A New National Academies Report on Poverty Is Marred by Ideological Group-Think

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Last week, the National Academies of Sciences, Engineering, and Medicine (henceforth, NAS) <u>released</u> a new "consensus study" on poverty. The study was commissioned by the Census Bureau to assess and "update" the "Supplemental Poverty Measure" (SPM). The SPM is an indicator of poverty growing out of a similar 1995 study by NAS recommending improvements to the official poverty measure (OPM). In the years between the studies, the Census Bureau applied substantial resources to implementing the SPM, and it has been updated annually since 2011 (when 2010 poverty estimates were published).

The <u>report</u>, An Updated Measure of Poverty, seeks to assess and update the SPM. Staff at NAS selected a panel of experts to produce the report and developed a "Statement of Task for the Study," to guide them. The statement notes that

The intent of the panel is to assist the Census Bureau and the Bureau of Labor Statistics to ensure that the SPM is fulfilling its mandate to provide information on aggregate levels of economic need that informs public understanding of economic conditions and trends affecting people with lower incomes. After reviewing the strengths and weaknesses of the SPM in its current form, the panel will consider modifications that would increase its value to policy makers and researchers for the uses to which it is, or potentially could be, applied. (p. 1-7)

It is important to examine the past decision to develop the SPM and to assess how well it is has informed efforts to help low-income populations. Unfortunately, the panel has failed to provide that necessary information. Instead, it has attempted to entrench a specific type of poverty measure further into the bureaucracy of federal statistics without regard to the fundamental question of what best informs public understanding of the needs of poor Americans. The evidence suggests that key features of the SPM make it less accurate at identifying the poor than even the deficient OPM. The panel's recommendation for the revised SPM essentially to replace the OPM is not only clearly outside the panel's mandate. It reflects value judgements outside the realm of science—judgements lacking consensus among poverty measurement experts. This recommendation only fits in a "consensus study" because the panel features even less ideological diversity than did its nearly invariant 1995 predecessor. A more in-depth critique of the SPM as well as suggestions for its improvement, can be found in Burkhauser et al. (2021).

The NAS report fails to assess the success of the SPM in identifying the needy, and it fails to recommend that the existing SPM or any of the proposed changes to it should be assessed regarding this basic function of a poverty measure.

One of the four core principles discussed in Section 2.2 of the Report for guiding the determination of a poverty measure's adequacy and applicability is accuracy. The importance of a poverty measure's accuracy is discussed throughout the Report, as in this passage from the Report's introduction:

[S]pecification of official statistics should be driven by the information needs of policy makers [sic] and researchers. For the SPM, these needs include identifying population groups experiencing the greatest economic deprivation, tracking changes in these populations over time, and assessing the effectiveness of public policies and safety net programs designed to alleviate poverty. (p. 1-5)

How well does the SPM do in these regards?

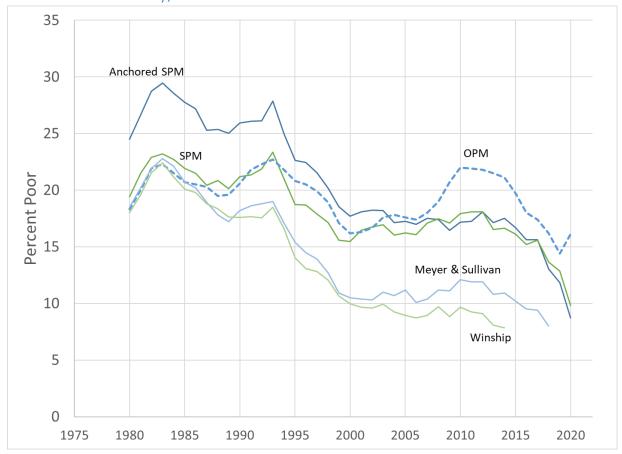
Tracking Changes in Hardship over Time

Consider first, the ability of the SPM to track changes in hardship. Relative to the OPM, it performs well at this basic requirement. Poverty measures compare a person's or family's resources against one of a set of thresholds that resources must exceed to be deemed non-poor. The SPM measures resources much better than the OPM does. There is broad consensus that the OPM is grossly incomplete in its measurement of resources. (National Research Council, 1995; Interagency Technical Working Group on Evaluating Alternative Measures of Poverty, 2021). It only includes pretax cash income in resources, neglecting noncash benefits provided by employers and government as well as the impact of taxes and refundable tax credits. It also neglects the resources of cohabiting partners in assessing "family" income.

