



U.S. Census Poverty Statistics

The U.S. Census Bureau publishes poverty statistics for the nation, states, counties, and other geographies. Poverty is defined according to the Federal Poverty Thresholds. Although the Federal Poverty Thresholds are not the best measures of income adequacy for families, they are used to allocate billions of dollars annually for various programs and services.

Virginia KIDS COUNT does not report the Census child poverty data because the decennial Census numbers are only calculated every ten years. The Small Area Income and Poverty Measures, calculated each year for localities, vary too widely to be used with accuracy.

Although the Self-Sufficiency Standard for Virginia is a better measure of income adequacy for families, the number of children in poverty is not differentiated from the number of families in poverty because the Standard recognizes the child as an integral part of the family unit. In addition, the Self-Sufficiency Standard does not currently guide any standardized data collection.

VIRGINIA KIDS COUNT ON POVERTY STATISTICS

Poverty Measures available from the Census

Since poverty data from the Census Bureau are so widely used, it is important to understand from where the data are obtained. There are at least four different sources of poverty data – the Decennial Census, American Community Survey, Current Population Survey, and the Small Area Income and Poverty Estimates program. Each of these sources of data will produce a different estimate of child poverty because of differences in methodology, survey questions, and survey sample size.

The American Community Survey is scheduled to be produced yearly and will eventually provide the same data as the Decennial Census long form, including local level poverty data.

The Census poverty numbers should be used with the knowledge that the Federal Poverty Thresholds on which they are based are limited.

The Federal Poverty Thresholds are outdated

Federal Poverty Thresholds were developed in 1964 by Mollie Orshansky of the Social Security Administration. She based the Poverty Thresholds on the economy food plan, which was designed for temporary and emergency use. In 1955, a family of 3 or more people would spend 1/3 of their after tax income on food. Thus, Orshansky used food as a multiplier. She then presented the poverty thresholds as a measure of *income inadequacy*.

The method for calculating the thresholds has remained constant for almost 40 years. Although the measure is indexed for inflation annually, the thresholds do not take into account geographic variations in costs, government benefits, taxes, the age of the children in the family, or modern expenses such as child care and health care.

Self-Sufficiency Standard for Virginia *a measure of income adequacy for families*

The Self-Sufficiency Standard, a measure of *income adequacy*, defines the wages that working families need to meet their basic needs without public or private assistance. The Standard is based on the costs of all basic needs of a working family – food, housing, child care, health care, transportation, miscellaneous costs, taxes and tax credits. These costs vary by family size, number of children, and age of children. The Self-Sufficiency Standard for Virginia is calculated for 134 localities and 70 family types.

Self-Sufficiency Standard for Virginia

- The Standard assumes that all adults work full-time and therefore includes the costs associated with employment. Specifically, it includes costs for transportation, taxes, and for families with young children, child care.
- The Standard takes into account that many costs differ not only by family size and composition, but also by age of children.
- The Standard incorporates regional and local variations in costs. This is particularly important for housing, although regional variation also occurs for child care, health care, and transportation.
- The Standard includes the net effect of taxes and tax credits. It includes state sales taxes, as well as payroll taxes and federal and state income taxes.
- The Standard is based on the cost of each basic need, determined independently.
- The Standard is calculated using standardized methodology, uses data from credible sources, and is age and geographically specific.

The chart below shows the child poverty measures available from the Census.

	Child Poverty Measures			
	2000 Census (Long Form)	American Community Survey (ACS; C2SS2000)	Current Population Survey (CPS, March 2000)	Small Area Income and Poverty Estimates (SAIPE, 1999)
Brief description	Congressionally mandated survey every 10 years. Every household gets a survey of the short form. One in 6 households are asked more detailed questions.	Annual nationwide survey conducted by the US Census Bureau to provide data users with timely data every year. Slated to replace the Decennial Census long form.	Monthly survey of 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics for over 50 years. Produces the official estimate of poverty.	Model developed to provide intercensal estimates of key income and poverty statistics for small geographic areas. Estimates are based partially on CPS data.
Why VA KIDS COUNT does not use this as a measure of child poverty	The Census is only conducted every 10 years. No long form is scheduled for the 2010 Census.	Not yet available for localities with less than 250,000 people. ACS will replace the Census Long form and be available on a yearly basis.	The CPS produces reliable estimates for the nation and states, but the numbers are not available on the local level.	The poverty numbers at the 90% Confidence Interval vary widely for some small localities.
Percent of Virginia children in poverty	12.3%	13.2%	10.9%	12.4% (between 10.1% -14.7%)
Percent of Roanoke, Virginia children in poverty	4.5%	N/A	N/A	7.7% (between 5.3-10.1%)
Smallest geographic detail	Census tracts	Places with 250,000 or more	States	all Virginia counties and cities

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