

Poor, Not Poor:  
The Politics of Measuring Poverty

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**Abstract**

Poverty identifies people with limited resources. It is as important to measure poverty as to identify the populations that are poor and how poverty programs address the issue. The history of poverty and the political motivations behind the measurement all relate to how poverty is addressed. Poverty measurements were created in the 1960s from information collected in 1955 and have been altered only for inflation since then. There have been several alternative measurements that advocacy groups have suggested to replace the current measure. This analysis looks at the issues surrounding what poverty means and how this definition impacts measurement. Alternative measurements are also analyzed and then applied to the perspective of how alternative poverty measurements could affect TANF cash assistance. This analysis will look at how politics plays a role in the creation and selection of poverty measurements. The definition of poverty and methods of measurement are all impacted by these political values, and thus the policy process is impacted by these values.

**Introduction**

Poverty typically defines a population that is experiencing limited income. Yet, poverty can mean different things depending on the country, time, and population that are defined as in poverty. The World Bank uses a standard measurement of poverty in the context of one-dollar per day for developing countries.<sup>1</sup> This ‘dollar-a-day standard’ does not work for industrialized countries, like the United States. The American welfare guideline identifies a single person as being in poverty if they make less than \$10,803 per year.<sup>2</sup> American wealth represents a vast spectrum of possibilities. In Los Angeles, CA wealth is significantly different than in Des Moines, Iowa. These two cities have different communities, racial make-up, services, industry, and standards of living which all influence cost of goods. This example is only one of the differences within the US. Therefore, we need to frame the discussion in terms of a standard of living or what resources and access need to be lacking for individuals to be in poverty.

The context for this assessment of poverty measurements is the political influences and values that surround this issue. The analysis will focus on the form of measurements, although, there are other obstacles in addressing poverty. Poverty measurements create a definition of poverty. The official measurement, used by the government, is based on income. This measurement defines people as living in poverty when they do not have a specific dollar amount earned in a year. Poverty measurements are the foundation of understanding poverty. Thus, creating a strong understanding of these issues that define poverty will allow a base to build successful policy. This official measurement is based on American values, which influence our political choices, and in turn how these measurements are implemented. Political influences will always be present in how Americans address poverty, both in measurement and program implementation. Political leaders make the decisions about who is poor or not poor by approving the poverty measurement. This absolute line is the basis for eligibility to social programs that work to help families out of poverty. The measure chosen to count the number of poor Americans needs to be aware of political influences and how it may impact the methods of addressing poverty. When the number of people living in poverty is more accurate, the policy programs must be improved to address this shift. Yet, shifts in poverty numbers are directly linked to political implications of funding, program success, and privilege of social welfare programs.

This paper will also analyze the creation of the poverty measurements in the 1960s, what potential alternative measurements have been researched, and the political implications of each. In order to fully understand the dysfunction between measurements and

implementation a case study will be conducted on the TANF cash assistance program. The focus of the case study will be on how those eligible for cash assistance will be varied if the measurements are updated and how the alterations in the measurement will alter political issues of program expansion, entitlement, and new views of poverty. This overview of poverty measurements will provide a brief contextual understanding for how politics can directly link to the implementation of poverty programming.

### **Understanding the Definition of Poverty**

Poverty can be a subjective definition, relating to ideas of living standards, basic needs, and entitlement to help. The image of poverty most people conjure is often linked to the information available. For some people, these images come from Charles Dickens, Victor Hugo, religious text, YouTube, news headlines, or a Presidential Address.

“People do carry in their heads a notion of poverty that stems from their memory of past times.”<sup>3</sup> Whether is it experiences or perceptions that teach a person about poverty, these images lay the foundation of how the public understands the meaning of poverty and the responsibility of addressing poverty. Experiences and knowledge convey values and beliefs on how people became poor, who is poor, and what they must do to get out of poverty. It is important to understand the importance of poverty. At the roots of this understanding, comes the method to measure poverty.