Because of the OPM's deficiencies, it often fails to register the impact of the most important antipoverty policies on hardship. During the recession of 2020, the OPM did not pick up the impact of policies like the Economic Impact Payments, the expansion of Supplemental Nutrition Assistance Program benefits, and other responses to the pandemic, while the SPM did so.

Researchers who are critical of the SPM have developed their own poverty measures that reject the way the SPM conceptualizes poverty but incorporate most of the modifications to resource measurement the SPM features versus the OPM. That these modifications are important is easily seen in the following chart looking at long-term trends in child poverty according to a variety of measures.

Trends in Child Poverty, 1980-2020



Source: Census Bureau, "Historical Poverty Tables: People and Families – 1959 to 2021,"

https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-people.html; Columbia University Center on Poverty and Social Policy, "Historical Supplemental Poverty Measure Data,"

https://www.povertycenter.columbia.edu/historical-spm-data; Bruce D. Meyer and James X. Sullivan (2019),
"Annual Report on U.S. Consumption Poverty: 2018,"

https://leo.nd.edu/assets/339909/2018 consumption poverty report 1 .pdf; Scott Winship (2016), "Poverty

after Welfare Reform," https://www.manhattan-institute.org/html/poverty-after-welfare-reform.html (my estimates).

The "SPM" trend in the chart comes from researchers at Columbia University's Center on Poverty and Social Policy. (Fox et al., 2015) It attempts to extend the SPM back to years preceding the Census Bureau's measurement of it (which begins with 2009). The "Anchored SPM" is also from the Columbia researchers. (Wimer et al., 2016) It uses (more or less) the SPM's resource definition, but rather than updating the threshold annually on the basis of what the lower middle class spends on designated types of consumption, it simply extends the 2012 SPM thresholds back by adjusting them for changes in overall inflation. The "Meyer & Sullivan" trend is from Meyer and Sullivan (2019), using a post-tax and -transfer resource measure anchored to the 1980 OPM poverty thresholds. The "Winship" line is from an earlier report of mine (Winship, 2016) and also uses a post-tax and -transfer resource measure,

anchored to the 1996 OPM poverty thresholds. The anchored SPM, Meyer and Sullivan, and Winship estimates all use different adjustments for inflation (and different adjustments than the OPM uses).

Between 1980 and 2020, the OPM fell by 2.2 percentage points but the SPM fell by 9.6 points. From 1980 to 2014, the OPM rose by 2.8 points but the SPM fell by 2.7 points. The other three measures fell by between 7.0 and 10.2 percentage points over these 34 years. I will come back to the difference between them and the SPM, but for now, the point is that the OPM is a clear outlier because of its indefensible treatment of resources.

Identifying Those with the Most Hardship

But if the SPM outperforms the OPM in accurately reflecting changes in hardship, it performs poorly in identifying the most deprived Americans at a point in time. This evidence is not discussed in the NAS report. (An appendix table near the end of the report summarizes two of the studies discussed below, but the summary obscures the poor performance of the SPM relative to the OPM.)

In fact, despite its inadequate resource measurement, the OPM consistently performs better (or no worse) than the SPM in identifying deprived Americans. Bruce Meyer and James Sullivan (2012) used the 2010 Consumer Expenditure Survey to compare families deemed poor by an SPM-like measure, by an OPM-like measure, and by both measures. Importantly, Meyer and Sullivan set the threshold for the OPM-like measure so as to count the same number of people poor as did the SPM-like measure (though they were not the *same* people).

Compared with families that were poor by both the SPM and OPM, families that were poor only according to the SPM had higher consumption, were more likely to have private health insurance, were more likely to own a home and car, had more housing amenities and appliances, and had more assets. In contrast, families that were poor according to the OPM but not the SPM were less likely to have private health insurance, had smaller homes, and had lower assets than families poor by both measures. The "OPM poor" who were not "SPM poor" looked worse-off than the "SPM poor" who were not "OPM poor" on all general measures of hardship that the authors examined (and on nearly all when looking only at children).

