



Fact Sheet

IWPR# C399

July 2012

A Clearer View of Poverty: How the Supplemental Poverty Measure Changes Our Perceptions of Who Is Living in Poverty

An Examination of Poverty by Gender, Race/Ethnicity, Age, and Marital Status

In response to concerns about the adequacy of the official federal poverty measure, a new Supplemental Poverty Measure was recently developed to more accurately assess poverty. This fact sheet presents a rather different picture of poverty in the United States for the various demographic groups based on the Supplemental Poverty Measure and compares this new picture to the understanding of poverty based on the official measure, using data for the 2010 calendar year.

The poverty rate is higher under the Supplemental Poverty Measure (15.9 percent poor, IWPR analysis of BLS data) than it is under the official poverty measure (15.1 percent poor; DeNavas-Walt, Proctor, and Smith 2011) for the total U.S. population and for most of the demographic groups examined. Under the Supplemental Poverty Measure, there is also less inequality in poverty across gender, race/ethnicity, age, and marital status than is found using the standard measure. The new measure will now be released by the Census Bureau and the Bureau of Labor Statistics (BLS) along with the official measure each year.

The key differences between the Supplemental Poverty Measure and the official poverty measure are that the supplemental measure includes a more accurate assessment of resources and a more accurate measure of the poverty line (also known as the threshold, the point at which a household's resources are inadequate enough to define it as living in poverty; Women of Color Policy Network 2011). More specifically, in contrast to the official poverty measure, the Supplemental Poverty Measure accounts for the effects of important government benefits and taxes, work expenses (including childcare), and medical expenses on households' standards of living (Short 2011).

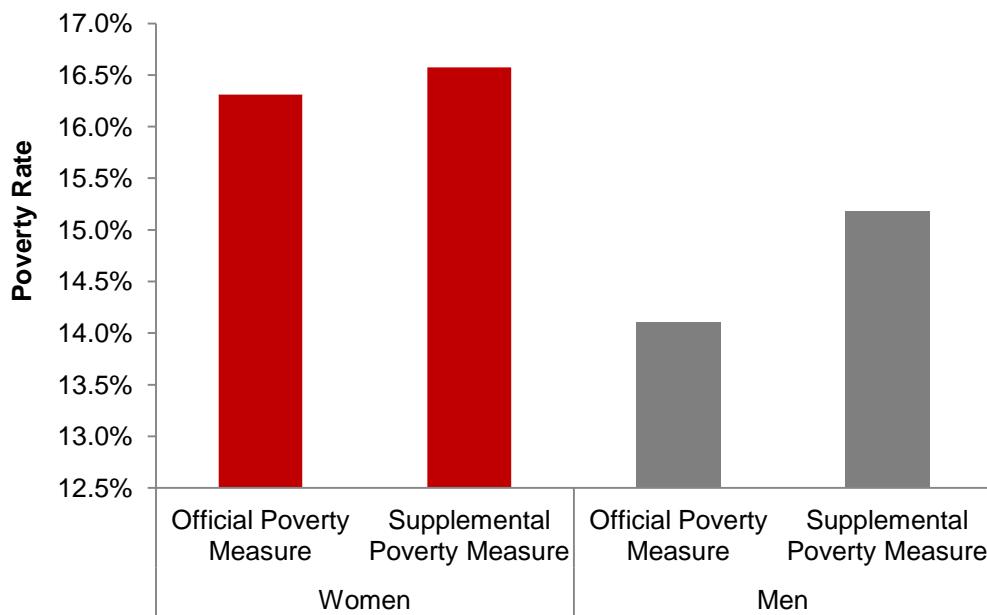
While the poverty lines (there are different poverty lines in both measures to account for differences in family size and other factors) in the official measure are based on surveys of family expenditures from the 1950s (Smith 2009), the supplemental measure's poverty lines are based on actual expenditures on food, clothing, shelter, and utilities (Short 2011). Moreover, the poverty lines under the supplemental measure account for geographic differences in housing prices. Additionally, the units of analysis differ: For the

official poverty measure, poverty is determined for families and unrelated individuals, whereas for the supplemental measure, it is determined for households, with the assumption that people who live in the same household share resources (Short 2011).

