



Webinar for VISTA

Alternative Lenses: Poverty Beyond the Official Measure

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This session will begin shortly.



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Welcome

to

Alternative Lenses: Poverty Beyond the Official Measure



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Today's Team...



Shannon McGarry
Project Specialist
Campaign
Consultation, Inc.



Robyn Stegman
Project Specialist
Campaign
Consultation, Inc.



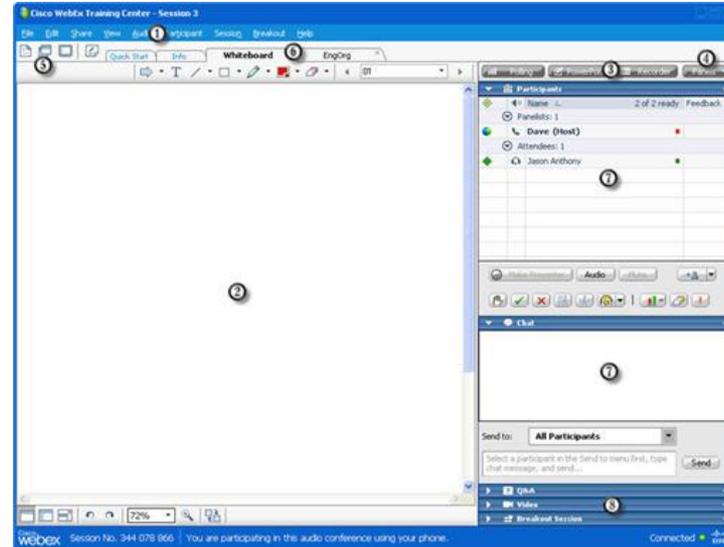
Suzanne Knizner
Project Specialist
Campaign
Consultation, Inc.

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Tips for Participating

- Submit questions to the presenter at any time using the Q & A feature.
- Share tips, resources, and ideas with other attendees using the Chat feature.
- The phone line will be open later in the presentation for Questions and Answers.



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Planning Your Professional Development



Andy King
Training Specialist
AmeriCorps VISTA

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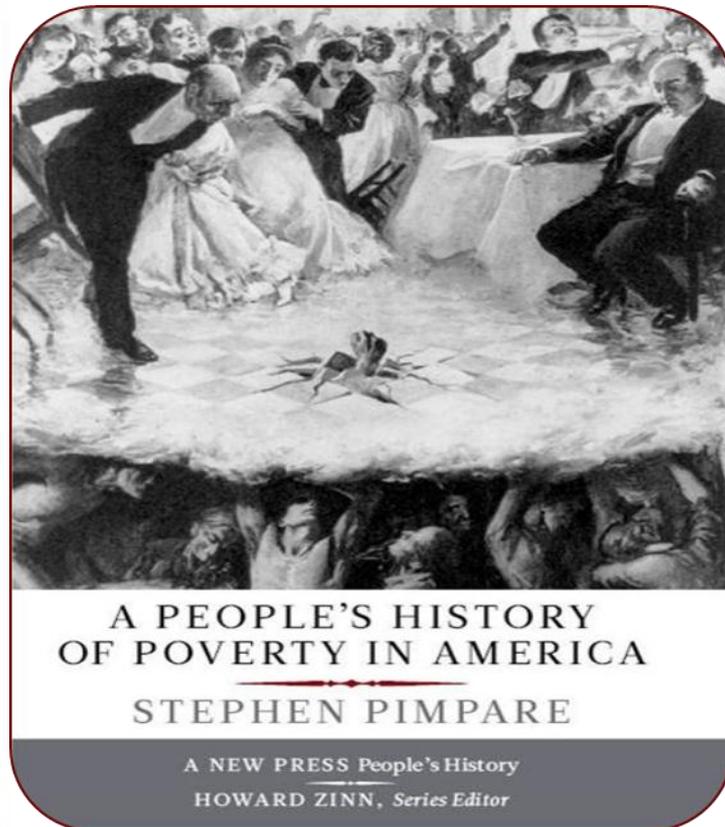
Today's Agenda

- The “Official” Poverty Measure and its Limitations
- The Supplemental Poverty Measure
- Other Alternatives: Family budgets, Life Course Analyses, Relative Poverty, Insecurity, Mobility, Capabilities
- Implications for VISTAs
- VISTA Campus Resources
- Q&A
- V-Chat

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Today's Presenter



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Learning Objectives

- Describe how the Census Bureau measures poverty, and point to some of its limitations
- Identify alternatives to the official measure
- Explain how various poverty definitions might suggest different kinds of poverty interventions
- Discuss how these new ways of thinking about poverty could impact your VISTA service

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What does poverty mean to you?

