The Supplemental Poverty Measure: 2014

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INTRODUCTION

This is the fifth report describing the Supplemental Poverty Measure (SPM) released by the U.S. Census Bureau, with support from the Bureau of Labor Statistics (BLS). The SPM extends the official poverty measure by taking account of many of the government programs designed to assist low-income families and individuals that are not included in the current official poverty measure.

Concerns about the adequacy of the official measure culminated in a congressional appropriation in 1990 for an independent scientific study of the concepts, measurement methods, and information needed for a poverty measure. In response, the National Academy of Sciences (NAS) established the Panel on Poverty and Family Assistance, which released its report, *Measuring Poverty: A New Approach*, in the spring of 1995 (Citro and Michael, 1995). In March of 2010, an Interagency Technical Working Group on Developing a Supplemental Poverty Measure (ITWG) listed suggestions for a new measure that would supplement the current official measure of poverty.[1] The ITWG was charged with developing a set of initial starting points to permit the Census Bureau, in cooperation with the BLS, to produce the SPM that would be released along with the official measure each year. Their suggestions included:

- The *SPM thresholds* should represent a dollar amount spent on a basic set of goods that includes food, clothing, shelter, and utilities (FCSU), and a small additional amount to allow for other needs (e.g., household supplies, personal care, nonwork-related transportation). This threshold should be calculated with 5 years of expenditure data for family units with exactly two children using Consumer Expenditure Survey (CE) data, and it should be adjusted (using a specified equivalence scale) to reflect the needs of different family types and geographic differences in housing costs. Adjustments to thresholds should be made over time to reflect real change in expenditures on this basic bundle of goods around the 33rd percentile of the expenditure distribution. So far as possible with available data, the calculation of FSCU should include any noncash benefits that are counted on the resource side for food, shelter, clothing, and utilities. This is necessary for consistency of the threshold and resource definitions.
- The *SPM family unit* resources should be defined as the value of cash income from all sources, plus the value of noncash benefits that are available to buy the basic bundle of goods (FCSU) minus necessary expenses for critical goods and services not included in the thresholds. Noncash benefits include nutritional assistance, subsidized housing, and home energy assistance. Necessary expenses that must be subtracted include income taxes, Social Security payroll taxes, childcare and other work-related expenses, child support payments to another household, and contributions toward the cost of medical care, health insurance premiums, and other medical out-of-pocket expenditures.

[1] For information, see ITWG, *Observations From the Interagency Technical Working Group on Developing a Supplemental Poverty Measure (Interagency)*, March 2010, available at <www.census.gov/hhes/www/poverty/SPM_TWGObservations.pdf>.

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Poverty Measure Concepts: Official and Supplemental		
	Official Poverty Measure	Supplemental Poverty Measure
Measurement Units	Families or unrelated individuals	Families, including any coresident unrelated children who are cared for by the family (such as foster children) and any cohabiters and their relatives, or unrelated, noncohabiting individuals
Poverty Threshold	Three times the cost of a minimum food diet in 1963	The mean of expenditures on food, clothing, shelter, and utilities (FCSU) over all two-child consumer units in the 30th to 36th percentile range multiplied by 1.2
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
Updating Thresholds	Consumer Price Index: all items	5-year moving average of expenditures on FCSU
Resource Measure	Gross before-tax cash income	Sum of cash income, plus noncash benefits that families can use to meet their FCSU needs, minus taxes (or plus tax credits), minus work expenses, out-of-pocket medical expenses and child support paid to another household

The ITWG stated that the official poverty measure, as defined in the Office of Management and Budget Statistical Policy Directive No. 14, will not be replaced by the SPM. They noted that the official measure is sometimes identified in legislation regarding program eligibility and funding distribution, while the SPM will not be used in this way. The SPM is designed to provide information on aggregate levels of economic need at a national level or within large subpopulations or areas and, as such, the SPM will be an additional macroeconomic statistic providing further understanding of economic conditions and trends.

This report presents updated estimates of the prevalence of poverty in the United States, overall and for selected demographic groups, using the official measure and the SPM. Section one presents differences between the official poverty measure and the SPM. Comparing the two measures sheds light on the effects of noncash benefits, taxes, and other nondiscretionary expenses on measured economic well-being. The distribution of income-to-poverty threshold ratios are estimated and compared for the two measures. The second section of the report examines the SPM itself. Effects of benefits and expenses on SPM rates are explicitly examined, and SPM estimates for 2014 are compared with the 2013 figures to assess changes in SPM rates from the previous year. SPM rates for the 6 years for which there are estimates, 2009 to 2014, are shown.

Two estimates are available for 2013. The 2013 income and poverty estimates used in this report are based on the 2014 Current Population Survey Annual Social and Economic Supplement (CPS ASEC) sample of 30,000 addresses eligible to complete the questionnaire that included redesigned questions for income. These 2013 estimates differ from those released in Short (2014) using traditional income questions.[2]

[2] The 2014 CPS ASEC included redesigned questions for income and health insurance coverage. All of the approximately 98,000 addresses were eligible to receive the improved set of health insurance coverage items. The redesigned income questions were implemented using a split-panel design. Approximately 68,000 addresses were selected to receive a set of income questions similar to those used in the 2013 CPS ASEC. The remaining 30,000 addresses were selected to receive the redesigned income questions. The source of data for this report is the portion of the CPS ASEC sample which received the redesigned income questions, approximately 30,000 addresses. Estimates published in this report and the corresponding income and poverty detailed tables available on the Internet may vary from estimates based on the full sample.

Table 1.
Two-Adult-Two-Child Poverty Thresholds: 2013 and 2014
(In dollars)

Measure	2013	Standard error	2014	Standard error
Official poverty measure	23,624	N	24,008	N
Research supplemental poverty measure				
Owners with a mortgage	25,639	289	25,844	345
Owners without a mortgage	21,397	337	21,380	470
Renters	25,144	400	25,460	400

N Not available.
Source: Bureau of Labor Statistics, September 2015 <www.bls.gov/pir/spmhome.htm>.

POVERTY ESTIMATES FOR 2014: OFFICIAL AND SPM

The measures presented in this study use the 2015 CPS ASEC income information that refers to calendar year 2014 to estimate SPM resources.[3] These are the same data used for the preparation of official poverty statistics and reported in DeNavas-Walt and Proctor (2015).[4] The SPM thresholds for 2014 are based on out-of-pocket spending on basic needs (FCSU).[5] Thresholds use 5 years of quarterly data from the CE; the thresholds are produced at the BLS.[6, 7] Expenditures on shelter and utilities are determined for three housing tenure groups. The three groups include owners with mortgages, owners without mortgages, and renters. The thresholds used here include the value of Supplemental Nutrition Assistance Program (SNAP) benefits in the measure of spending on food.[8] Thresholds for 2013 and 2014 are in Table 1. The American Community Survey (ACS) data on rents paid are used to adjust the SPM thresholds for differences in spending on housing across geographic areas.[9]

The two measures use different units of analysis. The official measure of poverty uses the census-defined family that includes all individuals residing together who are related by birth, marriage, or adoption and treats all unrelated individuals over the age of 14 independently. For the SPM, the "family unit" includes all related individuals who live at the same address, as well as any coresident unrelated children who are cared for by the family (such as foster children), and any cohabiters and their children.[10] These units are referred to as *SPM Resource Units*. Selection of the unit of analysis for poverty measurement implies that members of that unit share income or resources with one another.

SPM thresholds are adjusted for the size and composition of the SPM Resource Unit relative to the two-adult-two-child threshold using an equivalence scale.[11] The official measure adjusts thresholds based on family size, number of children and adults, as well as whether or not the householder is aged 65 or over. The official poverty threshold for a two-adult-two-child family was $24,008 in 2014. The SPM thresholds vary by housing

[3] The data in this report are from the 2014 to 2015 CPS ASEC. The estimates in this report (which may be shown in text, figures, and tables) are based on responses from a sample of the population and may differ from actual values because of sampling variability or other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are significant at the 90 percent confidence level unless otherwise noted. Standard errors were calculated using replicate weights. Further information about the source and accuracy of the estimates is available at <ftp://ftp2.census.gov/library/publications/2014/demo/p60-249sa.pdf> and <ftp://ftp2.census.gov/library/publications/2014/demo/p60-252sa.pdf>.

[4] The official thresholds are used for the *official* poverty estimates presented here, however, unlike the official estimates, unrelated individuals under the age of 15 are included in the universe. Since the CPS ASEC does not ask income questions for individuals under age 15, they are excluded from the universe for official poverty calculations. For the official poverty estimates shown in this report, all unrelated individuals under age 15 are included and presumed to be in poverty. For the SPM, they are assumed to share resources with the household reference person.

[5] See appendix for description of threshold calculation.

[6] Bureau of Labor Statistics, Experimental Poverty Measure Web site, <www.bls.gov/pir/spmhome.htm>.

[7] See <www.bls.gov/cex/anthology08/csxanth2.pdf> or <www.bls.gov/cex/anthology08/csxanth3.pdf> for information on the CE.

[8] For consistency in measurement with the resource measure, the thresholds should include the value of noncash benefits, though additional research continues at BLS on appropriate methods.

[9] See appendix for description of the geographic adjustments.

[10] This definition corresponds broadly with the unit of data collection (the consumer unit) that is employed for the CE data used to calculate poverty thresholds.

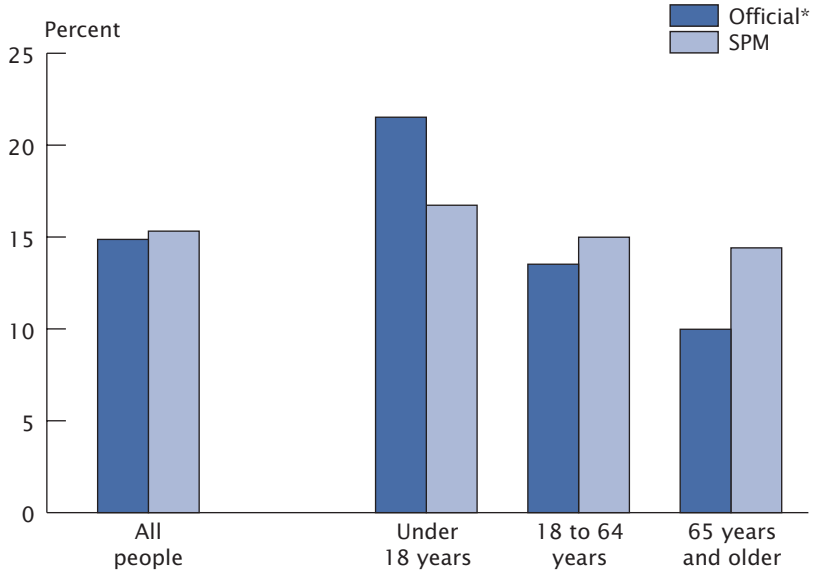
[11] See appendix for description of the three-parameter scale.