Women's and Men's Poverty

Men's and women's poverty rates are higher under the Supplemental Poverty Measure than under the official poverty measure. Men's poverty rates, however, rise numerically and proportionately much more than women's do between the two measures. Therefore, there is less gender inequality in poverty rates using the supplemental measure. Still, women's poverty rates are higher than men's under both measures (Figure 1).

Figure 1. Women's and Men's Poverty, 2010



Source: IWPR analysis of data from the 2011 Current Population Survey Annual Social and Economic Supplement and Supplemental Poverty Measure Public Use Research Files.

Women's and Men's Poverty by Race/Ethnicity

Poverty is higher using the Supplemental Poverty Measure than with the official measure for whites, Hispanics, and Asian Pacific Islanders, and lower for blacks, American Indians, and those categorized as “other/mixed.” There is less inequality by race/ethnicity in poverty rates under the Supplemental Poverty Measure. Under both poverty measures, minority race/ethnic groups have higher rates of poverty than whites, particularly blacks, Hispanics, and American Indians (Table 1).

Table 1. Women's and Men's Poverty by Race/Ethnicity, 2010

	Women		Men	
	Official Poverty Measure	Supplemental Poverty Measure	Official Poverty Measure	Supplemental Poverty Measure
White	10.9%	11.7%	9.1%	10.4%
Black	29.2%	26.2%	25.4%	24.2%
Hispanic	28.3%	28.6%	25.2%	27.9%
American Indian	28.6%	23.7%	23.8%	19.7%
Asian & Pacific Islander	13.1%	16.9%	11.9%	16.4%
Other/Mixed	19.4%	17.9%	18.1%	16.4%

Source: IWPR analysis of data from the 2011 Current Population Survey Annual Social and Economic Supplement and Supplemental Poverty Measure Public Use Research Files.

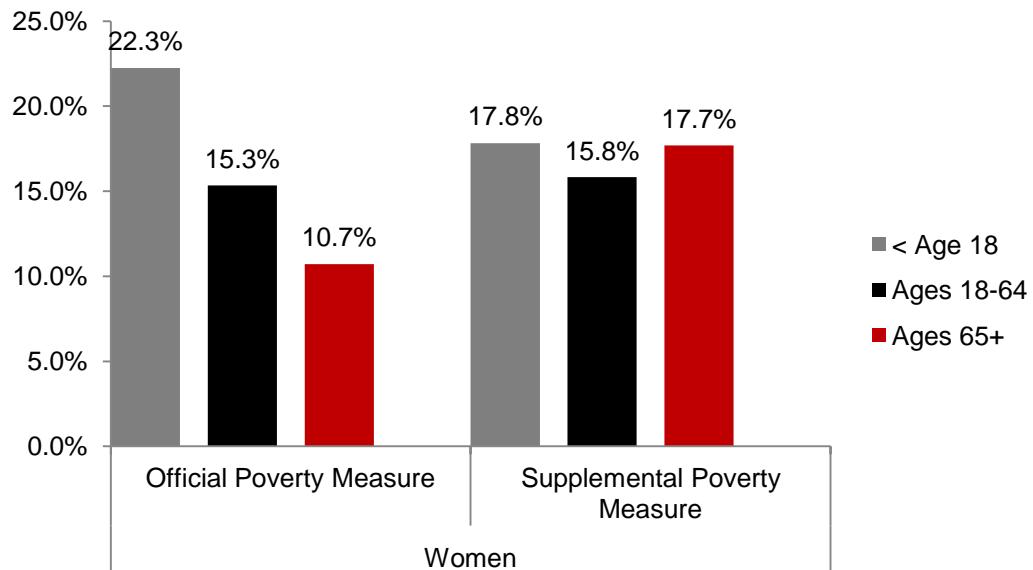
Women's poverty rates for the different race/ethnic groups range from a low of 11.7 percent for whites to a high of 28.6 percent for Hispanics under the Supplemental Poverty Measure. The percentage change from this lowest rate to the highest, defined from here on as the "spread," is 144.4 percent [= (28.6 percent - 11.7 percent) / 11.7 percent]. Under the official poverty measure, women's poverty rates have a larger spread, indicating greater inequality among the poverty rates of the different race/ethnic groups. These poverty rates range from 10.9 percent for white women to 28.6 percent for American Indian women, with a spread of 162.4 percent. Similarly, men's range from 10.4 to 27.9 percent (a 168.3 percent spread) under the supplemental measure and from 9.1 to 25.4 percent (a 179.1 percent spread) under the official poverty measure (Table 1).