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**“The definition of the
alternatives is the
supreme instrument of
power”**

-- E.E. Schattschneider, 1960

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The “Official” Measure of Poverty: U.S. Census Bureau



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Poll Question

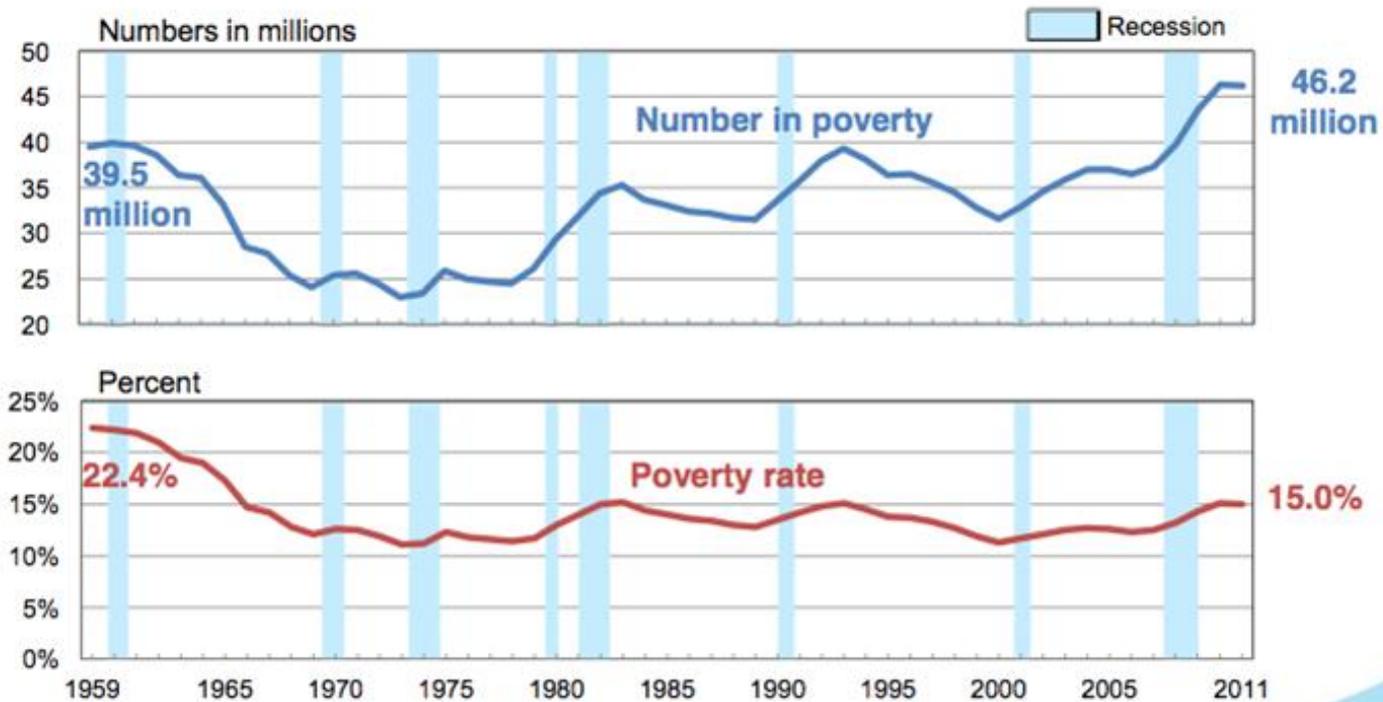
What is the poverty rate in the US?

- 9%
- 12%
- 15%
- 20%

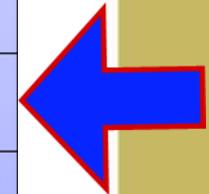
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Poverty Rate and Number in Poverty: 1959 to 2011



Size of family unit	Weighted average thresholds
One person (unrelated individual)	\$11,484
Two people	\$14,657
Three people	\$17,916
Four people	\$23,021
Five people	\$27,251
Six people	\$30,847
Seven people	\$35,085
Eight people	\$39,064
Nine people or more	\$46,572



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Figure 2: U.S. Census Bureau, 2012



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In Poverty

Family
of 4

\$23,020

**Not in
Poverty**

Family
of 4

\$23,022

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Alternatives I: Variations on the “Official” Measure of Poverty: Low-Income

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People With Income Below Specified Ratio of Their Poverty Thresholds: 1967 to 2011

