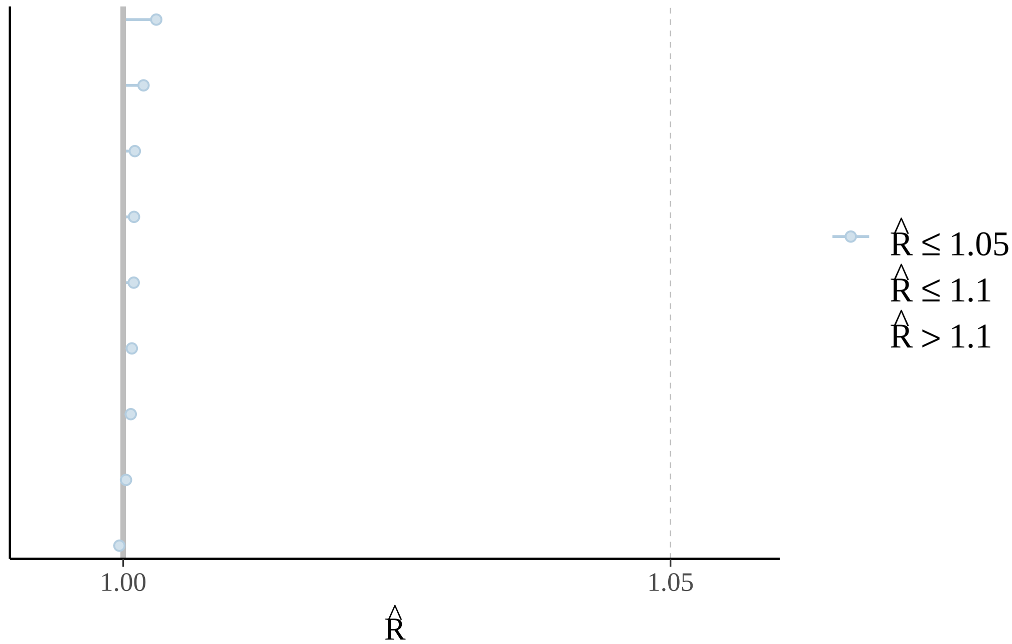


Figure 7: Rhat plot

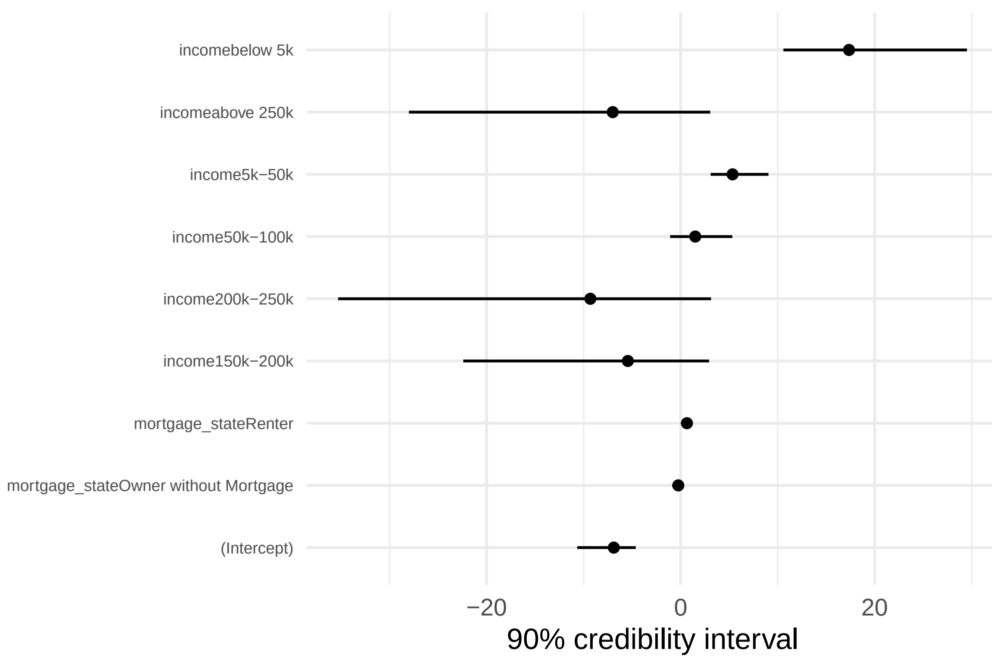


Figure 8: Credible intervals for predictors of positive poverty status

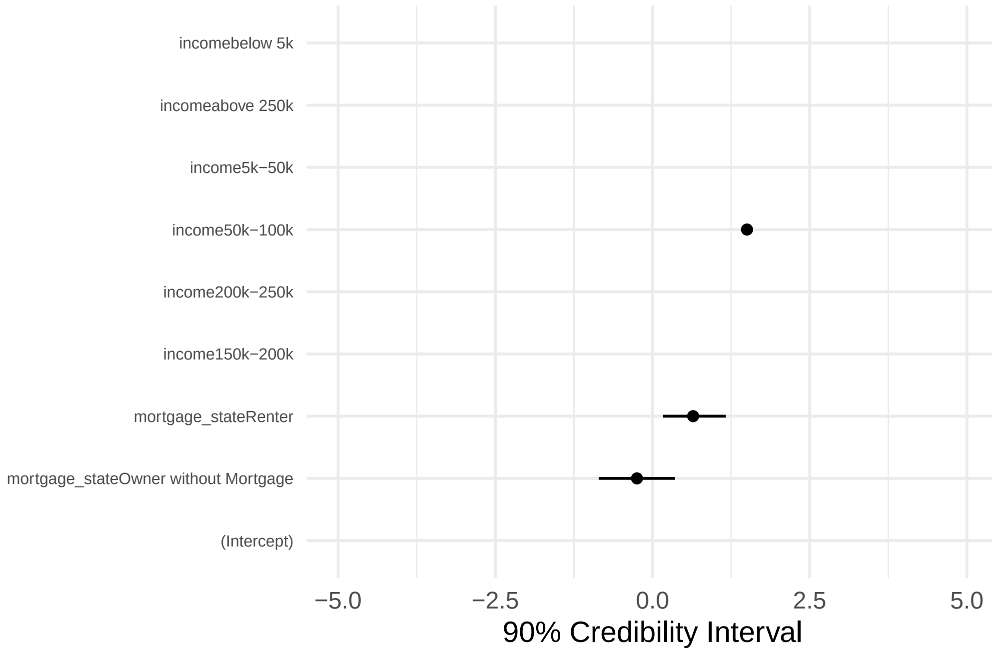


Figure 9: Credible intervals for predictors of positive poverty status with x_axis limits

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