Poverty and Labor Force Statistics in the United States

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Presentation for the Global Forum on Gender Statistics
Dead Sea, Jordan
March 27 – 29, 2012
Selected Sources that Provide Poverty and Labor Force Statistics

- Current Population Survey (CPS)
- CPS - Annual Social and Economic Supplement (ASEC)
- Supplemental Poverty Measure
- Women in America Report
The Current Population Survey

- The CPS is the primary source of labor force statistics for the U.S. population.
- The CPS collects extensive demographic data that complement and enhance our understanding of labor market conditions in the nation overall.
- Demographic characteristics include age, sex, race, Hispanic origin, and household relationship.
The Current Population Survey

- The CPS is a nationally representative survey that has been conducted monthly for over 50 years.

- Approximately 57,000 households are interviewed monthly. They are scientifically selected on the basis of area of residence to represent the nation as a whole, individual states, and other specified areas.

- Each household is interviewed once a month for four consecutive months one year, and again for the corresponding time period a year later.
The Current Population Survey
Annual Social & Economic Supplement

• The Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS) is the source of official national poverty estimates.

• The Census Bureau uses a set of money income thresholds that vary by family size and composition (adults and children) to determine who is in poverty.

• In terms of measurement, if a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty.

• The official poverty definition uses money income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps).

• Data are available by age, sex, race, Hispanic origin, and household relationship.
Supplemental Poverty Measure: 2010

• The current official poverty measure, developed in the early 1960s, has undergone only minor changes.

• However, concerns about the adequacy of the official measure have increased during the past decade, resulting in a congressional appropriation in 1990 for an independent scientific study of the concepts, measurement methods, and information needs for a poverty measure.


• The primary goal was to produce a measure of poverty explicitly accounting for governmental non-cash benefits (for example, food stamps and the earned income tax credit).
The Research SUPPLEMENTAL POVERTY MEASURE: 2010

INTRODUCTION

The current official poverty measure was developed in the early 1960s, and only a few minor changes have been implemented since its initial adoption in 1960 (Orshansky, 1963, 1966a, 1966b, 1969; Fisher, 1980). This measure consists of a set of thresholds for families of different sizes and compositions that are compared to before-tax cash income to determine a family's poverty status. At the time they were developed, the official poverty thresholds represented the cost of a minimum diet multiplied by three to allow for unanticipated expenses, and other needs.

Concerns about the adequacy of the official measure have increased during the post-depression years, 1980, culminating in a congressional appropriation in 1990 for an independent scientific study of the concept, measurement, and data needs for a more accurate picture. In response, the National Academy of Science (NAS) established the Panel on Poverty and Family Assistance, which released the report titled Measurement Poverty: A New Approach in the spring of 1995 (Fiske and Michael, 1995). Based on its assessment of the weaknesses of the current poverty measure, the NAS panel of experts recommended having a measure that reflects contemporary social and economic realities and government policy. In a report, the NAS panel identified several major weaknesses of the current poverty measure:

- The current income measure does not reflect the effects of government policies that alter the disposable income available to families and hence, their poverty status. Examples include payroll taxes, which reduce disposable income, and in-kind public benefit programs such as the Food Stamp Program and the Supplemental Nutrition Assistance Program (SNAP) that line up resources to spend on food items.
- The current poverty thresholds do not adjust for changes in the cost of living that have occurred since 1969. The official thresholds were approximately equal to half of median income in 1969. By 1995, half median income had increased by more than 120 percent of the official threshold.
- The current measure does not take into account the cost of medical care, the cost of child care or other labor force costs, nor does it account for housing costs or the cost of utilities.
- The current poverty measure does not take into account the effect of in-kind assistance on poverty status.

Current Population Reports

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Women in America Report

• The Women in American Report was prepared by the White House Council on Women and Girls, created by President Barak Obama.

• The Council’s mission was to provide a coordinated Federal response to the challenges confronted by women and girls and to ensure that all agencies consider how their policies and programs impact women and families.

• The report includes information from across the Federal statistical agencies and portrays how women are faring in the United States today and how trends have changed over time.

• The report provides information on poverty, labor force participation, unemployment, earnings, and occupation, usually comparing women to their male counterparts.
Percent in Poverty

(Percent of Each Group with Income Below Poverty Line, 1959-2009)

Source: U.S. Census Bureau
Labor Force Participation
(Percent of Persons Age 20 and Older, 1948-2009)

Source: U.S. Bureau of Labor Statistics
For Additional Information

U.S. Census Bureau:  http://www.census.gov/hhes/www/poverty/


Women in America: Indicators of Social and Economic Well-Being
http://www.whitehouse.gov/sites/default/files/rss_viewer/Women_in_America.pdf

The Supplemental Poverty Measure
http://www.census.gov/hhes/povmeas/methodology/supplemental/research.html