Brian Curran, Bruce Meyer, and Derek Wu (2020) found similar results looking at hardship measures in the 2014 Survey of Income and Program Participation (SIPP). These measures included housing quality, difficulty paying bills, physical health, food insecurity, and asset levels. They found that families who were deemed poor only by an SPM-like measure were better off than families also deemed poor by the OPM. In contrast, the OPM-only poor were at least as bad off as those classified as poor by both measures.

Liana Fox and Lewis Warren (2018) of the Census Bureau conducted a similar analysis with the 2014 SIPP. They, too, found that the SPM-only poor were better off on five hardship measures than people identified as poor by both the SPM and OPM, who in turn were better off than the OPM-only poor.

Shaefer and Rivera (2018) looked at the correlation between the year-to-year change in food security and the change in OPM and SPM poverty. They found the correlation with OPM poverty was stronger.

Shaefer and Rivera also found that the correlations across several years of poverty rates with food security and seven other hardship measures were very similar whether they used the OPM or SPM.

Meyer and Sullivan (2018) discussed why these cross-year correlations were spurious. They also found that the correlations of poverty rates with hardship, after controlling for a linear time trend, were very similar for five of these eight measures whether they use the OPM or SPM, but three measures (all related to unemployment) were more strongly correlated with OPM poverty. Looking at 13 additional hardship measures, Meyer and Sullivan, still controlling for a linear time trend, found that the correlations of OPM and SPM poverty with hardship were generally very similar.

A finding that the OPM and SPM are similarly correlated to some measure of hardship is actually a strike against the SPM. We know the SPM resource measure is superior to that in the OPM, which should make it more strongly correlated with hardship measures. To the extent that it is not more strongly correlated with some measure suggests that the other ways that the SPM differs from the OPM make it a worse guide to identifying the needy.

Evidence supports this interpretation. Meyer and Sullivan (2012) and Meyer and Sullivan (2018) find that a poverty measure based on consumption does better at identifying the needy than either the SPM or OPM. This consumption measure reflects the availability of resources more fully than the OPM but rejects the other ways that the SPM departs from the OPM. While more research is needed, the finding suggests that income measures that include the improved resource measurement of the SPM but exclude its more controversial features (discussed in the next section) would outperform the SPM at identifying the poor.

The fact that the SPM does a relatively poor job of identifying the neediest Americans should constitute a starting point for researchers reflecting on how—or whether—to improve the SPM. Rather than call for more research—or conduct its own research for inclusion in the report—the panel has neglected to address the basic question of whether the SPM is good enough to be further developed. Nor has it offered good reasons to think that the modifications to the SPM it recommends would do a better job identifying the needy than the current SPM or alternatives to it.

The NAS report's advocacy for a quasi-relative measure of poverty as the "principal" measure over an absolute measure wrongly implies a scholarly consensus that does not exist and constitutes a break with historical precedent. It also neglects the ways in which quasi-relative and relative measures create myriad challenges related to transparency and accuracy.

Two other core principles highlighted by the panel for assessing poverty measures are consistency and transparency. To reiterate, the NAS report fails to establish the empirical superiority of the SPM over even the OPM (let alone alternatives that would improve the resource measurement in the OPM but reject other SPM innovations). Yet the committee calls for naming the SPM's successor the "principal" poverty measure—the flagship that receives the most attention from the Census Bureau. This entirely unwarranted advocacy is inadvisable not only on grounds of accuracy, but on the grounds of transparency and consistency. A quasi-relative poverty measure like the SPM is difficult to interpret. It also represents a break from the way that American researchers and policymakers have historically thought about poverty (which itself reflects the ambiguity of a relative or quasi-relative poverty measure).

Absolute vs. Relative Poverty Measures

As noted above, the SPM does a worse job than the OPM at identifying the needy despite a scholarly consensus that it better measures the resources available to families. This failure likely relates to other methodological features of the SPM that are much more questionable and for which there is no scholarly consensus: the calculation of poverty thresholds based on a subset of what people buy rather than on the entirety of what people buy; the pegging of these thresholds to what non-poor people spend on this subset of categories rather than on aggregate price changes; the deduction from income of certain expenditures; and geographic cost-of-living adjustments (Meyer, Wu and Curran 2021).