Resource Estimates SPM Resources = Money Income From All Sources	
Plus:	**Minus:**
Supplemental Nutritional Assistance (SNAP)	Taxes (plus credits such as the Earned Income Tax Credit [EITC])
National School Lunch Program	Expenses related to work
Supplementary Nutrition Program for Women Infants and Children (WIC)	Child care expenses
Housing subsidies	Medical Out-of-Pocket (MOOP) expenses
Low-Income Home Energy Assistance (LIHEAP)	Child support paid

tenure and are higher for owners with mortgages and renters than the official threshold. These two groups comprise about 76 percent of the total population. The official threshold increased by $384 between 2013 and 2014. The SPM thresholds for renters increased from $25,144 in 2013 to $25,460 in 2014. Thresholds for homeowners, with or without mortgages, did not change significantly between 2013 and 2014.

SPM resources are estimated as the sum of cash income plus any federal government noncash benefits that families can use to meet their FCSU needs minus taxes (plus tax credits), work expenses, and out-of-pocket medical expenses. The text box summarizes the additions and subtractions for the SPM; descriptions are in the appendix.

Figure 1.
Poverty Rates Using Two Measures for Total Population and by Age Group: 2014



* Includes unrelated individuals under the age of 15.
Source: U.S. Census Bureau, Current Population Survey, 2015 Annual Social and Economic Supplement.

POVERTY RATES: OFFICIAL AND SPM

Figure 1 shows poverty rates using the two measures for the total population and for three age groups: under 18 years, 18 to 64 years, and 65 years and over. Table 2 shows poverty rates for selected demographic groups. The percentage of the population that was poor using the official measure for 2014 was 14.8 percent (DeNavas-Walt and Proctor, 2015). For this study, including unrelated individuals under the age of 15 in the universe, the poverty rate was 14.9 percent.[12] The SPM rate was 15.3 percent for 2014, significantly higher than the official rate. While, as noted, SPM poverty thresholds are generally higher than official thresholds, other parts of the measure also contribute to differences in the estimated prevalence of poverty in the United States.

In 2014, 48.4 million people were poor using the SPM definition of poverty, more than the 47.0 million using the official definition of poverty with our universe. While

[12] The 14.8 percent with the official universe, and 14.9 percent with the SPM universe, are not statistically different from each other.

Table 2.

Number and Percentage of People in Poverty by Different Poverty Measures: 2014

(Numbers in thousands, margin of error in thousands or percentage points as appropriate. People as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar15.pdf*)

Characteristic	Number** (in thousands)	Official**				SPM				Difference	
		Number		Percent		Number		Percent			
		Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Number	Percent
All people	**316,168**	**47,021**	**854**	**14.9**	**0.3**	**48,390**	**868**	**15.3**	**0.3**	***1,369**	***0.4**
Sex											
Male	154,815	20,883	441	13.5	0.3	22,497	438	14.5	0.3	*1,614	*1.0
Female	161,353	26,138	525	16.2	0.3	25,893	517	16.0	0.3	–245	–0.2
Age											
Under 18 years	73,920	15,904	401	21.5	0.5	12,360	369	16.7	0.5	*–3,545	*–4.8
18 to 64 years	196,254	26,527	533	13.5	0.3	29,401	570	15.0	0.3	*2,874	*1.5
65 years and older	45,994	4,590	176	10.0	0.4	6,629	223	14.4	0.5	*2,039	*4.4
Type of Unit											
Married couple	189,603	13,696	499	7.2	0.3	17,878	575	9.4	0.3	*4,182	*2.2
Female householder	64,008	18,442	559	28.8	0.7	18,366	537	28.7	0.7	–76	–0.1
Male householder	34,075	6,105	266	17.9	0.7	7,420	292	21.8	0.7	*1,315	*3.9
New SPM unit	28,482	8,779	337	30.8	0.9	4,726	305	16.6	1.0	*–4,053	*–14.2
Race[1] and Hispanic Origin											
White	244,468	31,305	640	12.8	0.3	33,346	683	13.6	0.3	*2,042	*0.8
White, not Hispanic	195,352	19,797	523	10.1	0.3	20,943	568	10.7	0.3	*1,147	*0.6
Black	41,226	10,870	360	26.4	0.9	9,662	346	23.4	0.8	*–1,208	*–2.9
Asian	17,796	2,142	209	12.0	1.2	2,999	247	16.8	1.3	*856	*4.8
Hispanic (any race)	55,614	13,214	422	23.8	0.8	14,129	442	25.4	0.8	*915	*1.6
Nativity											
Native born	273,984	39,227	771	14.3	0.3	38,379	762	14.0	0.3	*–848	*–0.3
Foreign born	42,184	7,795	287	18.5	0.6	10,011	355	23.7	0.7	*2,216	*5.3
Naturalized citizen	19,733	2,349	146	11.9	0.7	3,467	184	17.6	0.8	*1,118	*5.7
Not a citizen	22,451	5,446	242	24.3	0.9	6,544	282	29.1	1.0	*1,098	*4.9
Tenure											
Owner	206,541	16,655	478	8.1	0.2	19,846	568	9.6	0.3	*3,191	*1.5
Owner/mortgage	132,720	7,454	305	5.6	0.2	10,688	419	8.1	0.3	*3,234	*2.4
Owner/no mortgage/rent free	77,561	10,302	404	13.3	0.5	10,098	401	13.0	0.5	–204	–0.3
Renter	105,887	29,265	759	27.6	0.6	27,604	713	26.1	0.6	*–1,662	*–1.6
Residence											
Inside metropolitan statistical areas	266,071	38,699	892	14.5	0.3	41,997	919	15.8	0.3	*3,298	*1.2
Inside principal cities	99,298	18,824	663	19.0	0.6	20,078	699	20.2	0.6	*1,254	*1.3
Outside principal cities	166,773	19,875	659	11.9	0.3	21,919	668	13.1	0.4	*2,044	*1.2
Outside metropolitan statistical areas[2]	50,097	8,322	528	16.6	0.7	6,393	421	12.8	0.6	*–1,929	*–3.9
Region											
Northeast	55,766	7,062	341	12.7	0.6	8,215	358	14.7	0.7	*1,153	*2.1
Midwest	67,239	8,824	355	13.1	0.5	7,934	322	11.8	0.5	*–890	*–1.3
South	118,339	19,677	466	16.6	0.4	18,509	507	15.6	0.4	*–1,167	*–1.0
West	74,824	11,459	455	15.3	0.6	13,732	479	18.4	0.6	*2,273	*3.0
Health Insurance Coverage											
With private insurance	208,600	12,610	406	6.0	0.2	18,143	541	8.7	0.3	*5,534	*2.7
With public, no private insurance	74,601	25,364	637	34.0	0.7	21,128	550	28.3	0.6	*–4,236	*–5.7
Not insured	32,968	9,048	350	27.4	0.9	9,119	357	27.7	0.9	71	0.2

See footnotes at end of table.

Table 2.

Number and Percentage of People in Poverty by Different Poverty Measures: 2014—Con.

(Numbers in thousands, margin of error in thousands or percentage points as appropriate. People as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar15.pdf*)

Characteristic	Number** (in thousands)	Official**				SPM				Difference	
		Number		Percent		Number		Percent			
		Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Number	Percent
Work Experience											
Total, 18 to 64 years	196,254	26,527	533	13.5	0.3	29,401	570	15.0	0.3	*2,874	*1.5
All workers	147,712	10,155	270	6.9	0.2	13,318	330	9.0	0.2	*3,163	*2.1
Worked full-time, year-round	103,379	3,091	148	3.0	0.1	5,679	213	5.4	0.2	*2,588	*2.5
Less than full-time, year-round	44,332	7,064	231	15.9	0.5	7,639	238	17.2	0.5	*575	*1.3
Did not work at least 1 week	48,542	16,372	424	33.7	0.7	16,083	404	33.1	0.7	*–289	*–0.6
Disability Status[3]											
Total, 18 to 64 years	196,254	26,527	533	13.5	0.3	29,401	570	15.0	0.3	*2,874	*1.5
With a disability	15,429	4,403	195	28.5	1.1	3,997	189	25.9	1.0	*–406	*–2.6
With no disability	179,905	22,055	471	12.3	0.3	25,319	527	14.1	0.3	*3,264	*1.8

* An asterisk preceding an estimate indicates change is statistically different from zero at the 90 percent confidence level.

** Includes unrelated individuals under the age of 15.

† The margin of error (MOE) is a measure of an estimate's variability. The larger the MOE in relation to the size of the estimate, the less reliable the estimate. The MOE is the estimated 90 percent confidence interval. The MOEs shown in this table are based on standard errors calculated using replicate weights. For more information, see "Standard Errors and Their Use" at <ftp://ftp2.census.gov/library/publications/2014/demo/p60-252sa.pdf>.

[1] Federal surveys give respondents the option of reporting more than one race. Therefore, two basic ways of defining a race group are possible. A group such as Asian may be defined as those who reported Asian and no other race (the race-alone or single-race concept) or as those who reported Asian regardless of whether they also reported another race (the race-alone-or-in-combination concept). This table shows data using the first approach (race alone). The use of the single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as White and American Indian and Alaska Native or Asian and Black or African American, is available from the 2010 Census through American FactFinder. About 2.9 percent of people reported more than one race in the 2010 Census. Data for American Indians and Alaska Natives, Native Hawaiians and Other Pacific Islanders, and those reporting Two or More Races are not shown separately.

[2] The "Outside metropolitan statistical areas" category includes both micropolitan statistical areas and territory outside of metropolitan and micropolitan statistical areas. For more information, see "About Metropolitan and Micropolitan Statistical Areas" at <www.census.gov/population/metro>.

[3] The sum of those with and without a disability does not equal the total because disability status is not defined for individuals in the Armed Forces.