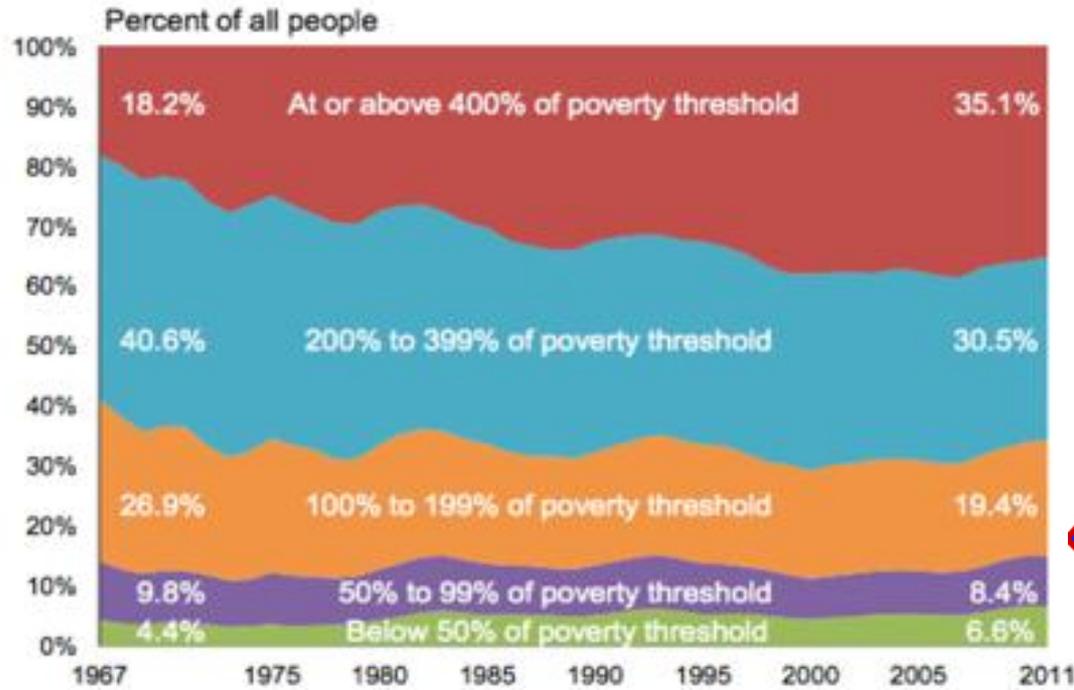


Figure 3: U.S. Census Bureau, 2012

Poverty Measure Concepts: Official and Supplemental

	Official Poverty Measure	Supplemental Poverty Measure
Poverty Threshold	Three times the cost of a minimum food diet in 1960	A more sophisticated calculation of current costs of living that takes into account expenditures on food, clothing, housing and utilities.
Threshold Adjustments	Vary by family size, composition, and age of householder	Geographic adjustments for differences in housing costs by tenure and a three parameter equivalence scale for family size and composition.

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Poverty Measure Concepts: Official and Supplemental



**Official
Measure**



**Supplemental
Measure**

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Supplemental Poverty Measure: Changes

Plus	Minus
Supplemental Nutritional Assistance Program (SNAP)	Taxes (plus credits such as the Earned Income Tax Credit [EITC])
National School Lunch Program	Expense Related to Work
Supplementary Nutrition Program for Women Infants and Children (WIC)	Child Care Expenses
Housing Subsidies	Medical Out-of-pocket Expenses (MOOP)
Low-Income Home Energy Assistance (LIHEAP)	Child Support Paid

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Two Adult, Two Child Poverty Thresholds: 2011 (Dollars)

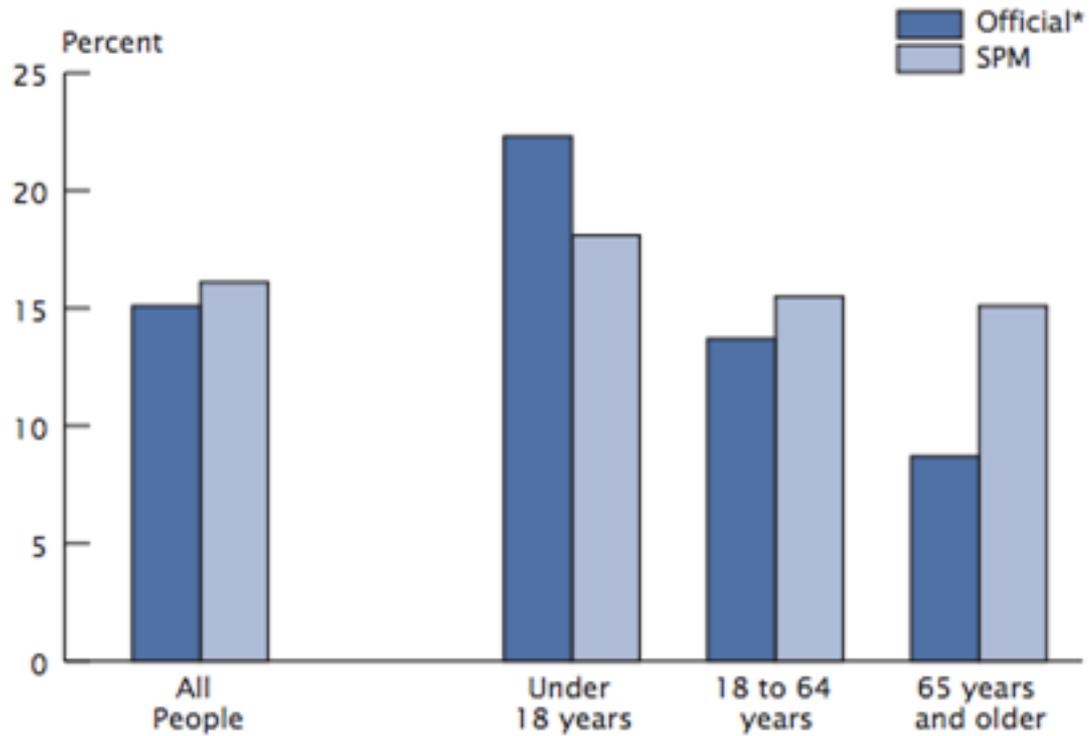
Research Supplemental Poverty Measure

Owners with a mortgage	\$25,703
Owners without a mortgage	\$21,175
Renters	\$25,222

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Figure 1.
Poverty Rates Using Two Measures for Total Population and by Age Group: 2011



*Includes unrelated individuals under age 15.