These features strongly affect the long-term trend in poverty, as shown by comparing the two series in the chart above that come from the Columbia University researchers. The anchored SPM includes the improved resource measurement of the SPM but updates the poverty thresholds based on changes in the cost of living rather than changes in what non-poor people spend on a subset of categories. The anchored SPM fell much more than the SPM did. From 1980 to 2020, the SPM fell by 9.6 percentage points, but the anchored SPM fell by 15.8 points. The change in the anchored SPM, as noted above, is much more consistent with the change in the Meyer and Sullivan poverty measure and the Winship measure, which also incorporate similar resource measurement improvements without otherwise altering the OPM.

The anchored SPM, Meyer and Sullivan, and Winship measures in the chart are, like the OPM, absolute measures of poverty. They set the poverty line at an essentially arbitrary level (varying according to family size and composition) and adjust it each year using the change in the cost of living. Absolute poverty measures assume that minimum basic needs are static over time, with only the cost of fulfilling those needs changing. They also assume that the changing cost of those basic needs are well measured by the aggregate change in the cost of living as indicated by conventional inflation measures.

In contrast, relative poverty measures have the well-known feature that if everyone's incomes rise by 50 percent, but the incomes of the poorest rise by "only" 25 percent, poverty increases. All relative poverty measures, then, are partly measures of absolute poverty and partly measures of inequality.

As a quasi-relative measure, the SPM shares this feature. SPM thresholds are not tied to a point in the income distribution, such as a fraction of the median. Instead, they are pegged to a point in the distribution of spending on food, clothing, shelter, and utilities (including telephone and internet service). If everyone's spending on these items increases proportionally, poverty is no lower. The proposed successor to the SPM would have the same character (though shelter needs would be considered separately with health care and childcare needs and not pegged to the distribution of spending on these items).

Clearly, a poverty measure that can stay unchanged (or even increase) while incomes and spending go up for everyone is less transparent in its meaning than a measure that would indicate hardship is declining. Perhaps for this reason, there is a long history of American researchers and policymakers in the federal government of the United States preferring absolute measures of poverty to relative ones.

Recommending a break from this tradition, as the NAS report does, is a serious violation of the consistency principle that the report professes to value, and the report does so without any compelling justification.

There is merit in the idea that income can increase at the same time that hardship increases. If ownership of high-end smart phones becomes nearly ubiquitous within the middle class while rising incomes among the poor nevertheless leave them unable to afford a high-end smart phone, it is theoretically possible that they could end up worse off in some broad sense. (Of course, if high-end smart phones simply became ubiquitous among the rich, that wouldn't be captured by changes in SPM-style thresholds, which don't look at spending at the very top.)

However, the extent to which the poor would be materially better or worse off would be an empirical matter. If inequality between the working class and the bottom increases, that may indicate that some decline in an absolute poverty measure overstates the decline in hardship, but it may not. In any event, the change in a relative poverty measure tells us nothing about how large any overstatement would be. Any relative or quasi-relative measure embeds an assumption about how large the overstatement is—one that is never made explicit or justified. Here, too, the SPM thresholds are far less transparent than the OPM thresholds or those that are typically used in absolute poverty measures.

Nor is much effort expended in the report on a normative justification for elevating a quasi-relative poverty measure to the primary one. The panel simply cites a view it attributes to "the Census Bureau" that a poverty measure must "account for changes in the population's consumption patterns, social and economic norms, perceptions of wellbeing, and the goods and services needed to participate fully in the economy." (p. SUM-1) Absolute poverty measures are criticized on the grounds that they "do not take account of the concerns people face about relative deprivation, shame, and social exclusion." (p. 1-3, quoting Ravallion, 2015)

The assertion that a poverty measure should incorporate all these considerations is a value judgement, not a matter for social science. There is certainly no consensus that the "principal" poverty measure used in the United States should incorporate these considerations.