Defining who is poor is a complex process of ranking the priorities of what makes someone poor. Is it not having enough to pay for rent? Is it not making more than

\$24,000 a year? The official poverty threshold, or poverty line, defines a person as poor. The US Census Bureau uses this for statistical purposes. There is also a poverty guideline level that must be met in order to be eligible for assistance, a primary measurement for who is federally considered poor for programs. These two measurements are different, but related to each other because the guideline is based on the threshold. The threshold creates the line of how much a family or individual can earn. Below this line a family is considered poor, above it they are not. This official measurement creates the government's definition of poverty, while society may add other parts to the definition. Income is only one aspect of poverty and society often adds pieces of experience or perspective. "The poverty measure tells how many people were poor in any given year, but not how many people were economically distressed."<sup>4</sup>

The government's absolute measurement creates challenges to the actual idea of poverty. Poverty is more than simply income measurements. Poverty is the lack of resources and basic necessities (food, clothing, housing, and so on)<sup>5</sup>. The debate over the definition of poverty encompasses issues of responsibility, racism, the American Dream, and education. The discussion of defining poverty naturally connects political ideology and poverty measurements. This political and societal ideology also directly impacts American society's understanding of poverty.

Values, ideology, politics, and experience all play a role in defining poverty. America has strong values of personal responsibility and the ability for all to improve their economic standing through hard work. These values stem from the creation and

experiences of American history. The Founding Fathers created a system of government based on individualism. Everyone has the right to liberty, to do what he or she wants (granted this is within the safety of other peoples liberty). Another key value is the assumption all individuals are created equal, when in fact racism and lack of access to education create inherent differences between populations. These values of liberty, personal responsibility, and equality permeate the political landscape of poverty programs, like welfare assistance, childcare programs, and health care.

Liberty is a longstanding American value. The Founding Fathers created a new country where, according to the Bill of Rights, everyone is free (speech, religion, and so on). The value of freedom, to think, to speak, to act means individuals have opportunities. Liberty encompasses the American Dream. The American Dream states out of nothing you can make anything. Because of liberty and the American Dream everyone is free to have ideas and action. However, the poor do not have these options, “the poor do not have the power to do as they please; they are not free from arbitrary control; they are limited in their enjoyment of various social, political, or economic rights and privileges; and their power of choice.”<sup>6</sup> Poverty measurements assume that this value allows everyone to be free to achieve an income. Since everyone is capable of achieving there is a belief that there must be something wrong with someone who is in poverty.

Concepts of liberty lead to the values of individualism and personal responsibility. These values reiterate that poverty is the fault of the individual and not society. America has also maintained a strong value of individualism through idea of being a collective whole

but all persons make up the whole. Every individual has rights, a voice to express their opinion, and these individual rights are protected by the Constitution. Individualism is recognized in personal choice and achievement. People are judged and assessed based on their actions. Therefore, if a person is not making enough money to maintain their life in society, then that person must be lazy or not looking hard enough for employment. This value is proven further through the cash transfer that is the welfare program. Cash assistance is given to eligible families that are working to improve their situation. The government does provide cash for people who are poor, but the action to move out of the economic crisis is the responsibility of the individual.

As previously mentioned, experiences and images directly impact society's perception of poverty. Racism has played a role in the understanding of poverty within the perspective of equality. In the United States, there is a significantly disproportionate population of African-Americans living in poverty. "The American public now associates poverty and welfare with blacks."<sup>7</sup> Our society assumes that most people in poverty are minorities. These assumptions stem from the perceptions we see on the evening news and in newspapers of poverty being in the urban ghettos populated by blacks and Hispanics. In fact, while minorities are disproportionately in poverty, the majority of Americans in poverty are white.<sup>8</sup> While the perspective of poverty often implies this racial disparity, policy analysts "focus on economic well-being, not on welfare or utility in some broader sense."<sup>9</sup> By only looking at poverty as one issue, lack of a dollar amount in income, and not including other complexities- like race or command over goods- then only one part of the problem is addressed. Equality is a strong value in the Bill of Rights, but not all

Americans have the same access to resources, limiting equality. This limitation creates a problem within poverty studies. The poverty measurement needs to be holistic and address these inequalities of limited resources and racial disparities. “In other words, such a [holistic] measure determines a people’s poverty status by considering their command over goods and services, not their pattern of behavior, beliefs, or general levels of satisfaction or happiness.”<sup>10</sup>

Additionally, American society impacts the definition of who is poor by attaching stigma and worthiness to certain populations for being poor. This stigma and worthiness can stem from the values relating to poverty. Children have often been seen as worthy poor and having the right to be given assistance. This perspective comes from the understanding that children did not do anything to be poor, but it is the fault of their parents. Over the years, other worthy poor populations include people with disabilities, veterans returning from wars, and elderly people. These groups are seen as being limited in their capabilities and thus worthy of government assistance. The populations of unworthy poor are the able-bodied individuals who do not have visible limitations. Limited or poor education, difficulty with access to transportation, or lack of safe housing are not parts of poverty that are seen, but directly impact individuals’ ability to move out of poverty. Yet, society does not alter its perspective on the worthiness of individuals who lack these basic necessities. As the debate of worthy and unworthy poor continued into the 1980s, media and reports move in on the stereotype of the poor urban black single parent living in a crime-ridden neighborhood.<sup>11</sup> This created a long-standing stigma of who were poor Americans, where they lived, and their worthiness for help.



