Supplemental Poverty Measure Workshop

Brookings Expert Meeting
May 28, 2020
Poverty: The History of a Measure

**1992**
National Academy of Sciences convenes a panel of experts to conduct a study of statistical issues in the measurement and understanding of poverty. *June 1992.*

**1995**

**2009**
An Interagency Technical Working Group on Developing a Supplemental Poverty Measure is formed by Commerce Under Secretary Rebecca Blank and Office of Management and Budget Chief Statistician Katherine Wallman and charged with developing a set of initial starting points to permit the U.S. Census Bureau, in cooperation with the Bureau of Labor Statistics, to produce a Supplemental Poverty Measure. *December 2009.*

**2011**
The Office of Management and Budget (OMB) convenes a new interagency technical working group to provide advice on challenges and opportunities brought before it by the Census Bureau and BLS concerning data sources, estimation, survey production, and processing activities for development, implementation, publication, and improvement of the SPM. *January 2016.*

**2016**
Census Bureau in collaboration with the Bureau of Labor Statistics publishes the first Research SPM report. *November 2011.*
Timeline for SPM Changes

- **2018**
  - February 2018 – September 2021
    - Working papers and conference presentations discussing potential changes to the measure

- **2019**
  - Spring 2019 Expert Meeting
  - Spring 2020 Expert Meeting

- **2020**
  - September 2020 ITWG decides on changes

- **2021**
  - September 2021
    - Release of SPM report using new methodology

- **September 2020 – September 2021**
  - Research showing the impact of the changes on 2019 SPM rates - including research file.

2020CENSUS.GOV
Guidance from the 2009/2010 SPM Interagency Technical Working Group

According to the ITWG suggestions, SPM should be seen as a research measure, improving with changes in data, methodology and research

In evaluation of changes, priority should be placed on:

• consistency between threshold and resource definitions,
• data availability,
• simplicity in estimation,
• stability of the measure over time, and
• ease in explaining methodology
Selected Working Papers/ Presentations

- Moving to the Median and Expanding the Estimation Sample
- Adjustments to SPM Thresholds: Focus on In-Kind Benefits, Prices and Expenditure Definitions
- Controlling for Prices before Estimating SPM Thresholds
- Supplemental Poverty Measure: Alternative Geographic Adjustments
- Incorporating Health Care/Insurance in Poverty Measures
- Accounting for the Impact of Medicaid on Child Poverty

https://www.census.gov/topics/income-poverty/supplemental-poverty-measure/library/working-papers/topics/potential-changes.html#
Conference Presentations/Roundtables

- Agriculture and Applied Economics Association (AAEA) Annual 2019 Meeting
- Southern Regional Science Association 2019 Conference
- Southern Economics Association (SEA) – 2019
- Roundtable discussions of potential changes to the SPM held at 2019 SGE and APPAM conferences.
- 2020 American Economic Association
- SGE 2020 - Cancelled
NAS Panel

FY2020 Budget includes pass back to support a CNSTAT panel on evaluating and improving the SPM – $2 million

- *The Census Bureau will fund a research study by the National Academies of Sciences, Engineering, and Medicine to evaluate and improve the supplemental poverty measure.*

- CNSTAT will convene a panel (approximately 12 people)

- 24 month duration – starting September 2020?

- Five 1.5 day meetings – including an initial public meeting to prioritize issues and concerns

- Final report at the end of 24 months
Changes we are NOT considering for 2021 but could be on the agenda for the NAS panel:

- Moving to a health-inclusive poverty measure
- Capping MOOP expenses
- Correcting survey data for underreporting
- Rental equivalence
Interagency Technical Working Group on Evaluating Alternative Measures of Poverty

• Established by OMB in 2019

• Chaired by OMB’s Statistical and Science Policy Office and includes career representatives from various federal agencies and offices

• Federal register notice in February 2020 soliciting feedback on the preliminary findings and recommendations on alternative poverty measures

• Final report to be submitted to the Chief Statistician of the United States with a set of final recommendations with regard to producing and publishing alternative measure(s), remaining research questions, proposed timelines for implementation, and other pertinent topics
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