However, even if one agrees that a poverty measure must account for such ambiguous and slippery (to some extent, clearly subjective) factors, there is virtually no connection between them and the SPM's methodology in setting poverty thresholds. Having enough income to afford what some percentile of the distribution of families spends on a few discrete categories of goods and services bears little relationship to "social and economic norms," "perceptions of wellbeing," being able to "participate fully in the economy," "shame," or "social exclusion." Nor would this be any truer of the proposed successor to the SPM. Perhaps if the SPM clearly performed better at identifying the needy, this issue could be benignly and politely ignored, though even then one might wonder how well the SPM does identifying shamed and socially excluded people and those who perceive themselves to be doing poorly. After reading the NAS report, one is left wondering.

The argument that inequality harms subjective feelings of well-being that should be accounted for in a poverty measure also elides the question of how to quantify this harm. What if inequality between the middle and the bottom falls but incomes at the bottom are stagnant? Is this subjectively better for the poor than if incomes grow uniformly by 10 percent? Is it subjectively better than if incomes grow 10 percent at the bottom but 20 percent for the middle? Advocates of the SPM do not know the answer, but the SPM mentality seems to suggest that the poor would prefer the first scenario, where they aren't getting any richer, but at least those above them are getting poorer.

The Role of Expert Judgement

The NAS report justifies the inconsistency of departing from historical tradition and the reduced transparency of a quasi-relative measure by appealing to "expert judgement." (p. SUM-4) Tellingly, though, elsewhere the Report appears to view the SPM's reliance on spending data to be superior to what it deems the OPM's reliance on "expert judgement" in setting poverty thresholds. (p. APP A-5)

But in implying that the OPM sneaks in subjectivity, the panel doth protest too much. Advocates of absolute poverty measures that build on the OPM do not pretend that the OPM thresholds are anything but arbitrary, while SPM advocates are obsessed with increasingly minute calibrations (laden with value judgements) to find the most "sciencey" thresholds possible. The basic misunderstanding of SPM advocates as to the meaning of absolute poverty thresholds is easily cleared up by looking at the origins of the OPM. (The following discussion draws on Burkhauser et al., 2021. See also Staff of the Subcommittee on Low-Income Families (1950), Lampman (1959), and Fisher (1997).)

The first attempt by the federal government to draw a poverty line involved the work of Robert Lampman who, as an economist in John F. Kennedy's Council of Economic Advisers chose a line of \$3,000 in family income (\$1,500 for individuals living without family). (Council of Economic Advisers, 1964) This was the basis for Lyndon B. Johnson declaring one fifth of the nation poor. This line was refined by Social Security Administration (SSA) economists to apply to families of different sizes (varying also by the age of the head and whether or not a family lived on a farm). These researchers relied on different food budgets for each category of American and an assumption that basic needs amounted to three times the appropriate food budget.

Poverty lines are not entirely arbitrary—the SSA was clearly right to recognize that families of different sizes had different needs, for instance—but to a great extent they are. Define some absolute threshold (or set of thresholds), and one might just as validly look at how many people are under 50 percent of the threshold or 150 percent of the threshold, capturing a more or less deprived group. The same is true of relative and quasi-relative measures—it may be interesting to look at people with income under 50 percent of the median or at people under two-thirds the median. It may be useful to consider people with income below the 33rd percentile of spending on shelter or below the 40th percentile of spending on food.

The OPM thresholds are best viewed as arbitrary levels of material wellbeing, as their connection to food budgets was short-lived. The food budgets were estimated for one year (1963) and since 1969, poverty thresholds have been updated by the change in the cost of living rather than anything to do with the prices of food or expenditures on food specifically. (Pages 2-18 to 2-19 of the NAS report provide the very text from the Office of Management and Budget directive that rejected updating the poverty lines using food costs. The report is, then, simply wrong on p. 2-1 in arguing that the SPM poverty threshold "relies on a broader concept of material wellbeing" than the OPM threshold. The inflation measures that annually update the OPM account for prices across the entire range of what consumers purchase, not simply in one or a few categories.) Notably, the Office of Management and Budget had two sets of SSA food budgets to choose from in setting an official measure. It could have relied on the one that produced a higher poverty rate; arbitrarily, it picked the set that more closely resembled the one-in-five poverty rate Lampman had originally developed.