Source: U.S. Census Bureau, Current Population Survey, 2012 Annual Social and Economic Supplement.

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Alternatives II: Family Budgets/Living Standard



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Sample family budgets in eight areas for a family with two parents and two children

Budget Item	Casper, Wyo.	Johnston, Pa.	Charlotte, N.C.	Denver, Colo.	Oakland, Calif.	Minn-St. Paul, Minn.	Wash, D.C.	Boston, Mass.
Housing	\$470	\$428	\$719	\$888	\$1,342	\$928	\$1,187	\$1,266
Food	587	587	587	587	587	587	587	587
Child Care	595	954	866	1,001	892	1,364	1,316	1,298
Transportation	375	375	358	358	358	358	321	321
Health Care	335	338	338	338	338	345	398	592
Other Necessities	285	274	353	398	521	409	479	500
Taxes	-40	243	310	394	406	588	832	824
Monthly total	2,607	\$3,199	\$3,561	\$3,960	\$4,451	\$4,579	\$5,120	\$5,388
Annual total	\$31,284	\$38,388	\$42,732	\$47,520	\$53,412	\$54,948	\$61,440	\$64,656
% of Poverty threshold	163%	200%	223%	248%	279%	287%	321%	338%

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Basic Family Budget Calculator

EPI's Family Budget Calculator compiles the costs of essentials such as housing, food, child care, transportation and health care in different regions of the country to provide an estimate of how much families need to get by.

While the U.S. Census Bureau in the 1960s developed a methodology for calculating poverty thresholds, that system has not been updated to reflect changes in the economy over the last 50 years, such as significantly higher health care costs. As a result, it often underestimates the actual amount a working family needs to cover essentials. Unlike the official poverty threshold, which is the same nationwide, the Family Budget Calculator provides estimates of costs by state, city, metropolitan or rural area. In some cases it shows families need more than twice the amount of the official poverty thresholds to pay for food, housing and other essentials.

Family Type:

One Parent, One Child

State:

AK

Area Name:

Anchorage, AK HUD Metro FMR.

[Calculate budget](#)

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Alternative III: Life-Courses Analyses of Poverty