Source: U.S. Census Bureau, Current Population Survey, 2015 Annual Social and Economic Supplement.

for most groups, SPM rates were higher than official poverty rates, the SPM shows lower poverty rates for children, individuals included in SPM Resource Units, Blacks, the native born, renters, those living outside metropolitan areas, residents of the Midwest and the South, those covered by only public health insurance, those not working, and individuals with a disability. Most other groups had higher poverty rates using the SPM, rather than the official measure. Official and SPM poverty rates for females, people in female householder units, people in homes without mortgages, and the uninsured were not statistically different. Note that poverty rates for those 65 years and over were higher under the SPM compared with the official measure. This partially reflects that the official thresholds are set lower for individuals with householders in this age group, while the SPM thresholds do not vary by age.[13]

[13] For more information about the SPM and the aged population, see Bridges and Gesumaria (2014).

Distribution of Income-to-Poverty Threshold Ratios: Official and SPM

Comparing the distribution of gross cash income with that of SPM resources also allows an examination of the effect of taxes and noncash transfers on SPM rates. Table 3 shows the distribution of income-to-poverty threshold ratios for various groups. Dividing income by the respective poverty threshold controls income by unit size and composition. Figure 2 shows the percentage distribution

Table 3.

Percentage of People by Ratio of Income/Resources to Poverty Threshold: 2014

(Numbers in thousands, margin of error in percentage points. People as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar15.pdf*)

Characteristic	Less than 0.5	Margin of error† (±)	0.5 to 0.99	Margin of error† (±)	1.0 to 1.49	Margin of error† (±)	1.5 to 1.99	Margin of error† (±)	2.0 to 3.99	Margin of error† (±)	4.0 or more	Margin of error† (±)
OFFICIAL*												
All people	**6.7**	**0.2**	**8.2**	**0.2**	**9.3**	**0.2**	**9.2**	**0.2**	**29.2**	**0.4**	**37.4**	**0.4**
Age												
Under 18 years	9.7	0.4	11.8	0.4	11.4	0.4	10.3	0.4	28.3	0.6	28.6	0.5
18 to 64 years	6.4	0.2	7.1	0.2	8.1	0.2	8.3	0.2	29.1	0.4	40.9	0.5
65 years and older	3.2	0.2	6.8	0.3	11.1	0.4	11.4	0.5	31.1	0.7	36.4	0.7
Race[1] and Hispanic Origin												
White	5.7	0.2	7.2	0.2	8.8	0.2	8.9	0.3	29.6	0.4	39.8	0.5
White, not Hispanic	4.7	0.2	5.4	0.2	7.3	0.2	7.8	0.3	29.6	0.5	45.1	0.6
Black	12.2	0.7	14.1	0.7	12.0	0.7	11.1	0.7	28.2	0.9	22.4	0.8
Asian	5.7	0.6	6.4	0.9	8.4	0.9	7.4	0.8	26.0	1.6	46.2	1.8
Hispanic (any race)	9.8	0.5	14.0	0.6	14.7	0.6	13.2	0.7	29.6	0.8	18.7	0.5
SPM												
All people	**5.1**	**0.2**	**10.2**	**0.2**	**16.7**	**0.3**	**15.1**	**0.3**	**33.7**	**0.3**	**19.1**	**0.3**
Age												
Under 18 years	4.3	0.3	12.4	0.5	21.8	0.5	18.6	0.5	31.7	0.6	11.2	0.4
18 to 64 years	5.4	0.2	9.6	0.2	15.1	0.3	14.3	0.3	34.8	0.3	20.8	0.4
65 years and older	5.1	0.3	9.3	0.4	15.9	0.5	12.7	0.5	32.2	0.7	24.8	0.6
Race[1] and Hispanic Origin												
White	4.6	0.2	9.0	0.2	15.4	0.3	14.7	0.3	35.0	0.4	21.2	0.3
White, not Hispanic	4.1	0.2	6.6	0.2	12.5	0.3	14.0	0.3	37.8	0.4	24.9	0.4
Black	7.3	0.5	16.1	0.8	23.6	0.9	17.2	0.9	27.0	0.9	8.8	0.6
Asian	6.0	0.7	10.8	1.1	16.0	1.3	13.8	1.2	33.2	1.5	20.2	1.2
Hispanic (any race)	6.7	0.4	18.7	0.7	26.8	0.8	17.5	0.8	24.1	0.7	6.2	0.3

* Includes unrelated individuals under the age of 15.

† The margin of error (MOE) is a measure of an estimate's variability. The larger the MOE in relation to the size of the estimate, the less reliable the estimate. The MOE is the estimated 90 percent confidence interval. The MOEs shown in this table are based on standard errors calculated using replicate weights. For more information, see "Standard Errors and Their Use" at <ftp://ftp2.census.gov/library/publications/2014/demo/p60-252sa.pdf>.

[1] Federal surveys give respondents the option of reporting more than one race. Therefore, two basic ways of defining a race group are possible. A group such as Asian may be defined as those who reported Asian and no other race (the race-alone or single-race concept) or as those who reported Asian regardless of whether they also reported another race (the race-alone-or-in-combination concept). This table shows data using the first approach (race alone). The use of the single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as White and American Indian and Alaska Native or Asian and Black or African American, is available from the 2010 Census through American FactFinder. About 2.9 percent of people reported more than one race in the 2010 Census. Data for American Indians and Alaska Natives, Native Hawaiians and Other Pacific Islanders, and those reporting Two or More Races are not shown separately.

Source: U.S. Census Bureau, Current Population Survey, 2015 Annual Social and Economic Supplement.

of income-to-threshold ratio categories for all people.

In general, the comparison suggests that a smaller percentage of the population was in the lowest category of the distribution using the SPM. For most groups, including targeted noncash benefits, reduced the percentage of the population in the lowest category—those with income below half their poverty threshold. This was true for the age groups shown in Table 3, except for those over the age of 64. They showed a higher percentage below half of the poverty line with the SPM: 5.1 percent compared to 3.2 percent with the official measure. As shown earlier, many of the noncash benefits included in the SPM are not targeted to this population. Further, many transfers received by this group are in cash, especially Social Security payments, and are captured in the official measure, as well as the SPM. Note that the percentage of the 65 years and over age group

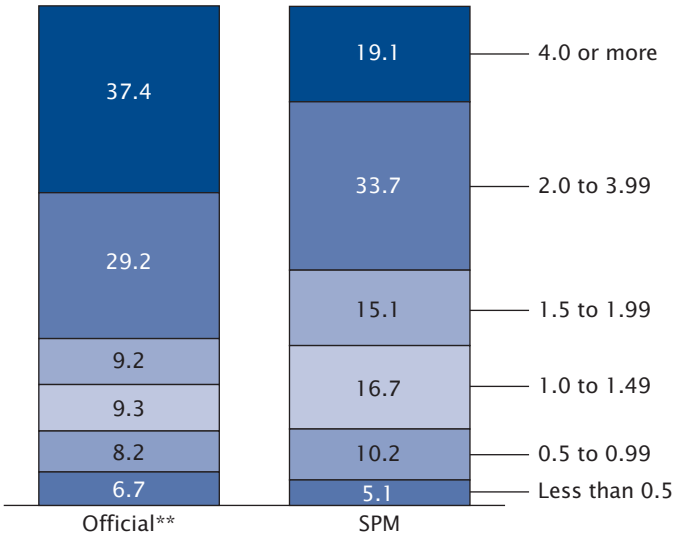
with cash income below half their threshold was lower than that of other age groups using the official measure (3.2 percent), while the percentage for children was higher (9.7 percent). Subtracting Medical Out-of-Pocket (MOOP) and other expenses and adding noncash benefits in the SPM narrowed the differences across the three age groups.

On the other hand, the SPM shows a smaller percentage with income or resources in the highest category—four or more times the thresholds. The SPM resource measure subtracts taxes—compared with the official measure, which does not—bringing down the percentage of people with income in the highest category.

Another notable difference between the distributions using these two measures was the larger number of individuals with income-to-threshold ratios in the three middle categories, between 1.0 and 3.99, with the SPM. Since the effect of taxes and transfers is often to move family income from the extremes of the distribution to the center of the distribution, that is, from the very bottom with targeted transfers or from the very top via taxes and other expenses, the increase in the size of these middle categories is to be expected.

Table 3 shows similar calculations by race and ethnicity. Using the SPM, smaller percentages had income below half of their poverty thresholds, compared with the official measure for the race and ethnicity groups shown, except for Asians.[14] For Blacks, the percentage in this lowest category was 12.2 percent with the official measure and 7.3 percent with the SPM. Percentages of Whites and Hispanics in the lowest category were also lower using the SPM.

Figure 2.
Distribution of People by Income-to-Threshold Ratios: 2014
(In percent)



** Includes unrelated individuals under the age of 15.
Source: U.S. Census Bureau, Current Population Survey, 2015 Annual Social and Economic Supplement.

The SPM and the Effect of Cash and Noncash Transfers, Taxes, and Other Nondiscretionary Expenses

This section moves away from comparing the SPM with the official measure and looks only at the SPM. This exercise allows us to gauge the effects of taxes and transfers and other necessary expenses using the SPM as the measure of economic well-being. The previous section characterized the poverty population using the SPM in comparison with the current official measure. This section examines in more detail the population defined as poor when using the SPM.

The official poverty measure takes account of cash benefits from the government, such as Social Security and Unemployment Insurance (UI) benefits, Supplemental Security Income (SSI), public assistance benefits, such as Temporary Assistance for Needy Families, and workers' compensation benefits, but does not take account of taxes or noncash benefits aimed at improving the economic situation of the poor. Besides taking account of cash benefits and necessary expenses, such as MOOP expenses and expenses related to work, the SPM includes taxes and noncash transfers. The important contribution that the SPM provides is allowing us to gauge the effectiveness of tax credits and transfers in alleviating poverty. We can also examine the effects of the nondiscretionary expenses, such as work and MOOP expenses.

[14] The rates for Asians were not statistically different.

Table 4a.