These are not the only values that permeate the discussion on poverty, but they are key values in the discussion of how politics and values play a role in defining poverty. This conflict between politics and values puts the image of poverty against the plan to measure poverty. In looking at other ways to measure poverty, new methods to address poverty may arise.

### **History of Poverty and Measurements**

The ideology and values do not stand alone in impacting the definition and understanding of poverty, but stem from the evolution of poverty and the American welfare system.

The country's history has evolved from the signing of the Declaration of Independence to the most recent economic crisis. In each new generation, America's leaders have held values and ideas of poverty and how to measure the issue. As explained by some social scientists, society has often seen poverty as being the fault of the individual. For several decades, the government was hesitant to take action to address the issues of poverty, but with the collapse of the American economy in 1929 a shift occurred. The Franklin Roosevelt administration did create programs to address poverty issues, however, after World War II the debate continued about the responsibility of addressing poverty. By the 1960's measurements were needed to look at the amount of people in poverty and the effectiveness of programs. These discussions of responsibility lead to poverty measurements in America, which continue to be debated today.

A key foundation of measuring poverty is in creating the line between those people in poverty and those people not in poverty. As previously mentioned, this idea of who is considered poor has been debated as early as the turn of the 19<sup>th</sup> Century. Historic programs, like that of Jane Addams at Hull House, waded into the issue of counting the poor in their communities to understand more about what the programs needed to do.<sup>12</sup> “A minimum budget deemed necessary for the maintenance of poor families was being used by the Mothers’ Aid Department of Chicago Juvenile Court by 1912 and later developed into the Chicago Standard Budget. There was a New York equivalent from 1906 updated regularly from 1913.”<sup>13</sup> This minimum budget standard created the foundation for understanding which people were considered poor. This standard causes the emphasis of measuring poverty in terms the minimum economic needs of people.

By the Great Depression new individuals were living in poverty because the economic collapse created high unemployment and devastation for many Americans. The idea of who is poor shifted. It no longer encompassed “the aged, the sick, the disabled, and other members of the lower class but also the plain, ordinary middle-class people who had worked all their lives but were now unemployed, penniless, and hungry, the new so-called poor.”<sup>14</sup> The economic crisis caused government response through the formation of President Roosevelt’s New Deal. Roosevelt believed the government needed to take responsibility for unemployed and create a new understanding of the government’s “social duty.”<sup>15</sup> Unfortunately, while the New Deal programs still remained in some form, this perspective of responsibility lasted only until prosperity returned to the economy after World War II.<sup>16</sup> The New Deal instituted our nation’s first poverty

programs, but there was little focus on accountability of the programs during their creation. However, this issue would be addressed thirty year later through poverty measurements.

As America moved into the 1960s the idea of poverty was evolving. America was in the middle of a civil rights movement and battling a war abroad and war of protest at home. The civil rights movement was working to enact the Founding Father's values of equality and liberty for all people, including minorities and poor. Johnson's War on Poverty pushed welfare and poverty back into the forefront of many people's minds for a period of time. As the War on Poverty waged in congress, new reforms and programs were designed and these programs needed a measurement tool. In the mid-1960s, Molly Orshansky created the poverty line through minor changes to the minimum budget definition and in 1968 the Bureau of Budget (now the Office of Management and Budget) recommended it to congress for eligibility to government programs.<sup>17</sup> This became the first poverty measurement in America.