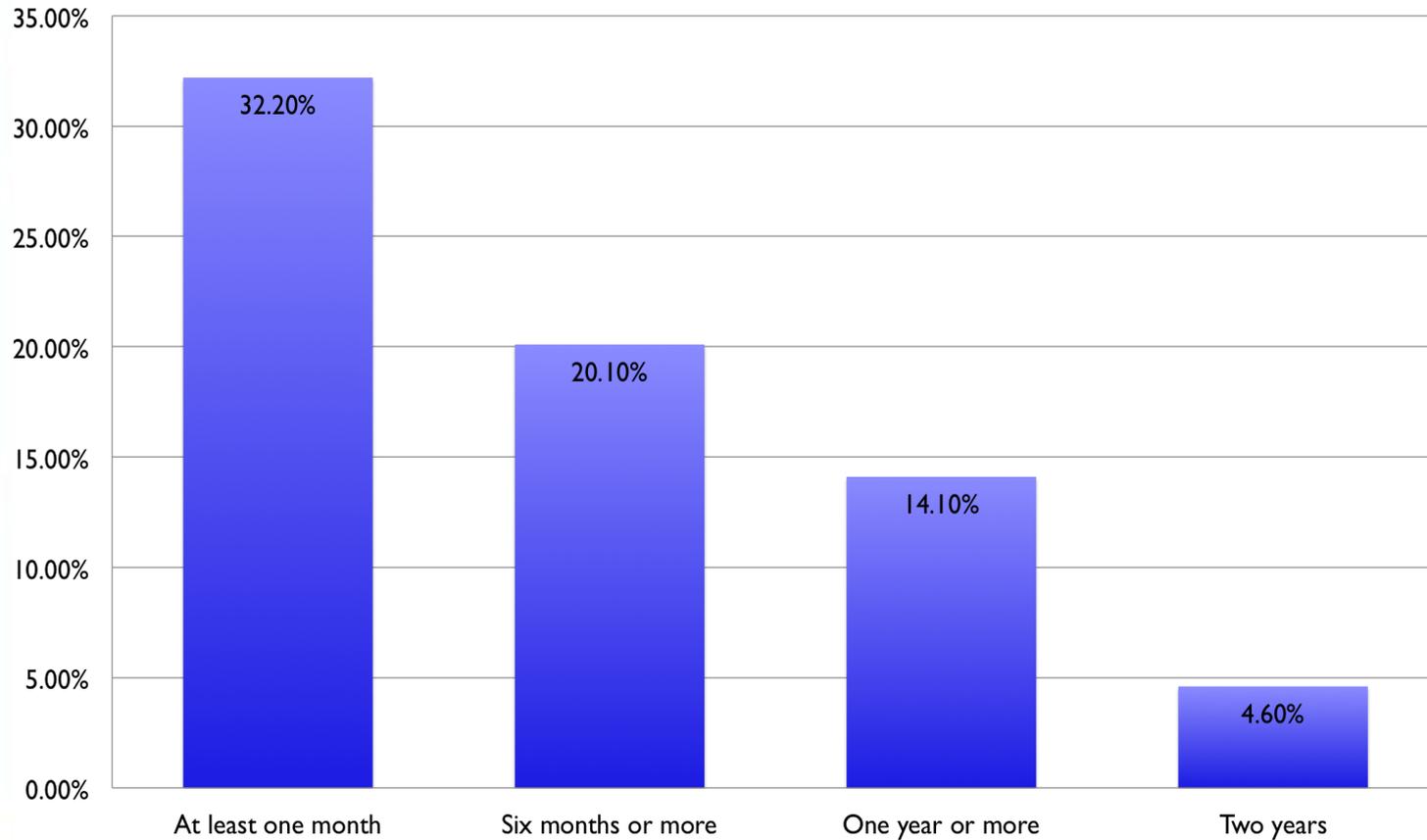


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Length of time in poverty over a two-year period, 2008-2009



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Figure 9: State of Working America, 2012

**59 percent Americans
are poor for a total of one
year or more over the
course of their adult lives**

-- Mark Robert Rank, 2007

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Alternatives: Relative Income Poverty

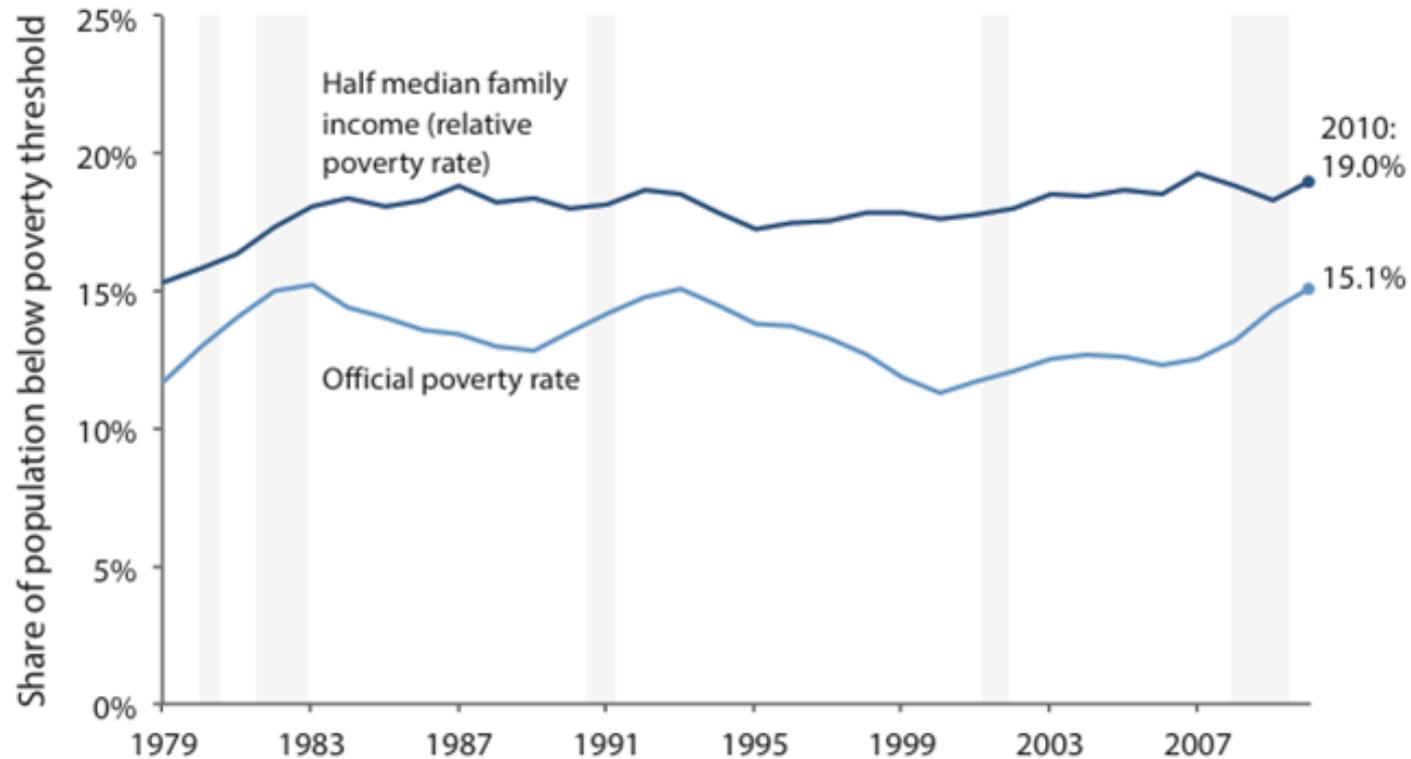


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Figure 7I Official and relative poverty rate, 1979–2010