Effect of Individual Elements on SPM Rates: 2014

(Margin of error in percentage points. Percentage of people as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *www.census.gov/prod/techdoc/cps/cpsmar15.pdf*)

Element	All people		Under 18 years		18 to 64 years		65 years and over	
	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)
SPM	**15.3**	**0.3**	**16.7**	**0.5**	**15.0**	**0.3**	**14.4**	**0.5**
ADDITIONS								
Social Security	23.5	0.3	18.9	0.5	19.1	0.3	50.0	0.7
Refundable tax credits	18.4	0.3	23.8	0.6	17.2	0.3	14.6	0.5
SNAP	16.8	0.3	19.5	0.5	16.2	0.3	15.1	0.5
Unemployment insurance	15.6	0.3	17.1	0.5	15.3	0.3	14.5	0.5
SSI	16.5	0.3	17.6	0.5	16.3	0.3	15.8	0.5
Housing subsidies	16.2	0.3	17.9	0.5	15.7	0.3	15.6	0.5
Child support received	15.6	0.3	17.4	0.5	15.2	0.3	14.4	0.5
School lunch	15.7	0.3	17.8	0.5	15.3	0.3	14.4	0.5
TANF/general assistance	15.5	0.3	17.2	0.5	15.2	0.3	14.5	0.5
WIC	15.4	0.3	17.0	0.5	15.1	0.3	14.4	0.5
LIHEAP	15.4	0.3	16.8	0.5	15.0	0.3	14.5	0.5
Workers' compensation	15.4	0.3	16.8	0.5	15.1	0.3	14.5	0.5
SUBTRACTIONS								
Child support paid	15.2	0.3	16.6	0.5	14.9	0.3	14.4	0.5
Federal income tax	14.8	0.3	16.4	0.5	14.4	0.3	14.3	0.5
FICA	13.7	0.3	14.6	0.5	13.2	0.3	14.1	0.5
Work expenses	13.3	0.3	14.1	0.5	12.9	0.3	14.0	0.5
MOOP	11.8	0.3	13.5	0.4	11.9	0.3	8.8	0.4

† The margin of error (MOE) is a measure of an estimate's variability. The larger the MOE in relation to the size of the estimate, the less reliable the estimate. The MOE is the estimated 90 percent confidence interval. The MOEs shown in this table are based on standard errors calculated using replicate weights. For more information, see "Standard Errors and Their Use" at <ftp://ftp2.census.gov/library/publications/2014/demo/p60-252sa.pdf>.

Source: U.S. Census Bureau, Current Population Survey, 2015 Annual Social and Economic Supplement.

Table 4a shows the effect that various additions and subtractions had on the SPM rate in 2014, holding all else the same and assuming no behavioral changes. Additions and subtractions are shown for the total population and by three age groups. Additions shown in the table include cash benefits, also accounted for in the official measure, as well as noncash benefits, included only in the SPM. This allows us to examine the effects of government transfers on poverty estimates. Because child support paid is subtracted from income, we also examine the effect of child support received on alleviating poverty. Child support payments received are counted as income in both the official measure and the SPM.

Removing one item from the calculation of SPM resources and recalculating poverty rates shows, for example, that without Social Security benefits, the SPM rate would have been 23.5 percent, rather than 15.3 percent. This means that, without Social Security benefits the number of people living below the poverty line would have been 74.4 million, rather than the 48.4 million people classified as poor with the SPM. Not including refundable tax credits (the Earned Income Tax Credit [EITC] and the refundable portion of the child tax credit) in resources, the poverty rate for all people would have been 18.4 percent, rather than 15.3 percent, all else constant. On the other hand, removing amounts paid for child support, income and payroll taxes, work-related expenses, and MOOP expenses from the calculation resulted in lower poverty rates. Without subtracting MOOP expenses from income, the SPM rate would have been 11.8 percent, rather than 15.3 percent: in numbers, this would be 37.4 million, rather than 48.4 million people classified as poor. Table 4b shows the same calculations for the year 2013.

Table 4a also shows effects for different age groups. In 2014, not accounting for refundable tax credits would have resulted in a poverty rate of 23.8 percent for children, rather than 16.7 percent. Not subtracting MOOP expenses from the income of families with children would have resulted in a poverty

Table 4b.

Effect of Individual Elements on SPM Rates: 2013

(Data are based on the CPS ASEC sample of 30,000 addresses.[1] Margin of error in percentage points. Percentage of people as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar14.pdf*)

Element	All people		Under 18 years		18 to 64 years		65 years and over	
	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)	Estimate	Margin of error† (±)
Research SPM	**15.8**	**0.5**	**18.1**	**0.9**	**14.9**	**0.5**	**15.5**	**0.9**
ADDITIONS								
Social Security	24.1	0.5	20.4	0.9	19.3	0.6	51.0	1.3
Refundable tax credits	18.6	0.5	24.4	1.1	17.0	0.5	15.7	0.9
SNAP	17.5	0.5	21.3	0.9	16.4	0.5	16.2	0.9
Unemployment insurance	16.4	0.5	18.9	0.9	15.6	0.5	15.7	0.9
SSI	17.1	0.5	19.3	0.9	16.3	0.5	16.7	0.9
Housing subsidies	16.6	0.5	19.3	0.9	15.5	0.5	16.8	0.9
Child support received	16.1	0.5	18.7	0.9	15.2	0.5	15.6	0.9
School lunch	16.2	0.5	19.2	0.9	15.3	0.5	15.6	0.9
TANF/general assistance	16.0	0.5	18.5	0.9	15.1	0.5	15.7	0.9
WIC	15.9	0.5	18.4	0.9	15.0	0.5	15.5	0.9
LIHEAP	15.8	0.5	18.1	0.9	15.0	0.5	15.6	0.9
Workers' compensation	15.9	0.5	18.3	0.9	15.0	0.5	15.6	0.9
SUBTRACTIONS								
Child support paid	15.7	0.5	17.9	0.9	14.8	0.5	15.5	0.9
Federal income tax	15.3	0.5	17.7	0.9	14.4	0.5	15.4	0.9
FICA	14.2	0.5	15.8	0.9	13.3	0.5	15.1	0.9
Work expenses	13.9	0.4	15.4	0.8	13.1	0.5	15.0	0.9
MOOP	11.9	0.4	14.3	0.8	11.8	0.5	8.5	0.6

† The margin of error (MOE) is a measure of an estimate's variability. The larger the MOE in relation to the size of the estimate, the less reliable the estimate. The MOE is the estimated 90 percent confidence interval. The MOEs shown in this table are based on standard errors calculated using replicate weights. For more information, see "Standard Errors and Their Use" at <ftp://ftp2.census.gov/library/publications/2014/demo/p60-249sa.pdf>.

[1] The 2014 CPS ASEC included redesigned questions for income and health insurance coverage. All of the approximately 98,000 addresses were eligible to receive the redesigned set of health insurance coverage questions. The redesigned income questions were implemented to a subsample of these 98,000 addresses using a probability split panel design. Approximately 68,000 addresses were eligible to receive a set of income questions similar to those used in the 2013 CPS ASEC and the remaining 30,000 addresses were eligible to receive the redesigned income questions. The source of the 2013 data for this table is the portion of the CPS ASEC sample which received the redesigned income questions, approximately 30,000 addresses.

Source: U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplement.

rate of 13.5 percent. For the 65 years and over group, SPM rates increased by about 5.7 percentage points with the subtraction of MOOP expenses from income while Social Security benefits lowered poverty rates by 35.6 percentage points for the 65 and over group, from 50.0 percent to 14.4 percent.

Figure 3 shows the percentage point difference in the SPM rate when each item is included in the resource measure for the 2 years and allows us to compare the effect of transfers, both cash and noncash, and nondiscretionary expenses on SPM rates. For most elements, effects of additions and subtractions between the 2 years were not statistically different, however, some items had small differences in their effect on poverty rates. SNAP and UI lowered SPM rates less in 2014 than in 2013, while refundable tax credits had a larger effect.[15] MOOP had a smaller effect on SPM rates in 2014 than in the previous year, increasing SPM rates 3.5 percentage points, rather than 3.8 percentage points in 2013.

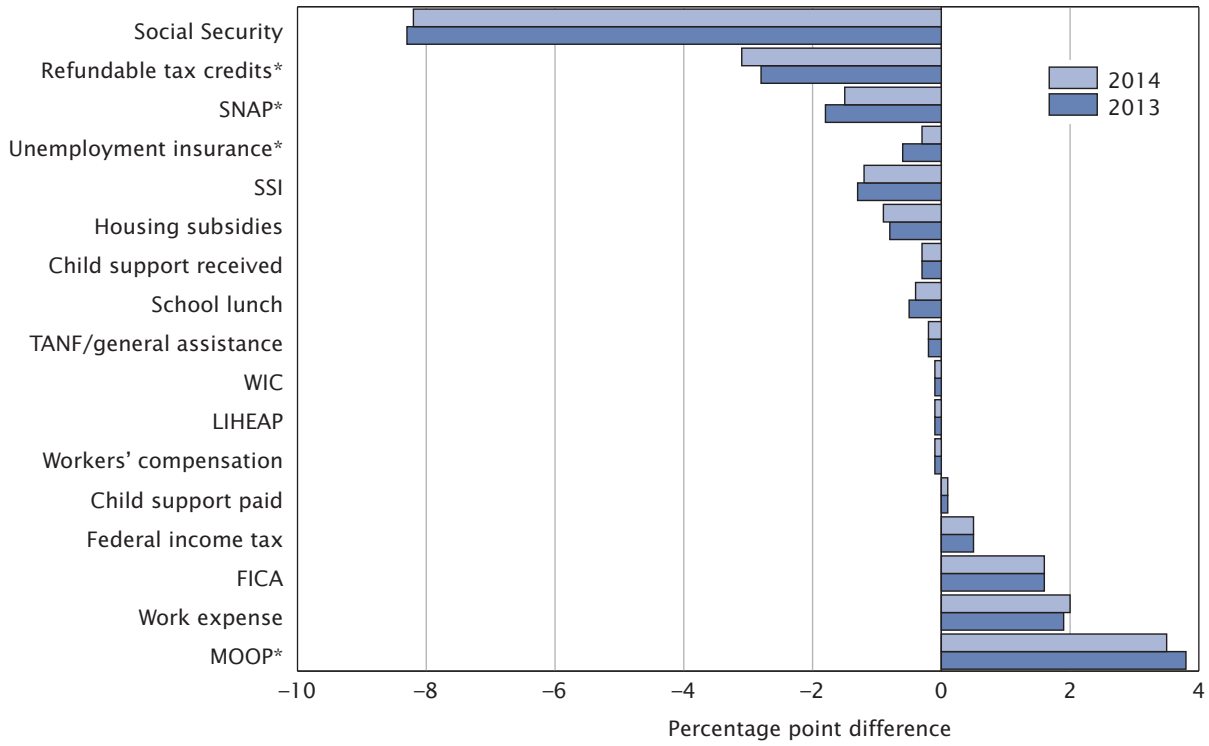
[15] Federal income tax liabilities shown here are before refundable tax credits, the EITC, and the additional child tax credit, but include the nonrefundable child tax credit.

Changes in SPM Rates Between 2013 and 2014

As has been documented (DeNavas-Walt and Proctor, 2015), real median household income was $53,657 in 2014, not statistically different from 2013. Median total SPM resources were $38,595 for 2013 (in 2014 dollars) and $38,258 in 2014, also not statistically different. Official poverty rates were not different between the 2 years.