This new official measurement allowed policy analysts "to judge the effect of economic growth and of public policies and to evaluate the need for public intervention of one type or another."<sup>18</sup> Orshansky's poverty line created an absolute measurement of who was considered living in poverty. Her information was based on a 1955 economic food plan estimated by the Department of Agriculture. The food plan utilized categories of family size and make-up.<sup>19</sup> Orshansky took this information and combined it with a recent survey that revealed "families of three or more spent about one-third of their after-tax

income on food in that year.”<sup>20</sup> This measurement has been updated yearly to adjust for inflation, using the Consumer Price Index.<sup>21</sup>

As communities were shifting, poverty was shifting. The late 1960’s and early 1970’s were a time of political game playing for the poverty measurements. In 1966, the Social Security Administration (SSA) began to prepare updated methods for measuring poverty. However, the SSA was prohibited from completing the updated measure due to concerns about the increased number of citizens who would be considered poor and the increased eligibility to welfare programs.<sup>22</sup> This is a clear political action that then limits the role of the measurements. Additionally, the poverty measurement was put under the purview of the Census Bureau, but only in the form of gathering statistical data and publishing the information. “Thus the poverty measure was both decoupled from changes in the general standard of well-being and made an ‘agency orphan’.”<sup>23</sup> By the early 1970’s, the government decided to update the measurement in two ways. First it was adjusted annually based on changes in the Consumer Price Index and then the farm poverty threshold was increased by 15% to 85% of non-farm thresholds.<sup>24</sup>

By 1981, the government decided to eliminate the separations of farm and non-farm categories in counting people in poverty, as well as the differentiation between male- and female- headed households. While these differentiations were only used in statistical collection, they provided specifics categorically. No longer would the government be looking at poverty based on farm or non-farm households or who was the head-of-household, a male or female. This political shift alters the values surrounding the poverty

measurement, as it removes the differentiation of the populations. These population differences, particularly farm and non-farm, then are placed in one large category and viewed as the same. Beyond these changes, no other assessment or review was conducted until the mid-1990s.<sup>25</sup> In 1996, National Academy of Science Panel on Poverty and Family Assistance published recommendations on how to alter the poverty measurements. The NAS Panel has continued to debate the recommendations and options for new measurements<sup>26</sup>. Given these debates, social scientists have worked on alternative measurements and pushed for reform, but Orshansky's poverty measure remains.

### **Current Poverty Measure**

History and ideology have laid the groundwork for Orshansky's measurement tool. Orshansky's focus was on income as a measure of having enough for a particular standard of living. The current income measure is used to identify thresholds and guidelines for individuals' capacity of acquiring basic needs. Poverty measurements have been used to gather data on the number of people living in poverty in America. In addition, the measurements are used to define eligibility to social welfare programs like welfare cash assistance and food support, called Temporary Aid for Needy Families, childcare support, and other social programs.

There are two measurements used to identify poverty, poverty thresholds and poverty guidelines. Poverty thresholds are updated each year and used for statistics, while poverty guidelines determine eligibility for programs. The basic measurements were

originally designed in the 1960's and are updated annual by the Census Bureau and the Department of Health and Human Services respectively (DHHS).

The challenge with this measure is that it excludes in-kind benefits (like food stamps), regional variation in cost of living, costs that are incurred because of employment (like child care), and additional household costs that are regressive based on income (like health care costs).<sup>27</sup> Because of these challenges, “the definition of money income used in the official measure (gross cash income) also inadequately captures the amount of money people have at their disposal to meet basic needs.”<sup>28</sup> By not including these variables into the measurement of poverty, there is a limited view of understanding the extent of poverty; again the assumption is that all people start at the same access point for economic resources. This limited view can be a choice made by politicians and policy advisors, because of the definition they want poverty to hold. However, this absolute measurement creates limitations in the definition of poverty and has the potential to exclude the variables of real world issues, like access to resources. In clarifying issues surrounding the definition, like a standard of living, poverty becomes clearer. By creating an accurate measurement, programs that address poverty can better measure their success and poverty's overall understanding is enhanced. In order to determine what measurement technique is the best to measure poverty, the values used to define poverty, beyond the currently value of income of families and standard of living, need to be identified.

