

Income, Poverty, and Health Insurance Coverage

Introduction

In this fact sheet, we explore the Current Population Survey Annual Social and Economic Supplement (CPS ASEC) as a source of U.S. Census Bureau income, poverty, and health insurance coverage data released in September.

The CPS ASEC is collected in February, March, and April of each year and provides estimates of income, poverty, and health insurance coverage in the previous calendar year. This year's release focuses on calendar year 2022. The CPS ASEC allows historical comparisons with caution, due to improvements in the survey that account for the changing ways people receive income and obtain health insurance. For example, the 2014 and 2018 CPS ASEC (data for calendar years 2013 and 2017) reflect a redesigned questionnaire and subsequent processing changes that are described in detail at www.census.gov/data/datasets/time-series/demo/income-poverty/cps-asec-design.html. Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at <https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar23.pdf>

Income

Our main income statistics are based on pretax money income and are adjusted to real or 2022 dollars using the Chained Consumer Price Index (C-CPI-U). More information on the historical inflation series is available at www.census.gov/topics/income-poverty/income/guidance/alternative-inflation.html. Since CPS ASEC does not collect information on taxes paid, it relies on a tax model to simulate federal and state taxes paid and credits received. The income report has an appendix which presents post-tax household income estimates and inequality summary measures.

Poverty

We release two poverty measures every year. The official poverty measure is based on pretax money income. The official poverty measure is useful for tracking poverty over time, as it has been measured consistently since the 1960s. The Supplemental Poverty Measure (SPM) includes pretax money income, safety net programs, and many forms of government assistance and subtracts necessary expenses. The SPM captures the effects of a wide range of government programs on poverty, including short-term changes in response to current events, by accounting for many governmental assistance and post-tax programs.

Key Facts

The CPS ASEC provides annual national-level estimates of income, official poverty numbers and rates, and health insurance coverage numbers and rates by demographic and social characteristics. The CPS ASEC:

- Samples about 90,000 addresses for nationally representative estimates.
- Collects information on income from more than 50 possible sources.
- Includes data across a wide range of demographic and socioeconomic characteristics including family status, race and Hispanic origin, age, metropolitan residence, and work experience.
- Provides detailed annual tables and historical time series of many decades in length at the national level, with household income data back to 1967 and poverty data back to 1959.
 - Income tables at www.census.gov/topics/income-poverty/income/data/tables/cps.html.
 - Poverty tables at www.census.gov/topics/income-poverty/poverty/data/tables/cps.html.
 - Health insurance tables at www.census.gov/topics/health/health-insurance/data/tables.html.

Official poverty status is calculated by comparing a family's (or individual's) total pretax money income to their official poverty threshold, which varies by family size and composition. If a family's total pretax money income is less than their official poverty threshold, that family and every individual in it are considered to be in poverty. The SPM works similarly, but uses a broader family definition when comparing its expanded resource measure to thresholds produced by the U.S. Bureau of Labor Statistics. These thresholds vary by family size and composition, housing tenure, and geographic location.

Health Insurance Coverage

The CPS ASEC asks people about coverage during the previous calendar year. People are considered to be insured if they were covered by any type of health insurance for part or all of the previous calendar year. People are considered uninsured if, for the entire year, they were not covered by any type of insurance.