Table 5 shows SPM rates for 2013 and 2014, calculated in a comparable way for each year and using redesigned income information. In 2014, the percentage poor using

Figure 3.
Difference in SPM Rates After Including Each Element: 2013 and 2014



* Statistically significant change between 2013 and 2014.
Source: U.S. Census Bureau, Current Population Survey, 2014 and 2015 Annual Social and Economic Supplements.

the SPM was 15.3 percent, and in 2013 that rate was 15.8 percent, not a statistically significant change. While for most groups there were no changes in SPM rates across the 2 years, there were declines for children, those 65 years of age and over, the native born, people in homes without mortgages, and those residing in the Midwest. Some groups experienced a decline in the number of poor without a change in the rate. These were people living in female householder families, the uninsured, and less than full-time, year-round workers. Individuals with a disability experienced an increase in the number of poor while the poverty rate for this group did not change significantly.

Finally, we show the official measure and the SPM over the 5 years for which we have estimates. Figure 4 shows the official measure (with the SPM universe) and the SPM across 5 years.[16] Figure 5 shows the poverty rate using both measures for children and for those over 64 years. The charts show two values for 2013, one using the traditional income questions, comparable to SPM estimates from 2009, and the second using the redesigned income questions used for this report and comparable to the 2014 estimates presented here.

[16] For SPM estimates from 1967 to 2012, see Fox et al. (2013).

SUMMARY

This report provides estimates of the SPM for the United States. The results shown illustrate differences between the official measure of poverty and a poverty measure that takes account of noncash benefits received by families and nondiscretionary expenses that they must pay. The SPM also employs a new poverty threshold that is updated with information on expenditures for FCSU by the BLS. Results showed higher poverty rates using the SPM than the official measure for most groups.

The SPM allows us to examine the effects of taxes and noncash transfers on the poor and on important

Table 5.

Percentage of People in Poverty Using the Supplemental Poverty Measure: 2013 and 2014

(Data for 2013 are based on a sample of approximately 30,000 addresses.[1] Numbers in thousands, margin of error in thousands or percentage points as appropriate. People as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar14.pdf* and *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar15.pdf)*

Characteristic	SPM 2014				SPM 2013[1]				Difference	
	Number Below poverty level		Percent		Number		Percent			
	Estimate	Margin of error[†] (±)	Estimate	Margin of error[†] (±)	Estimate	Margin of error[†] (±)	Estimate	Margin of error[†] (±)	Number	Percent
All people	**48,390**	**868**	**15.3**	**0.3**	**49,427**	**1,486**	**15.8**	**0.5**	**–1,038**	**–0.5**
Sex										
Male	22,497	438	14.5	0.3	22,973	839	15.0	0.5	–476	–0.4
Female	25,893	517	16.0	0.3	26,455	848	16.6	0.5	–562	–0.5
Age										
Under 18 years	12,360	369	16.7	0.5	13,343	645	18.1	0.9	*–983	*–1.4
18 to 64 years	29,401	570	15.0	0.3	29,095	980	14.9	0.5	306	Z
65 years and older	6,629	223	14.4	0.5	6,990	390	15.5	0.9	–360	*–1.1
Type of Unit										
Married couple	17,878	575	9.4	0.3	17,235	1,151	9.2	0.6	643	0.2
Female householder	18,366	537	28.7	0.7	19,653	1,023	29.9	1.3	*–1,287	–1.2
Male householder	7,420	292	21.8	0.7	7,709	576	22.5	1.5	–290	–0.7
New SPM unit	4,726	305	16.6	1.0	4,830	563	18.3	2.0	–104	–1.7
Race[2] and Hispanic Origin										
White	33,346	683	13.6	0.3	34,349	1,108	14.1	0.5	–1,003	–0.5
White, not Hispanic	20,943	568	10.7	0.3	21,434	872	11.0	0.4	–491	–0.3
Black	9,662	346	23.4	0.8	9,922	647	24.4	1.6	–260	–1.0
Asian	2,999	247	16.8	1.3	2,692	350	15.6	2.0	306	1.3
Hispanic (any race)	14,129	442	25.4	0.8	14,391	845	26.5	1.6	–261	–1.1
Nativity										
Native born	38,379	762	14.0	0.3	39,803	1,231	14.6	0.5	*–1,424	*–0.6
Foreign born	10,011	355	23.7	0.7	9,625	644	23.7	1.4	386	0.1
Naturalized citizen	3,467	184	17.6	0.8	3,333	345	17.3	1.6	134	0.3
Not a citizen	6,544	282	29.1	1.0	6,292	540	29.4	2.1	252	–0.2
Tenure										
Owner	19,846	568	9.6	0.3	20,745	1,042	10.0	0.5	–899	–0.4
Owner/mortgage	10,688	419	8.1	0.3	10,671	832	7.9	0.6	17	0.2
Owner/no mortgage/rent free	10,098	401	13.0	0.5	11,038	754	14.6	0.9	*–940	*–1.6
Renter	27,604	713	26.1	0.6	27,718	1,246	27.0	1.0	–115	–0.9
Residence										
Inside metropolitan statistical areas	41,997	919	15.8	0.3	42,781	1,539	16.1	0.5	–784	–0.3
Inside principal cities	20,078	699	20.2	0.6	20,206	1,117	20.0	1.0	–128	0.3
Outside principal cities	21,919	668	13.1	0.4	22,575	1,194	13.7	0.7	–656	–0.6
Outside metropolitan statistical areas[3]	6,393	421	12.8	0.6	6,647	675	13.9	1.0	–254	–1.1
Region										
Northeast	8,215	358	14.7	0.7	8,788	778	15.8	1.4	–573	–1.1
Midwest	7,934	322	11.8	0.5	8,646	619	12.9	0.9	*–712	*–1.1
South	18,509	507	15.6	0.4	19,002	950	16.2	0.8	–493	–0.6
West	13,732	479	18.4	0.6	12,991	707	17.6	1.0	741	0.8
Health Insurance Coverage										
With private insurance	18,143	541	8.7	0.3	17,244	819	8.6	0.4	900	0.1
With public, no private insurance	21,128	550	28.3	0.6	20,672	915	29.3	1.1	456	–1.0
Not insured	9,119	357	27.7	0.9	11,512	649	27.8	1.3	*–2,393	–0.1

See footnotes at end of table.

Table 5.

Percentage of People in Poverty Using the Supplemental Poverty Measure: 2013 and 2014—Con.

(Data for 2013 are based on a sample of approximately 30,000 addresses.[1] Numbers in thousands, margin of error in thousands or percentage points as appropriate. People as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar14.pdf* and *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar15.pdf)*

Characteristic	SPM 2014				SPM 2013[1]				Difference	
	Number Below poverty level		Percent		Number		Percent			
	Estimate	Margin of error[†] (±)	Estimate	Margin of error[†] (±)	Estimate	Margin of error[†] (±)	Estimate	Margin of error[†] (±)	Number	Percent
Work Experience										
Total, 18 to 64 years	29,401	570	15.0	0.3	29,095	980	14.9	0.5	306	Z
All workers	13,318	330	9.0	0.2	13,687	569	9.3	0.4	–369	–0.3
Worked full-time, year-round	5,679	213	5.5	0.2	5,508	369	5.4	0.4	171	Z
Less than full-time, year-round	7,639	238	17.2	0.5	8,180	465	17.9	0.9	*–541	–0.6
Did not work at least 1 week	16,083	404	33.1	0.7	15,407	696	32.3	1.2	676	0.9
Disability Status[4]										
Total, 18 to 64 years	29,401	570	15.0	0.3	29,095	980	14.9	0.5	306	Z
With a disability	3,997	189	25.9	1.0	3,633	315	25.1	1.8	*363	0.8
With no disability	25,319	527	14.1	0.3	25,370	885	14.2	0.5	–51	–0.1

* An asterisk preceding an estimate indicates change is statistically different from zero at the 90 percent confidence level.

[†] The margin of error (MOE) is a measure of an estimate's variability. The larger the MOE in relation to the size of the estimate, the less reliable the estimate. The MOE is the estimated 90 percent confidence interval. The MOEs shown in this table are based on standard errors calculated using replicate weights. For more information, see "Standard Errors and Their Use" at <ftp://ftp2.census.gov/library/publications/2014/demo/p60-249sa.pdf> and <ftp://ftp2.census.gov/library/publications/2014/demo/p60-252sa.pdf>.

Z Represents or rounds to zero.

[1] The 2014 CPS ASEC included redesigned questions for income and health insurance coverage. All of the approximately 98,000 addresses were eligible to receive the redesigned set of health insurance coverage questions. The redesigned income questions were implemented to a subsample of these 98,000 addresses using a probability split panel design. Approximately 68,000 addresses were eligible to receive a set of income questions similar to those used in the 2013 CPS ASEC and the remaining 30,000 addresses were eligible to receive the redesigned income questions. The source of the 2013 data for this table is the portion of the CPS ASEC sample which received the redesigned income questions, approximately 30,000 addresses.

[2] Federal surveys give respondents the option of reporting more than one race. Therefore, two basic ways of defining a race group are possible. A group such as Asian may be defined as those who reported Asian and no other race (the race-alone or single-race concept) or as those who reported Asian regardless of whether they also reported another race (the race-alone-or-in-combination concept). This table shows data using the first approach (race alone). The use of the single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as White and American Indian and Alaska Native or Asian and Black or African American, is available from the 2010 Census through American FactFinder. About 2.9 percent of people reported more than one race in the 2010 Census. Data for American Indians and Alaska Natives, Native Hawaiians and Other Pacific Islanders, and those reporting Two or More Races are not shown separately.

[3] The "Outside metropolitan statistical areas" category includes both micropolitan statistical areas and territory outside of metropolitan and micropolitan statistical areas. For more information, see "About Metropolitan and Micropolitan Statistical Areas" at <www.census.gov/population/metro/>.

[4] The sum of those with and without a disability does not equal the total because disability status is not defined for individuals in the Armed Forces.

Source: U.S. Census Bureau, Current Population Survey, 2014 and 2015 Annual Social and Economic Supplements.

groups within the poverty population. As such, there are lower percentages of the SPM poverty populations in the very high and very low resource categories than we find using the official measure. Since noncash benefits help those in extreme poverty, there were lower percentages of individuals with resources below half the SPM threshold for most groups. In addition, the effect of benefits received from each program and taxes and other nondiscretionary expenses on SPM rates were examined.