### **Alternative Poverty Measures**

Because of key flaws in the current poverty measure, it is important to look at alternative poverty measurements and their impact on policy. Since the 1980s there is a debate among professionals regarding ways to alter the poverty measurement. Significant information from the NAS Panel on Poverty and Family Assistance has impacted this debate.<sup>29</sup> Policy analysts and advocates for welfare reform, look at the measurement of poverty as limited in its current capacity to measure who is poor. “The Expert Committee on Family Budget Revisions in 1980 recommended moving from a fixed, absolute measure of poverty to one that measures families’ relative position in income range<sup>30</sup>.” One of the key debates in deciding how to measure poverty deals with the concept of relative versus absolute. This relative concept of measuring poverty focuses on addressing the issues in differences of communities, access to resources, and limitations of individuals. This debate addresses issues of what is considered poor, limited income or lack of capability to reach a minimum standard of living. Issues include geographical differences and medical expenses prove to be conflict-ridden as well.<sup>31</sup> While absolute measurements choose an income value and poverty is at or below that value, relative measurements are more complex. Relative measurements create a tool based on some other variable where the threshold is linked to the percentage of the population. The different relative measurements select different variables as the important factor in measuring poverty, like cost of consumption of basic goods, capacity to purchase needed goods, and so on. While the current measurement is absolute, the focus of alternative measurements will address the different types of relative and quasi-relative measurements. These measurements use other variables that can measure poverty

and create new definition for a standard of living. “People whose resources are significantly below the resources of others, even if they are physically able to survive, may not be able to participate adequately in social organizations and relationships.”<sup>32</sup>

The other primary measurements are consumption, self-reliance, basic capabilities, hardship measures, social exclusion, and self-sufficiency. Each of these measurements utilizes the relative, absolute, or a combination measurement style, but with different variables used as the “yard stick”. Consumption measurement measures a “family’s consumption of goods to a threshold.”<sup>33</sup> Consumption measurement can be absolute, an amount of consumption is the threshold, or relative, a percentage of consumption based on population marks someone in poverty.

The next measurements look at peoples’ command over goods. Self-reliance measures the earning capacity to meet a living standard<sup>34</sup>. Similar to self-reliance is the basic capabilities measure. Just as self-reliance measure capacity, basic capabilities measures the capacity a family has in meeting the basic standard<sup>35</sup>. These two measurements primarily focus on a relative measurement, a percentage of each in relation to the population as the threshold. The hardship measure looks at a combination of income and capacity, measuring what a family lacks in basics (i.e. heat, food, housing).<sup>36</sup> The self-sufficiency measurement takes the amount of income a families needs within the context of meeting their basic needs<sup>37</sup>. The measure takes into account family’s basic needs, make-up (including age), and location. The measure also includes the effects of taxes and credits, but excludes public and private assistance<sup>38</sup>. Command over goods can also



related to the role within society a person plays. Social exclusion measurement, as defined by A.K. Atkins, has three parts: individuals excluded from parts of community, acts of institutions, and limit of current and future situation.<sup>39</sup> This measurement looks at how systems impact a person in order to be in poverty.

These measurements take an alternative viewpoint on what defines someone as living in poverty. Each of these measurements addresses the issue of living standards very differently. This concept of a living standard can shift based on income, capacity to consume goods, or social limitations. Using these different measurements techniques poverty numbers can shift.

The quasi-relative measurement technique is another method to measure poverty and the one most of the NAS Panel on Poverty and Family Assistance prefers. This measurement, as its name suggests, combines relative measurements with an absolute component. The quasi-relative measurement adds together dollar amounts for food, clothing, shelter, and utilities (and then an additional percentage of the total for additional needs).<sup>40</sup> Once this amount is calculated, the total is considered the baseline for need. The total is then used as a measurement for the median income needed based on the spending for these items<sup>41</sup>. While providing a concrete measurement level, this tool allows for the relative nature of goods and services and parts of the formula will increase or decrease as the real dollar value shifts. NAS has used, in trial form, this alternative measurement.

With every definition of poverty there is another method to measure. The challenge with all these measurements is that they each have strengths and weaknesses. Absolute measurements create a line that is limited in adjustment, but relative measurements also have their limitations. Relative measurements are based on the general population, these numbers can shift during times of economic growth or recession at a greater rate than a real dollar value shift impacts the population.<sup>42</sup> An example of this could be when the economy is experiencing significant growth, and the relative poverty measurement represents this shift by increasing the poverty threshold. New families will be considered living in poverty, when in fact they may not be poor in real dollar terms. Additionally, some researchers believe that poverty is a subjective definition and the relative measurements do not account for this.<sup>43</sup> Despite these challenges of relative measurements, they also have significant benefits. Relative and quasi-relative poverty measurements allow for real world shifts, like economy, consumption, and the costs of basic needs. Including these pieces in the poverty measurement, can allow for addressing the inherent differences of people and communities, and potentially address other underlying issues that lead to poverty. Policy leaders will often select the measurement tool they prefer based on their political values.