Women's and Men's Poverty by Age

There is less inequality of poverty rates by age under the Supplemental Poverty Measure than under the official measure. Figures 2a and 2b show how poverty rates for women and men are much more equal between age groups under the supplemental measure than under the official measure. Part of the reason for this is because poverty rates for women and men aged 18 and older are higher under the supplemental measure than under the official measure, perhaps reflecting more accurate costs of an adequate standard of living, and poverty rates for children are lower under the supplemental measure compared with the rates under the official measure, perhaps because the supplemental measure better reflects tax and non-cash benefits going to their families.

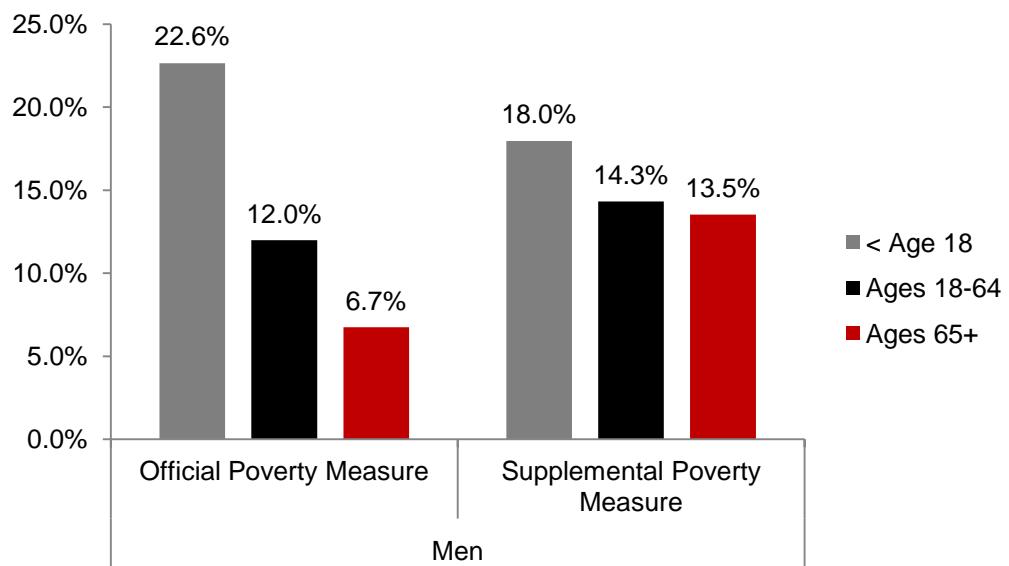
There is less inequality of poverty by age under the Supplemental Poverty Measure than under the official measure. Figures 2a and 2b show how poverty rates for women and men are much more equal between age groups under the supplemental measure than under the official measure. Part of the reason for this is because poverty rates for women and men aged 18 and older are higher under the supplemental measure than under the official measure, perhaps reflecting more accurate costs of an adequate standard of living, and poverty rates for children are lower under the supplemental measure compared with the rates under the official measure, perhaps because the supplemental measure better reflects tax and non-cash benefits going to families.

Figure 2a. Females' Poverty by Age, 2010



Source: IWPR analysis of data from the 2011 Current Population Survey Annual Social and Economic Supplement and Supplemental Poverty Measure Public Use Research Files.