Other research using absolute poverty measures that improve on the OPM adopt this view of the fundamentally arbitrary nature of poverty thresholds, anchoring their methods so as to reproduce the poverty rate in 1996 (Winship, 2016), 1980 (Meyer and Sullivan, 2018), or 1963 (Burkhauser et al., 2021).

Meanwhile in contrast to both absolute and relative poverty advocates, SPM researchers—including those on the current panel—have descended into near-obsession with an ever-refined set of methods that pile on cumulating methodological challenges, apparently in a misguided effort to develop the one true set of poverty thresholds.

While the OPM includes just 48 thresholds, depending on family size and composition, the SPM includes more than 46,000 thresholds. "Expert judgement" has determined a subset of expenditures against which to compare family incomes, the range in the distribution of such expenditures to set as a benchmark for this comparison, and the rule that thresholds should change over time based on changes in spending within this range on the subset of expenditures. "Expert judgement" also determines how these thresholds should vary across geography and according to housing tenure. And it determines several deductions to be made from resources before comparing them to these thresholds. The proposed changes to the SPM would layer on countless other decisions based on "expert judgement."

Again, the attention given the details of these decisions might be justified if it were shown that the resulting measure better identified needy Americans than the simpler, more transparent and consistent alternative. That the opposite is true just makes it more perplexing why SPM advocates have trapped themselves in a fetishistic cul-de-sac of statistical pedantry.

It is possible to endlessly (every decade or two) obsess about the needs that the SPM poverty threshold should incorporate, how best to measure them, and to which point of the relative distribution of spending on favored goods and services the growth of the SPM threshold should be pegged. Any choice is arbitrary and will identify a more or less deprived group that is growing faster or slower than if another set of choices had been made.

Particularly when the empirical case for an intricately constructed SPM over a simple absolute poverty measure is nonexistent, advocates of the SPM should be impelled to justify the inordinate amount of time and effort spent on refining an ultimately arbitrary set of poverty thresholds. Instead, the proposed successor to the SPM would be even more complicated, and the panel even discusses (pp. 2-15 to 2-16) further potential refinements to the proposed successor. Again, it does so having not established the worthiness of the SPM as it currently exists nor the magnitude of improvement that would be obtained through the changes it proposes.

Finally, it is worth emphasizing that the endless methodological refinements to the SPM and its proposed successor themselves affect its accuracy. In the SPM approach, many of the complicated measurement challenges involved in assessing resources are ported to the determination of poverty thresholds too. Reconciling what is in the thresholds and what is in the resource measure requires "getting it right" twice in terms of data collection and measurement. In contrast, absolute poverty measures simply focus on resources and trust in the decades' worth of research embodied in price measurement to update thresholds.

The NAS report's immodest proposal not only to further develop the SPM but to turn it into the federal government's "principal" poverty measure rests on unacknowledged and unjustified value judgements reflecting a panel lacking even the semblance of diverse perspectives.

In his dissent from the report of the 1995 National Academies panel that recommended what became the SPM, John F. Cogan wrote,

Instead of focusing on these areas where science can make a contribution, the report is devoted to recommendations and conclusions that are driven by value judgements. According to the report, the poverty line should be raised from its current level, it should rise faster than inflation over time, and fewer resources should be counted when determining whether a family's income is above or below the poverty line. These recommendations are not scientific judgements. They are value judgements made by scientists—with a particular point of view. In essence, the panel has mostly eschewed the role of scientific panel and has instead assumed the role of a government policy maker. By so doing, the panel has not served well either the policy community or the scientific community. (National Research Council, 1995, p. 386)

Cogan's charge that his panel's recommendations were driven by value judgements rather than science apply with greater force to the current panel's report. As we have seen, the panel makes no attempt to empirically justify either continuing with the SPM or the modifications to it that are proposed. Nor does it spend significant time normatively justifying the quasi-relative nature of the SPM or the extent to which the SPM actually reflects those normative commitments.