Selecting a specific measurement to use universally means selecting the primary definition of poverty, as well as values associated with what makes someone poor. It is in this selection process personal and political values are represented. Questions arise regarding whether or not the measurement should account for differences in education, civic participation, and how we define the minimum standard. These are not easy

questions and many people hold different views to answer them. This political challenge to answer the questions is only made more complex by the fact that shifting the poverty measurement could significantly alter the public perception of poverty, as well as persons eligible for services. Many politicians do not want to be seen as causing an increase in the number of people in poverty by altering the measure or needing expanded welfare expenditures because of new eligibility measurements. All of these challenges muddy the waters of addressing the proper method of measuring poverty.

### **TANF Cash Assistance and Poverty Measurements**

Temporary Aid for Needy Children cash assistance is a welfare program that a family must be eligible, therefore it is not an entitlement program. Currently, the eligibility requirements are linked to income guidelines based on the poverty thresholds (see Table 1- 2005 Poverty Guidelines for TANF cash assistance). Utilizing other measurement techniques could drastically increase or decrease eligibility and recipients of the program, causing significant political and financial challenges. Cash assistance welfare is a highly stigmatized welfare program because it provides cash money to individuals who are “eligibly” considered poor. Some Americans believe cash assistance of welfare, one of the aspects of poverty programs, supports lazy people who are not actually in need of the support.<sup>44</sup> It is for these reasons that TANF cash assistance was chosen as an assessment tool for how alternative measurements would impact welfare programming, adding to the political dynamic of changing the poverty measurement tool.

A discussion of cash assistance includes the political issues of defining poverty, like responsibility, stigma, and worthiness. Most Americans want welfare recipients working to move out of poverty. A measurement that alters the poverty count and creates new eligible populations could significantly increase the need for program expenditures. Because each alternative measurement has a different count for the number of people defined as poor, it proves how difficult it is to measure poverty. While the alternative measurements represent changes to the poverty threshold and guidelines are designed on the thresholds, the guidelines would reflect these shifts in a similar form. This could mean that more or less people are now eligible for assistance.

Different measurements will lead to different population being counted as poor. Charts 1 and 2 show two of these examples. Chart 1 shows the official poverty measurement, a consumption experimental measurement (FCSUM) of food, clothing, shelter, utilities, and medical care, and a consumption experimental measurement (FCSU) that includes food, clothing, shelter and utilities<sup>45</sup>. These measurements represent the income levels of families of four who would be considered poor. In comparison to the 2005 Poverty Guidelines (Table 1), Chart 1 shows an increase in the household income level for someone to be counted as poor, a shift from the current official measurement of \$19,350 to the FCUSM measurement of \$24,784, the FCSU measurement falls in the middle of these two levels. The difference in the FCUSM measure from the official measure is a 37% increase in income that counts someone as poor, and thus would be eligible for welfare cash assistance<sup>46</sup>. This increase in income level, under the FCSUM measurement would drastically increase the number of eligible families, thus creating increased

program expenditures. These different income levels defining families as poor represent the potential fluctuation in the number of people counted as poor when selecting a new measurement tool.

In comparison to the consumption measurement tool in Chart 1, Chart 2 shows twelve alternative measures (three primary forms that are then adjusted differently) and the official measure. The three primary alternative measures are the MSI (which *measures a families income* but subtracts for medical expenses the family will pay out-of-pocket), MIT (which creates a threshold that takes into account the average *expenses* for food, shelter, clothing, and medical out-of-pocket expenses based on family size), and CMB (which *combined traits* of both the MSI and MIT)<sup>47</sup>. CMB utilizes the expense thresholds the MIT measurement uses, but then subtracts the out-of-pocket medical expenses as the MSI measurement tool. This chart also shows differences in these three measurements by adjusting for geographical region (GA), not adjusting for geographical region (NGA), updating the measurement based on the Consumer Price Index (CPI), or updating the measurement based on the Consumer Expenditure Survey (CE)<sup>48</sup>. The MSI is an absolute measurement form of the consumption tool since it selects a specific income level as the value to define the poor for those not poor. The MIT tool is a relative measurement since it creates a threshold off of a percentage of the population. As previously mentioned, the CMB is a combination of these two pieces, making it similar to the quasi-relative method of measuring poverty.