These findings are similar to those reported in earlier work using a variety of experimental poverty measures that followed recommendations of the NAS poverty panel (Short et al., 1999 and Short, 2001). Experimental poverty rates based on the NAS panel's recommendations have been calculated every year since 1999. While SPM rates are available only from 2009, estimates are available for earlier years for a variety of experimental poverty measures, including the most recent for 2014.[17] They include poverty rates that employ CE-based thresholds, as well as thresholds that increase each year from 1999 based on changes in the Consumer Price Index (similar to

[17] These estimates are available on the Census Bureau Web site at <www.census.gov/hhes/povmeas/data/nas/index.html>.

the official thresholds) and estimates that do not adjust thresholds for geographic differences in housing costs. However, the methods used for many of the elements in the experimental measures differ markedly from those in the SPM and, therefore, they are not considered to be comparable measures.

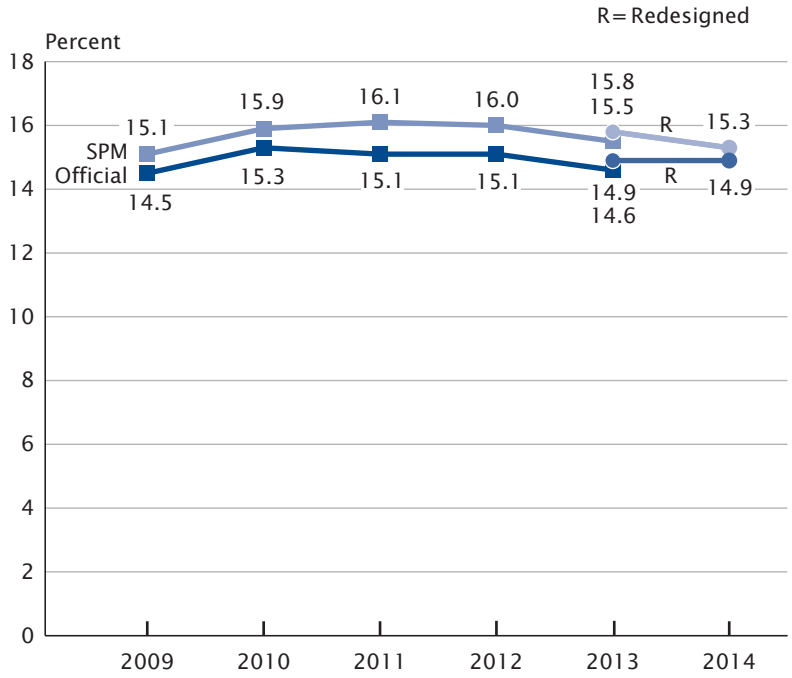
RESEARCH FOR THE SPM

The ITWG was charged with developing a set of initial starting points to permit the Census Bureau, in cooperation with the BLS, to produce the SPM that would be released along with the official measure each year. In addition to specifying the nature and use of the SPM, the ITWG laid out a research agenda for many of the elements of this new measure. They stated:

As with any statistic regularly published by a federal statistical agency, the Working Group expects that changes in this measure over time will be decided upon in a process led by research methodologists and statisticians within the Census Bureau in consultation with BLS and with other appropriate data agencies and outside experts, and will be based on solid analytical evidence.

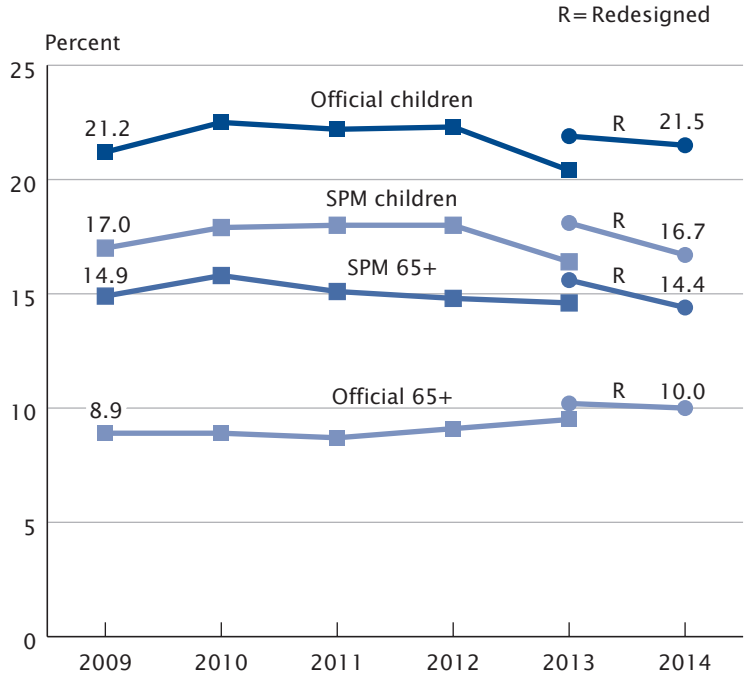
Among the elements designated by the ITWG for further development were methods to include noncash benefits in the thresholds, improving geographic adjustments for price differences across areas, improving methods to estimate work-related expenses (commuting costs), and improving methods for collecting MOOP. Research is ongoing to improve the valuation of housing subsidies and tax simulations.

Figure 4.
Poverty Rates Using the Official Measure and the SPM: 2009 to 2014



Source: U.S. Census Bureau, Current Population Survey, 2010–2015 Annual Social and Economic Supplements.

Figure 5.
Poverty Rates Using the Official Measure and the SPM for Two Age Groups: 2009 to 2014



Source: U.S. Census Bureau, Current Population Survey, 2010–2015 Annual Social and Economic Supplements.

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APPENDIX—SPM METHODOLOGY

Poverty Thresholds

Consistent with the NAS panel recommendations and the suggestions of the ITWG, the SPM thresholds are based on out-of-pocket spending on FCSU. For consumer units with exactly two children (regardless of relationship to the family), 5 years of CE data are used to create the estimation sample. Unmarried partners and those who share expenses with others in the household are included in the consumer unit. FCSU expenditures are converted to adult-equivalent values using a three-parameter equivalence scale (see below for description). The mean of expenditures on FCSU over all two-child consumer units in the 30th to 36th percentile range is multiplied by 1.2 to account for additional basic needs. The three-parameter equivalence scale is applied to this amount to produce an overall threshold for a unit composed of two adults and two children.

To account for differences in housing costs, a base threshold for all consumer units with two children was calculated, and then the overall shelter and utilities portion was replaced by what consumer units with different housing statuses spend on shelter and utilities. Three housing status groups were determined and their expenditures on shelter and utilities produced within the 30th to 36th percentiles of FCSU expenditures. The three groups are: owners with mortgages, owners without mortgages, and renters.

Equivalence Scales

The ITWG guidelines state that the "three-parameter equivalence scale" is to be used to adjust reference thresholds for the number of adults and children. The three-parameter scale allows for a different adjustment for single parents (Betson, 1996). This scale has been used in several BLS and Census Bureau studies (Short et al., 1999; Short, 2001). The three-parameter scale is calculated in the following way:

One and two adults:
$scale = (adults)^{0.5}$

Single parents:
$scale = (adults + 0.8*first\ child + 0.5*other\ children)^{0.7}$

All other families:
$scale = (adults + 0.5*children)^{0.7}$

In the calculation used to produce thresholds for two adults, the scale is set to 1.41. The economy of scale factor is set at 0.70 for other family types. The NAS panel recommended a range of 0.65 to 0.75.

Geographic Adjustments

The ACS is used to adjust the FCSU thresholds for differences in prices across geographic areas. The geographic adjustments are based on 5-year ACS estimates of median gross rents for two-bedroom apartments with complete kitchen and plumbing facilities. Separate medians were estimated for each of 298 metropolitan statistical areas large enough to be identified on the public-use version of the CPS ASEC file (27 of these will be phased out next year). For each state, a median is estimated for all nonmetropolitan areas (47) and for a combination of all smaller metropolitan areas within a state (40). This results in 385 adjustment factors. For details, see Renwick (2011).[18]

Unit of Analysis

The ITWG suggested that the "family unit" include all related individuals who live at the same address, any coresident unrelated children who are cared for by the family (such as foster children), and any cohabiters and their children.[19] This definition corresponds broadly with the unit of data collection (the consumer unit) that is employed for the CE data that are used to calculate poverty thresholds. They are referred to as *SPM Resource Units* and include units that added a cohabiter, an unrelated individual under 15 years, a foster child aged 15 to 21, or an unmarried parent of a child in the family. Note that some units change for more than one of these reasons. Further, sample weights differ due to forming these units of analysis. For all new family units that have a set of male/female partners, the female partner's weight is used as the SPM family weight. For all other new units, there is no change.[20]

[18] Renwick et al. (2014) examined an alternative method of calculation for the geographic indexes using Regional Price Parities from the Bureau of Economic Analysis.

[19] Foster children up to the age of 22 are included in the new unit.

[20] Appropriate weighting of these new units is an area of additional research at the Census Bureau.

Noncash Benefits

Supplemental Nutrition Assistance Program (SNAP)

SNAP benefits (formerly known as food stamps) are designed to allow eligible low-income households to afford a nutritionally adequate diet. Households that participate in the SNAP program are assumed to devote 30 percent of their countable monthly cash income to the purchase of food, and SNAP benefits make up the remaining cost of an adequate low-cost diet. This amount is set at the level of the U.S. Department of Agriculture's Thrifty Food Plan. In the CPS ASEC, respondents report if anyone in the household ever received SNAP benefits in the previous calendar year and, if so, the face value of those benefits. The annual household amount is prorated to SPM Resource Units within each household.

National School Lunch Program

This program offers children free school lunches if family income is below 130 percent of federal poverty guidelines, reduced-price school meals if family income is between 130 and 185 percent of the federal poverty guidelines, and a subsidized school meal for all other children. In the CPS ASEC, the reference person is asked how many children "usually" ate a complete lunch at school, and if it was a free or reduce-priced school lunch. Since we have no further information, the value of school meals is based on the assumption that the children received the lunches every day during the last school year. Note that this method may overestimate the benefits received by each family. To value benefits, we obtain amounts on the cost per lunch from the Department of Agriculture Food and Nutrition Service, which administers the school lunch program. There is no value included for school breakfast.[21]

Supplementary Nutrition Program for Women, Infants, and Children (WIC)

This program is designed to provide food assistance and nutritional screening to low-income pregnant and postpartum women and their infants and to low-income children up to age 5. Incomes must be at or below 185 percent of the poverty guidelines, and participants must be nutritionally at-risk (having abnormal nutritional conditions, nutrition-related medical conditions, or dietary deficiencies). Benefits include supplemental foods in the form of food items or vouchers for purchases of specific food items. There are questions on current receipt of WIC in the CPS. Lacking additional information, we assume 12 months of participation and value the benefit using program information obtained from the Department of Agriculture. As with school lunch, assuming year-long participation may overestimate the value of WIC benefits received by a given SPM family. In these estimates, we assume that all children less than 5 years in a household where someone reports receiving WIC are also assigned receipt of WIC. If the child is aged 0 or 1 year, then we assume that the mother also gets WIC. If there is no child in the family, but the household reference person said "yes" to the WIC question, we assume this is a pregnant woman receiving WIC.