In retrospect, it is admirable that NAS staff choosing the earlier panel thirty years ago recognized it should be open to at least a sliver of dissension. But it was predestined to only be a sliver. The panel had 13 members, the ideological diversity of which may be examined through a search of Federal Election Commission (FEC) records. Ten members of that panel appear in the FEC data, with contributions listed as early as 1991 and as recently as this year. (Among the three panelists missing from the data, two were British citizens.) Cogan (employed by a conservative think tank at the time) made three donations to Republican candidates or political action committees, totaling \$2,000. Another panel member made four donations totaling \$650 to a Republican candidate and four totaling \$1,000 to a Democrat. The remaining eight members made nearly 1,300 contributions totaling around \$115,500—all to Democratic candidates or progressive committees.

There is no dissent from the latest NAS report, perhaps because the panel includes a more limited range of viewpoints than even the earlier panel behind the 1995 report.

In the FEC data, as of the time I reviewed the draft report, 11 of 13 members of the current panel had contributed nearly \$110,000 through more than 730 contributions to Democratic candidates and progressive committees. None of them had contributed one dollar to Republican candidates or conservative committees.

An obvious ideological skew comes through in other ways too. One of the two panelists with no contributions listed in the FEC database was the chief economist in President Obama's Council of Economic Advisers. A senior economist in President Biden's CEA was also on the panel, as was another economist who served on the Obama CEA. One panelist was a former Democratic staffer on the House

Ways and Means Committee and is now the head of a prominent progressive think tank. Another advised President Obama's campaign and served on his transition team.

I was grateful to be asked as one of seven outside people selected to review the NAS draft report. (Full disclosure: I've given \$750 to conservative candidates and committees, versus the \$1,690 I gave to the 2008 Obama campaign.) But as far as I can tell, my criticism, which adhered very closely along the lines of the discussion above, led to no more than sentence-level edits.

This is not to say that ideological narrowness is the only potential source of bias and group think. My recommendations urged the NAS panel, unsuccessfully, to engage meaningfully with the recent federal Interagency Technical Working Group on Evaluating Alternative Measures of Poverty. That group released a 2021 report that criticized the OPM on the same grounds that the current panel's Report does. (Interagency Technical Working Group, 2021) But it also criticized the SPM, including its failure to identify the neediest Americans well. The working group, which included representation from 11 federal agencies, recommended the development of absolute measures of income and consumption poverty that would better measure the resources available to families. Those recommendations are much more cautious and defensible than the unwarranted disruptive changes advocated by the current panel.

The organizers of the current panel cannot fall back on excuses about an absence of qualified researchers with perspectives not represented on the panel. The University of Chicago's Bruce Meyer, arguably the single most expert researcher on matters of poverty measurement and the co-chair of the working group just mentioned, was conspicuously excluded. (Meyer is also a nonresident senior fellow here at AEI.) So, too, was his longtime collaborator James Sullivan. Other poverty researchers within and outside academia have voiced skepticism about relative and quasi-relative poverty measures and about the SPM specifically (e.g., see Burkhauser et al., 2021). The fact that none were apparently invited to serve on the panel raises the concern that the panel's NAS organizers desired to manufacture a consensus that does not actually exist.

Societies and polities fundamentally need to know whether material hardship is increasing or declining. This is what absolute poverty measures imperfectly try to capture. The fact that relative and quasi-relative poverty measures, which change with inequality, abstract from this baseline conceptualization of poverty makes them, at best, of "secondary" rather than "principal" importance. Compared with absolute poverty measures, they should be "supplemental." Apart from the research stemming from the two ideologically narrow NAS panels, there is no tradition in the United States of using anything but an absolute poverty measure. Moving to a quasi-relative measure as the "principal" one would be a radical break, particularly when there is not consensus in favor of quasi-relative measures or an empirical case for their superiority.

Labeling the SPM's successor as a principal poverty measure would ensconce within the federal bureaucracy (and, in all likelihood, federal policy) a type of measure that shows less progress in reducing poverty than a high-quality absolute poverty measure would. Doing so is a political decision by a homogeneous group of unaccountable researchers. It is the very first recommendation offered in the NAS report, though it was clearly outside the "Statement of Task for the Study" provided by NAS staff to the panel. It is a power grab so bold as to warrant introspection on the part of NAS about how it seeks to advance knowledge, concern from other parts of NAS about the reputation of the poverty-related research produced by its Division of Behavioral and Social Sciences and Education, and inquiry from policymakers who are rightly tasked with making inherently political decisions.

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