Figure 2b. Males' Poverty by Age, 2010



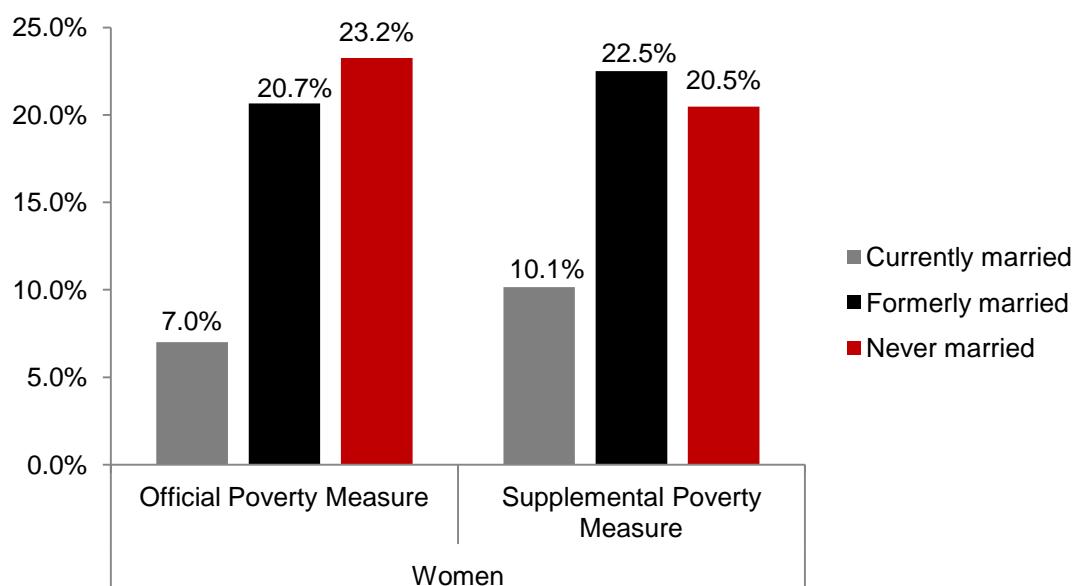
Source: IWPR analysis of data from the 2011 Current Population Survey Annual Social and Economic Supplement and Supplemental Poverty Measure Public Use Research Files.

Women's and Men's Poverty by Marital Status

Under both measures, poverty is lower for married women and men than for unmarried women and men (Figures 3a and 3b). Additionally, poverty rates are higher under the supplemental measure than under the official measure for all groups except the "never married." This is especially the case for married women and men, whose poverty rates rise a considerable amount between the official poverty measure and the supplemental measure, by 44.3 percent and 50.0 percent, respectively (Figures 3a and 3b). Married people are more likely to have children (U.S. Census Bureau). Perhaps that is why married women's and men's poverty rates are so much higher under the supplemental measure, as it more accurately accounts for the rising costs of child care.