These charts show the differences in these types of alternative measurements. These differences can impact a program like TANF differently. For Chart 2, the differences in the official measurement from the alternative measurements represent, at their greatest difference, a 2% range in the population counted as in poverty. For a program like TANF cash assistance, 2% could be a significant difference in eligibility numbers. The key piece to note is the difference between the measurements and how the inclusion of different parts (like out-of-pocket medical expenses or geographical region) can alter the count. In chart 2, using the Consumer Expenditure Survey instead of the Consumer Price Index results in an overall increase in the percentage of poverty, potentially leading to increased eligibility of TANF cash assistance.

Beyond eligibility, measurements also impact the understanding of the responsibility in addressing poverty. The TANF program was designed to move families out of poverty. The program utilizes poverty measurements to define eligibility and measure success of program. However, the poverty measurement is linked to political values of worthiness, responsibility, and equality and TANF is directly impacted by these values. Eligibility is based on the income level since the poverty measurement utilizes income as the “yard stick.” To adequately address poverty, the measurement tool needs an adjustment to include the other parts influencing poverty, like education, housing, health care, or employment. Utilizing the self-reliance or self-sufficiency measurements are examples of how measurements can include these pieces.

Measurements also make statements about the minimum standard of living, worthiness of assistance, and provide new definitions of poverty. The first chart of alternative measurements creates an absolute consumption measurement. While the FCSUM measurement increase the income needed to consume basic products, it defines what a minimum standard of living includes. The value judgment for this measurement includes food, clothing, shelter, utilities, and medical care. By creating a clear standard of living, the TANF program can include this standard in how is designs solutions to poverty. TANF may then include utility or transportation assistance as a part of the standard program support. Additionally, the definition of a minimum standard of living provides clarification on those who are worthy of assistance. That definition could shift to include those unemployed or without medical care.

Making choices about how to measure poverty not only includes what variables to include for a standard of living (like consumption used clothing, food, shelter), but also where the data on these variables will come from (the CPI or the CE). These variations in measurements bring in issues of politics. Arguments for supporting one measurement tool or method over another are founded in ideology, political values, and outcome goals and, it is for this reason, that there is no one universal poverty measurement. Ideas on how to spend program funding and who to assist with the programs all influence the political choices of implementing measurement and TANF programming.

Poverty measurements create a definition of who is poor, while poverty programs like TANF implement policy to address this population. These two parts of the issue,

definition and implementation, are linked. By selecting a new measurement, the program will be altered in whom it serves and how that service is conducted. Measurements cannot be viewed independently of programs because they will inherently alter the programs.

There is little data on self-sufficiency, hardship, or social exclusion alternative measurements. Yet, the use of these alternatives could significantly alter the definition of a living standard to include community interactions, role within the community, or capacity to earn income. These alternative measurements can lead to collecting data on new aspects of poverty, like civic engagement of poor families, which can also lead to additional poverty solutions. In relation to TANF, these measurements could increase the role of a Job Counselor's case management or increase services beyond cash assistance to include training on civic engagement. Any measurements can provide new definitions of poverty and new solutions for the issue.

### **Analysis and Recommendations**

Measuring poverty has many challenges and layered issues as to the best method of measurement. There is no one-way to define poverty, and therefore, no one method to measure it. It is important to understand the different political aspects of the definitions being utilized because programs and services are founded on the measurement. Whether the value focuses on the standard of living that is based on earning capacity or something else, political ideology impacts the understanding of poverty. Politics will always play a



role in the perceptions, measurements, and solutions for poverty. The current poverty measure is more than flawed, it provides a dysfunctional understanding of the number of America's living in poverty. This measure does not provide a clear concept of an American standard of living, or address the other aspects that impact poverty. Poverty represents homelessness, limited education, and racism. It includes needing resources for basic needs and searching for opportunities to improve the standard of living. "The 'unofficial poor' may live beyond the official line most of the time, but they share the diverse insecurity of people, without much education, with jobs that do not pay very well or lead very far."<sup>49</sup>

A new measurement tool has the potential to address the current flaws. It will be difficult to change the tool to measure poverty. To some policy analysts, it is not a popular idea to measure poverty in one method today, and then a new way tomorrow, especially if the measurement tool significantly increases or decreases the number of Americans in poverty. Political groups view poverty in different ways and value the variables used to measure poverty differently. The conservative perspective values the personal responsibility perspective in addressing poverty, while liberals have worked to increase services.<sup>50</sup> While these two perspectives are juxtaposed, there is a lack of compromise in addressing poverty measurements. "The official measure of poverty is not helpful in this regard as it elides the real demographic of poverty and invites dichotomous poor/ not poor view of children, that fuels deficit thinking."<sup>51</sup>

It is in these different political values that a compromised definition of the baseline American standard of living can be created. This standard can then work with a new

measurement tool addresses the flaws of the current measure. Breaking-down the issues of individualism and worthy/ unworthy poor can also assist in the coming together of political groups to find a better measure of poverty. These alternative measurements provide solutions and compromises to these complex issues influencing the understanding of poverty.