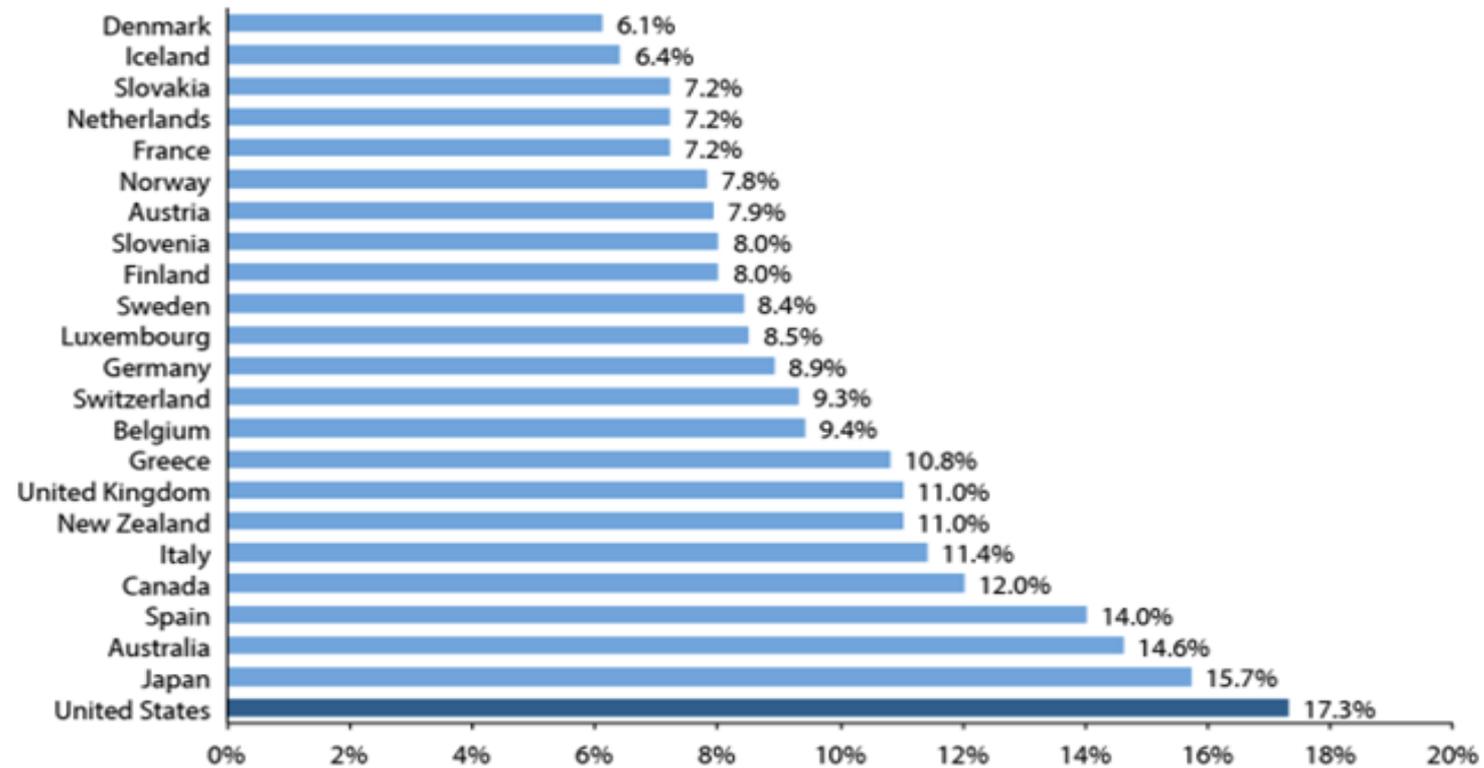
Note: Shaded areas denote recessions.

Source: Authors' analysis of Current Population Survey Annual Social and Economic Supplement (CPS-ASEC) *Historical Poverty Tables* (Table 2) and CPS-ASEC microdata

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Relative poverty rate in the United States and selected OECD countries, late 2000s



Note: The relative poverty rate is defined here as the share of individuals living in households with income below half of household-size-adjusted median income. Poverty rates are based on income after taxes and transfers.

Source: Authors' analysis of Organisation for Economic Co-operation and Development *Stat Extracts* (data group labelled "late 2000s")

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Figure 11: State of Working America, 2012



