of the effect of tax credits and transfers in alleviating poverty. We can also examine the effects of nondiscretionary expenses such as work and medical expenses. Figure 8 shows the effect that various additions and subtractions had on the number of people who would have been considered poor in 2020, holding all else the same and assuming no behavioral changes. Additions and subtractions are shown for the total population and for three age groups. Additions shown in the figure include cash benefits, also included 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. Since 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 (but child support paid is only deducted in the SPM).

Figure 8 allows us to compare the effect of transfers, both cash and noncash, and nondiscretionary expenses on numbers of individuals in poverty, all else equal. Social Security transfers and stimulus payments had the largest impacts, preventing 26.5 million and 11.7 million individuals, respectively, from falling into poverty. Medical expenses were the largest contributor to increasing the number of individuals in poverty.

Appendix Table 6 shows the effect that various additions and subtractions had on the SPM rate in 2019 and 2020, holding all else the same and assuming no behavioral changes. Appendix Table 7 shows the same set of additions and subtractions but shows the number of people affected by removing each element from the SPM, rather than the change in the SPM rate.

1Includes unrelated individuals under the age of 15.
Notes: The data for 2019 and 2020 reflect the implementation of revised SPM methodology. More information is available in the report appendix. Information on confidentiality protection, sampling error, non-sampling error, and definitions is available at <https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf>.