Poverty measurements create the foundation to address poverty. Programs must have an accurate measure, with as few flaws as possible, as to maximize their impact. A measure that addresses the detailed parts of the definition of poverty creates a holistic understanding of poverty. No longer might poverty be seen as some vague term impacting minorities. Poverty could be seen as something that harms neighbors who are unemployed, or as something that prevents community engagement by residents of urban centers. A new measurement provides the opportunity for innovation within TANF services, by addressing the gaps in the definition or standard of living. A new measurement provides opportunity for a new method in looking at and addressing poverty, a key to ending poverty in America.

## **Conclusion**

Poverty has a definition that encompasses many pieces of real world issues. Poverty results in real pain for families and individuals. Poverty creates limitations and dysfunction for Americans. Therefore, the measurement we use to measure poverty and provide eligibility needs to be adjusted for these complexities. Poverty programs, like welfare cash assistance, attempt to address the issue of poverty. All measurements allow

for the study of how programs are doing, as well as adjusting programs to meet the need of the service from a specific perspective. Unfortunately, if these programs do not properly measure the number of Americans in poverty, then how can we expect poverty to decrease?

This paper looks at only one side of the issue- the subjective view of poverty within the context of politics. There are many parts of politics and society that impact poverty and one measure will not create a “correct” count of the poor. New experiences and shifting political ideology will continue to impact this debate. The most important piece is that we continue to debate and find better methods of measuring poverty, despite the flaws that may exist.

With values of individualism, liberty, and the American Dream, poverty is a difficult issue to address. Poverty represents disparities in society and past actions that have disenfranchised populations. While individualism and liberty are important, there must be a balance to how these values impact the perspective of poverty. To repair the skewed view of poverty in America, we first must start in the home and lives of individuals. In order to do this, we must fix poverty programs in a way that helps all who need it, not only those who need it “the most.” This is where enhancing the poverty measure technique becomes imperative. Altering and updating the current measure allows for the improvement of lives. In order to accomplish this, it is important to understand the political motivations of policy writers and government action. Once we work through the issues of what poverty means, what is the American standard of living, and what is

acceptable for our fellow citizens, then we can begin to implement the programs and policy.

**Table 1: 2005 poverty guidelines for TANF cash assistance****2005 US Health and Human Services Poverty Guidelines**

<b>Persons in Family Unit</b>	<b>48 Contiguous States &amp; DC</b>	<b>Alaska</b>	<b>Hawaii</b>
1	\$9,570	\$11,950	\$11,010
2	12,830	16,030	14,760
3	16,090	20,110	18,510
4	19,350	24,190	22,260
5	22,610	28,270	26,010
6	25,870	32,350	29,760
7	29,130	36,430	33,510
8	32,390	40,510	37,260
For each additional person, add	3,260	4,080	3,750

Information gathered from the United States Department of Health and Human Services, via the Internet at <http://aspe.hhs.gov/poverty/05poverty.shtml>.

**Poverty Measurement Charts****Chart 1: Official and FCUSM & FCSU Alternative Measurements**

QuickTime™ and a  
TIFF (LZW) decompressor  
are needed to see this picture.

Gathered from Garner, Thesia & Short, Kathleen. *Creating a Consistent Poverty Measure over Time Using NAS Procedures: 1996-2005*, Bureau of Labor Statistics Working Papers. US Department of Labor, US Department of Labor Statistics, and the Office of Prices and Living Conditions, via the Internet at <http://www.census.gov/hhes/www/povmeas/topicpg3.html>.

## Chart 2: Income-based Alternative Poverty Measurements

QuickTime™ and a  
TIFF (LZW) decompressor  
are needed to see this picture.

Information gathered from U.S. Census Bureau, *Alternative Poverty Estimates in the United States: 2003*, issued June 2003, via the Internet at <<http://www.census.gov/hhes/www/poverty/altpovest03/altpovestrpt.html>>.

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