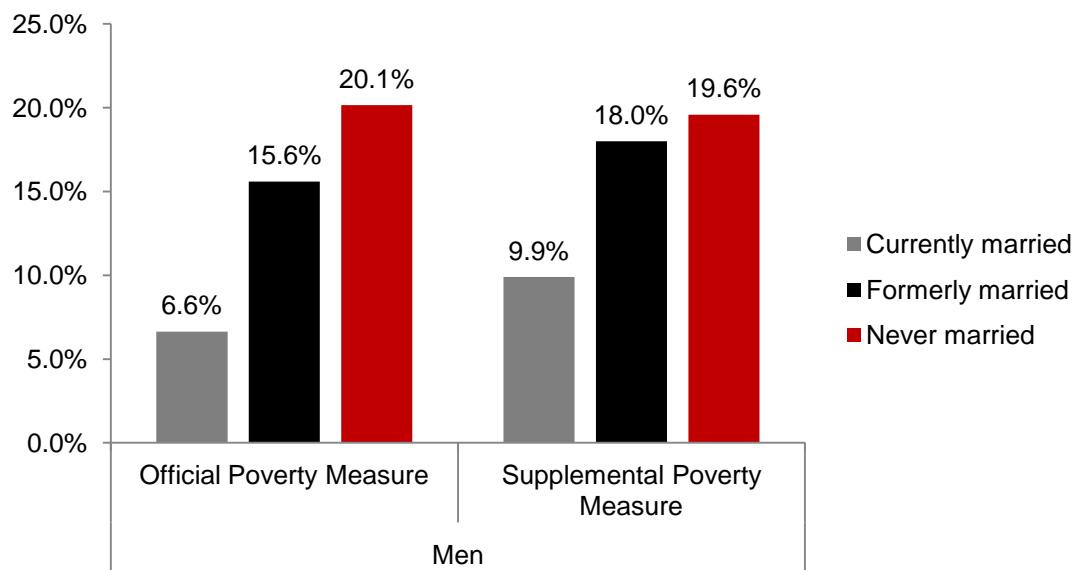
There is less inequality in poverty between the married and unmarried under the Supplemental Poverty Measure than under the official measure (Figures 3a and 3b). For example, women's poverty rates for the different marital status groups range from a low of 7.0 percent to a high of 23.2 percent (a 231.4 percent spread) under the official poverty measure and from 10.1 percent to 22.5 percent (a 122.8 percent spread) under the supplemental measure. Additionally, men's range from 6.6 to 20.1 percent (a 204.5 percent spread) under the official measure poverty and from 9.9 to 19.6 percent (a 98.0 percent spread) under the supplemental measure (Figures 3a and 3b).

Figure 3a. Women's Poverty by Marital Status, 2010



Source: IWPR analysis of data from the 2011 Current Population Survey Annual Social and Economic Supplement and Supplemental Poverty Measure Public Use Research Files

Figure 3b. Men's Poverty by Marital Status, 2010



Source: IWPR analysis of data from the 2011 Current Population Survey Annual Social and Economic Supplement and Supplemental Poverty Measure Public Use Research Files.

References

- DeNavas-Walt, Carmen, Bernadette D. Proctor, and Jessica C. Smith. 2011. *Income, Poverty, and Health Insurance Coverage in the United States: 2010*. U.S. Census Bureau.
<<http://www.census.gov/prod/2011pubs/p60-239.pdf>> (accessed June 28, 2012).
- Short, Kathleen. 2011. "The Research: Supplemental Poverty Measure: 2010." U.S. Census Bureau.
<http://www.census.gov/hhes/povmeas/methodology/supplemental/research/Short_ResearchSPM2010.pdf> (accessed May 30, 2012).
- Smith, Dorothy. 2009. "Measure by Measure: the Current Poverty Measure v. the National Academy of Sciences Measures." CLASP.
<<http://www.clasp.org/admin/site/publications/files/measurebymeasure.pdf>> (accessed November 16, 2009).
- U.S. Census Bureau. "America's Families and Living Arrangements: 2010."
<<http://www.census.gov/hhes/families/data/cps2010.html>> (accessed June 14, 2012).
- Women of Color Policy Network, NYU Wagner. 2011. "The Supplemental Poverty Measure and Communities of Color." <http://wagner.nyu.edu/wocpn/publications/files/SPM_Policy_Brief.pdf> (accessed May 29, 2012).

This fact sheet was prepared by Jocelyn Fischer and Jeffrey Hayes, Ph.D., with support provided by Annie E. Casey Foundation and Ford Foundation.

For more information on IWPR reports or membership, please call (202) 785-5100, email iwpr@iwpr.org, or visit www.iwpr.org.

The Institute for Women's Policy Research (IWPR) conducts rigorous research and disseminates its findings to address the needs of women, promote public dialogue, and strengthen families, communities, and societies. The Institute works with policymakers, scholars, and public interest groups to design, execute, and disseminate research that illuminates economic and social policy issues affecting women and their families, and to build a network of individuals and organizations that conduct and use women-oriented policy research. IWPR's work is supported by foundation grants, government grants and contracts, donations from individuals, and contributions from organizations and corporations. IWPR is a 501 (c) (3) tax-exempt organization that also works in affiliation with the women's studies and public policy programs at The George Washington University.