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Alternatives: Insecurity



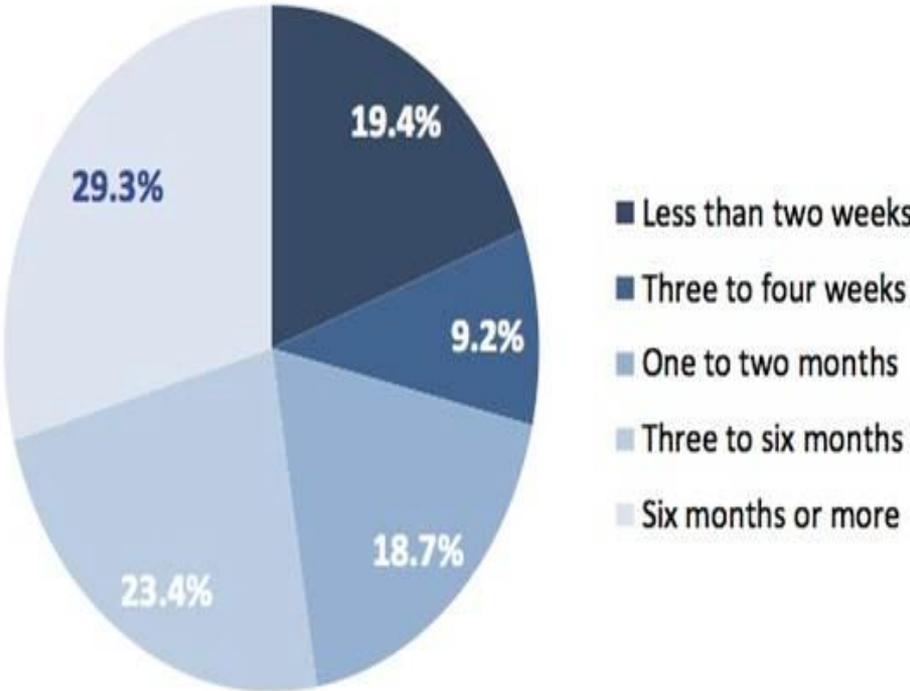
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Fig. 9 How Long Can Household Go without Income Before Hardship Sets In?

2009



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Alternatives: Mobility

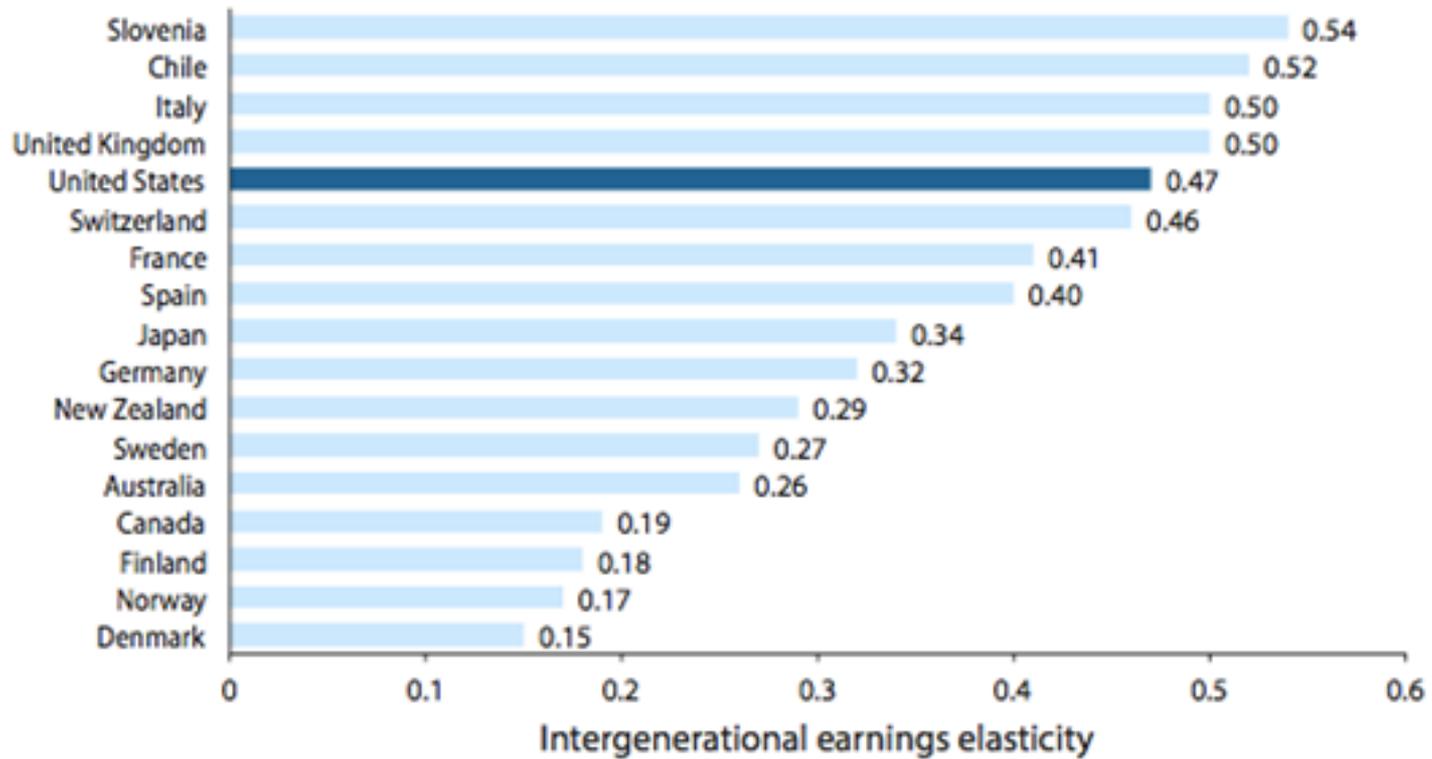


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Figure 1M Intergenerational correlations between the earnings of fathers and sons in OECD countries



Note: The higher the intergenerational elasticity, the lower the extent of mobility.

Source: Adapted from Corak (2011, Figure 1)

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Alternatives: Capabilities



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Poverty as “Unfreedom”

“Sometimes the lack of substantive freedoms relates directly to **economic poverty**, which robs people of the freedom to satisfy hunger; or to achieve sufficient nutrition. . . or the opportunity to be adequately clothed or sheltered, or to enjoy clean water or sanitary facilities.