Low-Income Home Energy Assistance Program (LIHEAP)

This program provides three types of energy assistance. Under this program, states may help pay heating or cooling bills, provide allotments for low-cost weatherization, or provide assistance during energy-related emergencies. States determine eligibility and can provide assistance in various ways, including cash payments, vendor payments, two-party checks, vouchers/coupons, and payments directly to landlords. In the CPS ASEC, the question on energy assistance asks for information about the entire year and captures assistance for cooling paid in the summer months or emergency benefits paid after the February/March/April survey date. Many households receive both a "regular" benefit and one or more crisis or emergency benefits. Additionally, since LIHEAP payments are often made directly to a utility company or fuel oil vendor, many households may have difficulty reporting the precise amount of the LIHEAP payment made on their behalf.

Housing Assistance

Households can receive housing assistance from a plethora of federal, state, and local programs. Federal housing assistance consists of a number of programs administered primarily by the U.S. Department of Housing and Urban Development (HUD). These programs traditionally take the form of rental subsidies and mortgage-interest subsidies targeted to very-low-income renters and are either project-based

[21] In the Survey of Income and Program Participation (SIPP), respondents report the number of breakfasts eaten by the children per week, similar to the report of school lunches. Calculating a value for this subsidy in the same way as was done for the school lunch program yielded an amount of approximately $4.6 billion for all families in the SIPP for the year 2009 (Short, 2014a). For information on confidentiality protection, sampling error, nonsampling error, and definitions, for the 2004 SIPP, see <www.census.gov/sipp/>.

(public housing) or tenant-based (vouchers). The value of housing subsidies is estimated as the difference between the "market rent" for the housing unit and the total tenant payment. The "market rent" for the household is estimated using a statistical match with HUD administrative data from the Public and Indian Housing Information Center and the Tenant Rental Assistance Certification System. For each household identified in the CPS ASEC as receiving help with rent or living in public housing, an attempt was made to match on state, Core-Based Statistical Area, and household size.[22] The total tenant payment is estimated using the total income reported by the household on the CPS ASEC and HUD program rules. Generally, participants in either public housing or tenant-based subsidy programs administered by HUD are expected to contribute the greater of one-third of their "adjusted" income or 10 percent of their gross income towards housing costs.[23] See Johnson et al. (2010) for more details on this method. Initially, subsidies are estimated at the household level. If there is more than one SPM family in a household, then the value of the subsidy is prorated based on the number of people in the SPM family relative to the total number of people in the household.

Housing subsidies help families pay their rent and as such are added to income for the SPM. However, there is general agreement that, while the value of a housing subsidy can free up a family's income to purchase food and other basic items, it will do so only to the extent that it meets the need for shelter. Thus, the values for housing subsidies included as income are limited to the proportion of the threshold that is allocated to housing costs. The subsidy is capped at the housing portion of the appropriate threshold MINUS the total tenant payment.

Necessary Expenses Subtracted From Resources

Taxes

The NAS panel and the ITWG recommended that the calculation of family resources for poverty measurement should subtract necessary expenses that must be paid by the family. The measure subtracts federal, state, and local income taxes and Social Security payroll taxes (FICA) before assessing the ability of a family to obtain basic necessities, such as FCSU. Taking account of taxes allows us to account for receipt of the federal or state EITC and other tax credits. The CPS ASEC does not collect information on taxes paid but relies on a tax calculator to simulate taxes paid. These simulations include federal and state income taxes and FICA taxes. These simulations also use a statistical match to the Statistics of Income microdata file of tax returns.

Work-Related Expenses

Going to work and earning a wage often entails incurring expenses, such as travel to work and purchase of uniforms or tools. For work-related expenses (other than child care), the NAS panel recommended subtracting a fixed amount for each earner 18 years or over. Their calculation was based on 1987 SIPP data that collected information on work expenses in a set of supplementary questions. They calculated 85 percent of median weekly expenses—$14.42 per week worked for anyone over 18 in the family in 1992. Total expenses were obtained by multiplying this fixed amount by the number of weeks respondents reported working in the year. Since the 1996 panel of SIPP, the work-related expenses topical module has been repeated every year.[24] Each person in the SIPP reports their own expenditures on work-related items in a given week. The most recent available data are used to calculate median weekly expenses. The number of weeks worked, reported in the CPS ASEC, is multiplied by the 85 percent of median weekly work-related expenses for each person to arrive at annual work-related expenses.[25]

Child Care Expenses

Another important part of work-related expenses is paying someone to care for children while parents work. These expenses have become important for families with young children in which both parents (or a single parent) work. To account for child care expenses while parents worked, in the CPS, parents are asked whether or not they pay for child care and how much they

[22] HUD operates two major housing assistance programs: public housing and tenant-based or voucher programs. Since the HUD administrative data include only estimates of gross or contract rent for tenant-based housing assistance programs, the contract rents assigned to CPS ASEC households living in public housing are adjusted by a factor derived from data published in the "Picture of Subsidized Households" that estimates the average tenant payment and the average subsidy by type of assistance. The average contract rent would be the sum of these two estimates, see <www.huduser.org/portal/datasets/picture/yearlydata.html>.

[23] HUD regulations define "adjusted household income" as cash income excluding income from certain sources minus numerous deductions. Three of the income exclusions can be identified from the CPS ASEC: income from the employment of children, student financial assistance, and earnings in excess of $480 for each full-time student 18 years or older. Deductions that can be modeled from the CPS ASEC include: $480 for each dependent, $400 for any elderly or disabled family member, child care, and medical expenses.

[24] The 2004 panel, wave 9 topical modules were not collected due to budget considerations.

[25] Edwards et al. (2014) examined an alternative methods of valuing work-related expenses using the American Community Survey.

spent. The amounts paid for any type of child care while parents are at work are summed over all children. The NAS report recommended capping the amount subtracted from income, when combined with other work-related expenses, so that these do not exceed reported earnings of the lowest earner in the family. The ITWG also made this recommendation. This capping procedure is applied before determining poverty status.[26]

Child Support Paid

The NAS panel recommended that, since child support received from other households is counted as income, child support paid out to those households should be deducted from the resources of those households that paid it. Without this subtraction, all child support is double counted in overall income statistics. New questions ascertaining amounts paid in child support are included in the CPS ASEC, and these reported amounts are subtracted in the estimates presented here.

Medical Out-of-Pocket (MOOP) Expenses

The ITWG recommended subtracting MOOP expenses from income, following the NAS panel. The NAS panel was aware that expenditures for health care are a significant portion of a family budget and have become an increasingly larger budget item since the 1960s. These expenses include the payment of health insurance premiums plus other medically necessary items, such as prescription drugs and doctor copayments that are not paid for by insurance. Subtracting these "actual" amounts from income, like taxes and work expenses, leaves the amount of income that the family has available to purchase the basic bundle of goods.

While many individuals and families have health insurance that covers most of the very large expenses, the typical family pays the costs of health insurance premiums and other small fees out-of-pocket. In these questions, respondents report expenditures on health insurance premiums that do not include Medicare Part B premiums. Medicare Part B premiums pose a particular problem for these estimates. When a respondent reported Social Security Retirement (SSR) benefits net of Medicare deductions, they are asked the amount deducted. This amount is added to income. If not reported, a Part B premium set at the standard amount per month is added. Corrections for these applied amounts are discussed in Caswell and Short (2011) and applied here. To be consistent with what is added to the SSR income in these cases, the same amount is added to reported premium expenditures.[27] For the remaining respondents that report Medicare status, Medicare Part B premiums are simulated using the rules for income and tax filing status (Medicare.gov).[28] The simplifying assumption is made that married respondents with "spouse present" file married-joint returns. For these cases, the combined reported income of both spouses is used to determine the appropriate Part B premium. Finally, it is assumed that the following two groups pay zero Part B premiums: (1) dual-eligible respondents (i.e., Medicare and Medicaid) and (2) those with a family income less than 135 percent of the federal poverty level. The latter assumption is based on a rough estimate of eligibility and participation in at least one of the following programs: Qualified Medicare Beneficiary, Specified Low-Income Medicare Beneficiary, or Qualified Individual-1. We abstract from the possibility of (state-specific) asset requirements. Changes were made to the questions about health insurance coverage and MOOP in the 2014 CPS ASEC. Details about those changes can be found in Janicki (2014).

Comparison of 2013 Income and Poverty Estimates Using the Traditional and Redesigned Income Questions

The 2014 CPS ASEC used a probability split panel design to test a new redesigned set of income questions.[29] The redesigned questions were administered to approximately three-eighths of the total 2014 CPS ASEC production sample.[30] There were approximately 98,000 addresses in the 2014 CPS ASEC sample; a subsample of about 30,000 addresses were randomly assigned to be eligible to receive the redesigned income questions, the remaining sample (approximately 68,000 addresses)

[26] Some analysts have suggested that this cap may be inappropriate in certain cases, such as if the parent is in school, looking for work, or receiving types of compensation other than earnings.

[27] In these cases, it is important to assign an amount for Medicare Part B premiums that is equal to what is added to the resource side, (i.e., SSR income), of the poverty calculation. Note that the instrument calculation is done irrespective of Medicaid status, and therefore dual-enrollees who report "net" SSR income receive an estimate for Medicare Part B that is added to reported premiums.

[28] The CPS ASEC does not collect the number of months that a person was on Medicare; therefore we make the simplifying assumption that respondents were insured for the entire year. Given this data limitation, this assumption is appropriate, as few individuals on Medicare transition out of Medicare.

[29] For more details on the split-panel test, all changes to the CPS ASEC and the impact of the redesigned questions on estimates of income, see Semega and Welniak, "The Effects of the Changes to the CPS ASEC on Estimates of Income" presented at the 2015 Allied Social Science Association (ASSA) Research Conference, <www.census.gov/content/dam/Census/library/working-papers/2015/DEMO/ASSA-Income-CPSASEC-Red.pdf>. Minor corrections to the research file used for the research paper's account for the differences in the estimates.