In other cases, the unfreedom links closely to the lack of public facilities and **social care**, such as . . . health care or educational facilities, or of effective institutions for the maintenance of local **peace and order**.

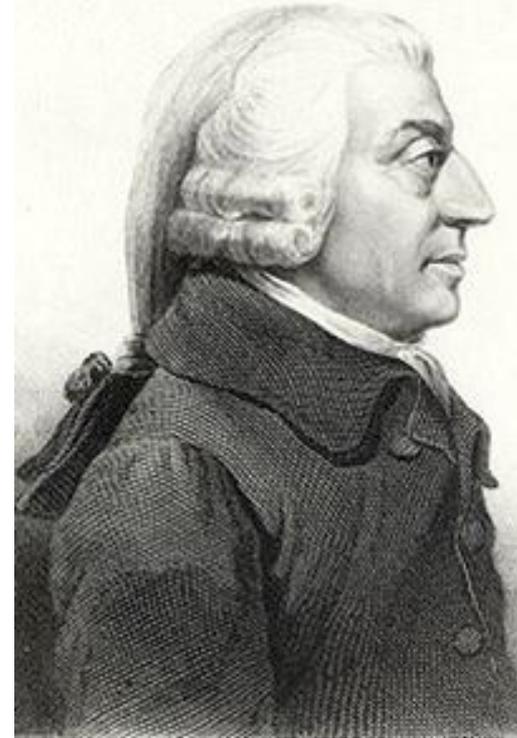
In still other cases, the violation of freedom results directly from a denial of **political and civil liberties** by authoritarian regimes and from imposed restrictions on the **freedom to participate in the social, political and economic life of the community.**”

-- Amartya Sen

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“Every man is rich or poor according to the degree to which he can afford to enjoy the necessaries, conveniences, and amusements of human life. By necessaries I understand, not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order to be without. A linen shirt is, strictly speaking, not a necessary of life. The Greeks and Romans lived, I suppose, very comfortably, though they had no linen. But in the present times, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without a linen shirt, the want of which would be supposed to denote that disgraceful degree of poverty, which, it is presumed, no body can well fall into without extreme bad conduct.”



Adam Smith, 1787

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What's the Linen Shirt in the US today?

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So What?

- How does this matter for poverty policy?
- How does this matter to you and to your VISTA service?
- Does this alter how you think about how who is “poor” and who is not?
- Is it ultimately useful for us to even to talk about “poverty”? Or should we focus on something else?

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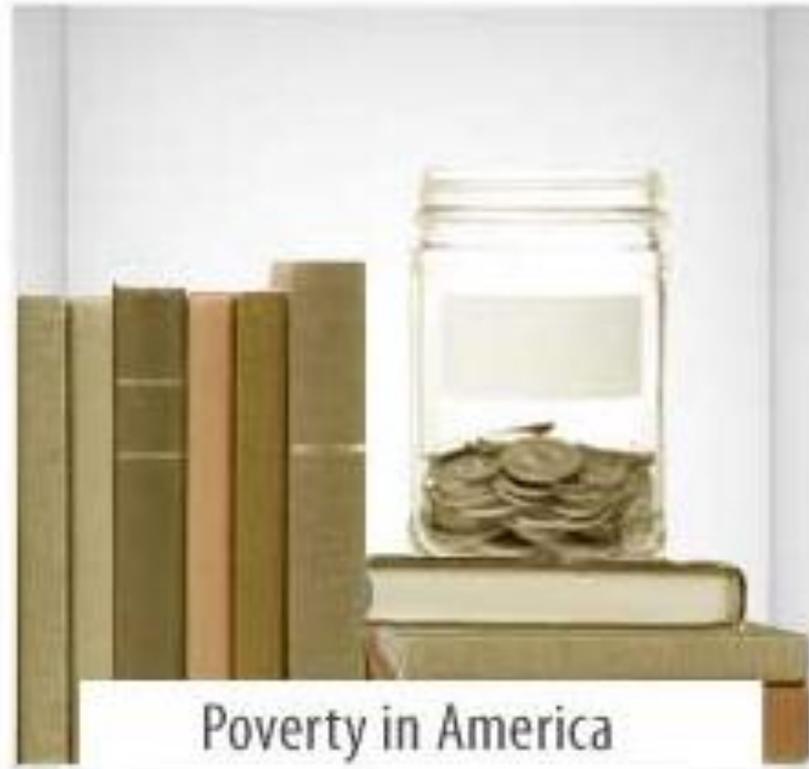
Questions?



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Resources



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Evaluation

Please take a few moments to share your feedback. How can we improve these sessions? What topics should we include in future webinars?

Thank you very much for your time and participation!

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THANK YOU

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Passing the Torch: Ensuring the Continuity of Your Work

Wednesday, April 17, 2013 at 2pm ET

Mining Census Data to Explore Poverty in Your Community

Wednesday, May 15, 2013 at 2pm ET

Visit the Ongoing Learning page on the VISTA Campus for a complete schedule.

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