[30] All 2014 CPS ASEC sample addresses were eligible to receive a new set of health insurance questions.

was eligible to receive the set of traditional income questions.[31]

The income questions were redesigned with the goals of improving income reporting, increasing response rates, reducing reporting errors by taking better advantage of an automated questionnaire environment, and updating questions on retirement income and the income generated from retirement accounts and all other assets. For more details see DeNavas-Walt and Proctor (2015).

In addition to the redesigned income questions, the estimates for 2013 shown in this report also include enhancements to the methods used to calculate taxes and to value housing subsidies that were not included in SPM estimates for 2013 released last year (Short, 2014b). There were few differences between the two sets of estimates—see the Appendix Table. For the SPM, the differences in the estimates of the overall poverty rate and the total number of people in poverty were not statistically significant. The 2013 SPM rates in this report were higher than those released last year for two groups: children and homeowners with no mortgages. Poverty rates were lower for those residing in the West, for all workers, and for individuals who worked less than full-time, year-round.

[31] Each address in sample was assigned a random number to determine if the address would receive the traditional or redesigned CPS ASEC questionnaire. One caveat is that all month-in-sample-one addresses received the traditional CPS ASEC. Census field representatives did not know in advance if the household they were interviewing would receive the traditional or redesigned income questions until they began the interview. All CPS ASEC interviewers were trained to administer both sets of questions.

Appendix Table.

People in SPM Poverty by Selected Characteristics, Traditional and Redesigned ASEC[1]: 2013

(Numbers in thousands, margin of error in thousands or percentage points as appropriate. People as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar14.pdf*)

Characteristic	Traditional					Redesigned[1]					Change in poverty (redesigned less traditional)[2]	
	Total	Number	Margin of error[3] (±)	Percent	Margin of error[3] (±)	Total	Number	Margin of error[3] (±)	Percent	Margin of error[3] (±)	Number	Percent
PEOPLE												
Total	**313,395**	**48,671**	**1,051**	**15.5**	**0.3**	**313,443**	**49,427**	**1,486**	**15.8**	**0.5**	**756**	**0.2**
Sex												
Male	153,596	22,839	593	14.9	0.4	153,620	22,973	839	15.0	0.5	134	0.1
Female	159,799	25,832	581	16.2	0.4	159,823	26,455	848	16.6	0.5	623	0.4
Age												
Under 18 years	74,055	12,177	388	16.4	0.5	73,787	13,343	645	18.1	0.9	*1,166	*1.6
18 to 64 years	194,833	29,987	700	15.4	0.4	194,694	29,095	980	14.9	0.5	–892	–0.4
65 years and older	44,508	6,507	271	14.6	0.6	44,963	6,990	390	15.5	0.9	*483	0.9
Type of Unit												
In married couple	188,571	17,855	709	9.5	0.4	187,026	17,235	1,151	9.2	0.6	–620	–0.3
In female householder	62,924	17,959	652	28.5	0.9	65,760	19,653	1,023	29.9	1.3	*1,694	1.3
In male householder	33,947	7,853	394	23.1	1.1	34,237	7,709	576	22.5	1.5	–144	–0.6
In new SPM unit	27,953	5,004	379	17.9	1.3	26,421	4,830	563	18.3	2.0	–174	0.4
Race[4] and Hispanic Origin												
White	243,399	33,445	818	13.7	0.3	243,591	34,349	1,108	14.1	0.5	904	0.4
White, not Hispanic	195,399	20,946	668	10.7	0.3	195,247	21,434	872	11.0	0.4	488	0.3
Black	40,671	10,056	498	24.7	1.2	40,594	9,922	647	24.4	1.6	–134	–0.3
Asian	17,070	2,800	260	16.4	1.5	17,261	2,692	350	15.6	2.0	–108	–0.8
Hispanic (any race)	54,253	14,085	556	26.0	1.0	54,330	14,391	845	26.5	1.6	305	0.5
Nativity												
Native born	272,387	38,928	949	14.3	0.3	272,770	39,803	1,231	14.6	0.5	875	0.3
Foreign born	41,009	9,743	427	23.8	0.9	40,673	9,625	644	23.7	1.4	–118	–0.1
Naturalized citizen	19,150	3,356	204	17.5	1.0	19,247	3,333	345	17.3	1.6	–23	–0.2
Not a citizen	21,859	6,387	366	29.2	1.3	21,426	6,292	540	29.4	2.1	–95	0.1
Tenure												
Owner	208,717	20,504	761	9.8	0.4	207,768	20,745	1,042	10.0	0.5	241	0.2
Owner/mortgage	136,059	11,267	569	8.3	0.4	135,294	10,671	832	7.9	0.6	–596	–0.4
Owner/no mortgage/ rent free	75,999	9,970	524	13.1	0.6	75,525	11,038	754	14.6	0.9	*1,068	*1.5
Renter	101,338	27,434	855	27.1	0.7	102,624	27,718	1,246	27.0	1.0	284	–0.1
Residence												
Inside metropolitan statistical areas	266,259	42,452	1,052	15.9	0.4	265,605	42,781	1,539	16.1	0.5	329	0.2
Inside principal cities	102,295	20,516	760	20.1	0.6	101,207	20,206	1,117	20.0	1.0	–310	–0.1
Outside principal cities	163,963	21,936	819	13.4	0.4	164,398	22,575	1,194	13.7	0.7	639	0.4
Outside metropolitan statistical areas[5]	47,137	6,220	586	13.2	0.9	47,838	6,647	675	13.9	1.0	427	0.7
Region												
Northeast	55,566	7,947	490	14.3	0.9	55,625	8,788	778	15.8	1.4	842	1.5
Midwest	66,872	8,351	416	12.5	0.6	66,785	8,646	619	12.9	0.9	295	0.5
South	117,109	18,565	705	15.9	0.6	117,097	19,002	950	16.2	0.8	438	0.4
West	73,849	13,809	495	18.7	0.7	73,935	12,991	707	17.6	1.0	*–818	*–1.1

See footnotes at end of table.

Appendix Table.

People in SPM Poverty by Selected Characteristics, Traditional and Redesigned ASEC[1]: 2013—Con.

(Numbers in thousands, margin of error in thousands or percentage points as appropriate. People as of March of the following year. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see *ftp://ftp2.census.gov/programs-surveys/cps/techdocs/cpsmar14.pdf*)

Characteristic	Traditional					Redesigned[1]					Change in poverty (redesigned less traditional)[2]	
	Total	Number	Margin of error[3] (±)	Percent	Margin of error[3] (±)	Total	Number	Margin of error[3] (±)	Percent	Margin of error[3] (±)	Number	Percent
Health Insurance Coverage												
With private insurance	201,064	16,439	604	8.2	0.3	201,442	17,244	819	8.6	0.4	805	0.4
With public, no private insurance	70,378	20,032	681	28.5	0.8	70,540	20,672	915	29.3	1.1	640	0.8
Not insured	41,953	12,201	468	29.1	1.0	41,462	11,512	649	27.8	1.3	–689	–1.3
Work Experience												
Total, 18 to 64 years	**194,833**	**29,987**	**700**	**15.4**	**0.4**	**194,694**	**29,095**	**980**	**14.9**	**0.5**	**–892**	**–0.4**
All workers	146,252	14,357	447	9.8	0.3	146,957	13,687	569	9.3	0.4	*–670	*–0.5
Worked full-time, year-round	100,855	5,479	214	5.4	0.2	101,146	5,508	369	5.4	0.4	28	0
Less than full-time, year-round	45,397	8,878	353	19.6	0.7	45,811	8,180	465	17.9	0.9	*–698	*–1.7
Did not work at least 1 week	48,581	15,630	504	32.2	0.8	47,737	15,407	696	32.3	1.2	–222	0.1
Disability Status[6]												
Total, 18 to 64 years	**194,833**	**29,987**	**700**	**15.4**	**0.4**	**194,694**	**29,095**	**980**	**14.9**	**0.5**	**–892**	**–0.4**
With a disability	15,098	4,126	235	27.3	1.2	14,461	3,633	315	25.1	1.8	*–492	–2.2
With no disability	178,761	25,799	649	14.4	0.4	179,206	25,370	885	14.2	0.5	–429	–0.3

[1] The 2014 CPS ASEC included redesigned questions for income and health insurance coverage. All of the approximately 98,000 addresses were eligible to receive the redesigned set of health insurance coverage questions. The redesigned income questions were implemented to a subsample of these 98,000 addresses using a probability split panel design. Approximately 68,000 addresses were eligible to receive a set of income questions similar to those used in the 2013 CPS ASEC (referred to here as the traditional ASEC) and the remaining 30,000 addresses were eligible to receive the redesigned income questions. The redesigned estimates also include enhancements to the method used to calculate taxes and to value housing subsidies.

[2] Details may not sum to totals because of rounding.

[3] A margin of error is a measure of an estimate's variability. The larger the margin of error in relation to the size of the estimate, the less reliable the estimate. This number, when added to and subtracted from the estimate, forms the 90 percent confidence interval. Margin of errors shown in this table are based on standard errors calculated using replicate weights. For more information, see "Standard Errors and Their Use" at <ftp://ftp2.census.gov/library/publications/2015//demo/p60–252sa.pdf>.

[4] Federal surveys now give respondents the option of reporting more than one race. Therefore, two basic ways of defining a race group are possible. A group such as Asian may be defined as those who reported Asian and no other race (the race-alone or single-race concept) or as those who reported Asian regardless of whether they also reported another race (the race-alone-or-in-combination concept). This table shows data using the first approach (race alone). The use of the single-race population does not imply that it is the preferred method of presenting or analyzing data. The Census Bureau uses a variety of approaches. Information on people who reported more than one race, such as White and American Indian and Alaska Native or Asian and Black or African American, is available from the 2010 Census through American FactFinder. About 2.9 percent of people reported more than one race in the 2010 Census. Data for American Indians and Alaska Natives, Native Hawaiians and Other Pacific Islanders, and those reporting Two or More Races are not shown separately.

[5] The "Outside metropolitan statistical areas" category includes both micropolitan statistical areas and territory outside of metropolitan and micropolitan statistical areas. For more information, see "About Metropolitan and Micropolitan Statistical Areas" at <www.census.gov/population/metro>.

[6] The sum of those with and without a disability does not equal the total because disability status is not defined for individuals in the Armed Forces.

Source: U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplements.