



**Congressional  
Research Service**

Informing the legislative debate since 1914

---

# Poverty in the United States in 2019

April 13, 2021

**Congressional Research Service**

<https://crsreports.congress.gov>

R46759



R46759

April 13, 2021

Joseph Dalaker  
Analyst in Social Policy

## Poverty in the United States in 2019

Calendar year 2019 was the last full year before the start of the Coronavirus Disease 2019 (COVID-19) pandemic, and the last year of the economic expansion since the Great Recession. The strength of the U.S. economy in 2019 was reflected in low *poverty rates*—the percentage of the population living in poverty (economic hardship characterized by low income)—for the nation and by demographic group.

While the 2019 poverty estimates do not reflect people’s incomes during the pandemic, the pandemic affected survey data collection for that year, which took place February–April 2020. Instead of a combination of in-person interviews and telephone interviews, only telephone interviews were conducted due to social distancing restrictions. That affected the estimates because some respondents were harder to reach by phone than in person, less likely to respond to a telephone interview than an in-person interview, or less likely to respond for other reasons. The increased rate of nonresponse affected persons with low incomes to a greater degree than persons with high incomes. That means that while poverty in 2019 was at or close to a historic low, it was likely not as low as the official estimates suggest.

Bearing the above caveats in mind, the poverty rate in the United States was estimated to be 10.5% in 2019, down from 11.8% in 2018. This was the fifth year in a row that the poverty rate declined. The decline in poverty was broad based, affecting many demographic groups and occurring in every region of the country. The estimated poverty rate fell

- both for women (11.5% in 2019, from 12.9% in 2018) and men (9.4%, from 10.6%);
- among families with a female householder and no spouse present (22.2% in 2019, from 24.8% in 2018), the latest of a series of historic or near-historic lows for this group;
- among Hispanics (15.7% in 2019, from 17.6% in 2018), Whites not of Hispanic origin (7.3%, from 8.1%), Blacks (18.8%, from 20.8%), and Asians (7.3%, from 10.1%);
- for both full-time workers (2.0% in 2019, from 2.3% in 2018) and nonworkers (26.4%, from 29.7%); and
- in 23 states and the District of Columbia.

Work reduces the estimated likelihood of being in poverty but does not eliminate it entirely: 39.2% of poor 18 to 64-year-olds had jobs in 2019. Furthermore, poverty is measured using the needs and resources from the entire family, meaning that nonworkers in poverty may be living with working family members. Among 18- to 64-year-olds without jobs estimated to be living in poverty, 19.2% lived in families where someone else worked.

Criticisms of the official poverty measure have inspired poverty measurement research and eventually led to the development of the Supplemental Poverty Measure (SPM). The SPM uses different definitions of needs and resources than the official measure.

- The SPM includes adjustments to reflect geographic variations in housing costs, and the estimated effects of taxes and in-kind benefits (such as housing, energy, and food assistance) on poverty, while the official measure does not. Because some types of tax credits and noncash benefits are used to assist the poor, the SPM may be of interest to policymakers.
- The estimated poverty rate under the SPM (11.7%) was about 1.3 percentage points (after rounding) higher in 2019 than the official poverty rate (10.5%).
- Under the SPM, the profile of the poverty population is slightly different than under the official measure. Compared with the official measure, estimated poverty rates under the SPM in 2019 were lower for children (12.5%, compared with 14.4%) and higher for working-age adults (11.2%, compared with 9.4%) and the 65-and-older population (12.8%, compared with 8.9%).
- While the SPM reflects more current measurement methods, the official measure provides a comparison of the poor population over a longer period, including some years before many current antipoverty assistance programs had been developed. In developing poverty-related legislation and conducting oversight on programs that aid the low-income population, policymakers may be interested in these historical trends.

## Contents

Introduction .....	1
How the Official Poverty Measure is Computed .....	3
Historical Perspective .....	4
Poverty by Demographic Group .....	5
Family Structure.....	5
Age .....	6
Race and Hispanic Origin .....	7
Work Status .....	8
Poverty Rates by State.....	9
Supplemental Poverty Measure .....	10
How the Official Poverty Measure Was Developed.....	10
Motivation for a Supplemental Measure.....	11
Official and Supplemental Poverty Findings for 2019.....	13

## Figures

Figure 1. Number of Persons in Poverty and Poverty Rate: 1959 to 2019.....	5
Figure 2. Poverty Rates of Families by Family Structure: 2019 .....	6
Figure 3. Poverty Rates by Age: 1959 to 2019 .....	7
Figure 4. Poverty Rates by Race and Hispanic Origin: 2019 .....	8
Figure 5. Percentage of People in Poverty in the Past 12 Months by State and for the District of Columbia and Puerto Rico: 2019 .....	10
Figure 6. Poverty Rates Under Official Measure and Supplemental Poverty Measure for the United States, by Age and by Region: 2019.....	14

## Tables

Table 1. Differences Between the Official and Supplemental Poverty Measures.....	12
--	----

## Contacts

Author Information .....	14
--------------------------	----

## Introduction

Calendar year 2019 was the last full year before the start of the Coronavirus Disease 2019 (COVID-19) pandemic, and the last year of the economic expansion since the Great Recession. The strength of the U.S. economy in 2019 was reflected in low *poverty rates*—the percentage of the population living in poverty (economic hardship characterized by low income)—for the nation and by demographic group. This report presents poverty data for the United States over time, as well as by demographic group (family structure, age, race and Hispanic origin, and work status) and state for 2019. The numbers presented in the report are estimates, based on a survey (discussed below).

The official, annual data on income and poverty are measured retrospectively by a Census Bureau survey conducted in February, March, and April of the following year.<sup>1</sup> Most of the survey data collection for 2019 took place in March 2020, after the COVID-19 pandemic had begun and when social distancing measures were beginning to be implemented. As a result, any interviews that would have been conducted in person, by a field representative visiting respondents at their homes, were conducted by telephone only.<sup>2</sup> The switch to telephone-only interviewing contributed to a lower response rate, which affected the estimates.<sup>3</sup> Further, the persons who did not respond were more likely to have had low incomes than high incomes.<sup>4</sup> This drop in survey response tempers the conclusions that may be drawn from the data.

The estimated official poverty rate in 2019 was measured at a seemingly record-low 10.5%. After taking account of survey bias—in this case, the artificially lower poverty rates caused by higher nonresponse among those with low incomes than those with high incomes—the U.S. poverty rate was estimated to have been 11.1% in 2019 (tying the previous low of 11.1% in 1973).<sup>5</sup> That is,

<sup>1</sup> The Current Population Survey (CPS), the source of most of the data in this report, asks an extra set of questions (the Annual Social and Economic Supplement, or ASEC) in February, March, and April, with most of the data collection taking place in March, in order to obtain detailed information about the previous year's income. According to the U.S. Census Bureau, "It was thought that since March is the month before the deadline for filing federal income tax returns, respondents were likely to have recently prepared tax returns or be in the midst of preparing such returns and could report income more accurately than at any other time of the year." U.S. Census Bureau, *Current Population Survey: Design and Methodology*, Technical Paper 66, October 2006, Chapter 11, "Current Population Survey Supplemental Inquiries," p. 11-5, <https://www.census.gov/prod/2006pubs/tp-66.pdf>.

<sup>2</sup> The CPS is usually conducted using both telephone interviewing and in-person interviewing. For details, see U.S. Census Bureau, *Current Population Survey: Design and Methodology*, Technical Paper 66, October 2006, <https://www.census.gov/prod/2006pubs/tp-66.pdf>.

<sup>3</sup> Response rates to the survey were approximately 9 to 10 percentage points lower than they had been in previous years (73.0% in 2020 compared with 81.5% in 2019 and 83.7% in 2018). This decreased response rate could have many contributing causes, such as a respondent's lack of a telephone, difficulties in finding a telephone number associated with a household selected for the survey, some respondents' lower willingness to respond to a telephone call than to an in-person visit, or other reasons.

<sup>4</sup> Every year, when processing the CPS ASEC data, the Census Bureau applies weighting procedures that attempt to correct for nonresponse, so that totals by age, sex, race, and Hispanic origin match independently computed totals based on administrative data. These procedures reduced but did not eliminate nonresponse bias. In a research paper (i.e., separate from the official reports), Census Bureau analysts estimated the likely effects of nonresponse bias on the 2019 income and poverty estimates. For a detailed analysis of the lower response to the CPS ASEC conducted in 2020, see Jonathan Rothbaum and Adam Bee, *Coronavirus Infects Surveys Too: Nonresponse Bias During the Pandemic in the CPS ASEC*, U.S. Census Bureau, working paper number SEHSD-WP2020-10, September 2020, at <https://www.census.gov/library/working-papers/2020/demo/SEHSD-WP2020-10.html>. A succinct and less technical explanation by Jonathan Rothbaum is available on the Census Bureau's "Research Matters" blog at <https://www.census.gov/newsroom/blogs/research-matters/2020/09/pandemic-affect-survey-response.html>.

<sup>5</sup> Jonathan Rothbaum and Adam Bee, *Coronavirus Infects Surveys Too: Nonresponse Bias During the Pandemic in the*

while poverty was indeed low in 2019, it was likely not as low as the official estimates suggest, due to nonresponse bias. The information in this report necessarily uses the official estimates. Detailed experimental estimates that adjust for nonresponse bias specific to the pandemic are not available for the characteristics discussed in the report.

Bearing the above caveats in mind, in 2019 approximately 34 million people had incomes below the official definition of poverty in the United States, which was a decline from 38 million people in 2018. The poverty rate fell to 10.5% from 11.8%. This was the fifth consecutive year that the poverty rate fell. The decline in poverty was broad based, affecting many demographic groups and occurring in every region of the country (discussed below).

The numbers and percentages of those in poverty presented in this report are based on the Census Bureau's estimates.<sup>6</sup> While this official measure is often regarded as a statistical yardstick rather than a complete description of what people and families need to live,<sup>7</sup> it does offer a measure of economic hardship faced by the low-income population: the poverty measure compares family income against a dollar amount called a *poverty threshold*, a level below which the family is considered to be poor. The Census Bureau releases these poverty estimates every September for the prior calendar year. Most of the comparisons discussed in this report are year-to-year. The report only considers a number or percentage to have changed from the previous year, or to be different from another number or percentage, if the difference has been tested to be statistically significant at the 90% confidence level.<sup>8</sup>

Over the past several decades, criticisms of the official poverty measure have led to the development of an alternative research measure called the Supplemental Poverty Measure (SPM),

---

CPS ASEC, U.S. Census Bureau, working paper number SEHSD WP2020-10, September 2020, at <https://www.census.gov/library/working-papers/2020/demo/SEHSD-WP2020-10.html>.

<sup>6</sup> The national-level data in this report were obtained from the report by Jessica Semega, Melissa Kollar, Emily A. Shrider, and John Creamer, *Income and Poverty in the United States: 2019*, U.S. Census Bureau, Current Population Reports number P60-270, September 15, 2020, at <https://www.census.gov/library/publications/2020/demo/p60-270.html>, and the detailed tabulations and the CPS ASEC public use file that accompanied the release of that report. Details on the Supplemental Poverty Measure, also based primarily on the CPS ASEC, were obtained from Liana Fox, *The Supplemental Poverty Measure: 2019*, U.S. Census Bureau, Current Population Reports number P60-272, September 15, 2020, at <https://www.census.gov/library/publications/2020/demo/p60-272.html>. State-level data in this report were obtained from the 2019 American Community Survey (ACS), also conducted by the U.S. Census Bureau. Details are available in Craig Benson, *Poverty: 2018 and 2019*, U.S. Census Bureau, ACS Brief number ACSBR/20-04, September 17, 2020, at <https://www.census.gov/library/publications/2020/acs/acsbr20-04.html>.

<sup>7</sup> Jessica Semega, Melissa Kollar, Emily A. Shrider, and John Creamer, *Income and Poverty in the United States: 2019*, U.S. Census Bureau, Current Population Reports number P60-270, September 15, 2020, Appendix B, <https://www.census.gov/library/publications/2020/demo/p60-270.html>. The characterization of the poverty measure as a statistical yardstick goes back decades. See, for example, "U.S. Changes Yardstick on Who Is Poor," *Chicago Tribune*, May 3, 1965, section 1B, p. 4.

<sup>8</sup> Not every apparent difference in point estimates is a real difference. The official poverty measure uses information from the CPS ASEC, which surveys about 95,000 addresses nationwide. All poverty data discussed here are therefore estimates, which have margins of error. *Error* in this case refers to a difference from the true data that is caused by using a sample instead of the entire population, not mistakes in computation or biases from imperfect data collection or processing. Even if a survey were implemented perfectly and had collected complete and accurate information from all respondents in the sample, surveying a different sample would likely yield slightly different estimates of the poverty population or the poverty rate. Thus, even if the true poverty rate were exactly the same in two different years, it is possible to get survey estimates that appear different. In order to report that a change has occurred in the poverty rate—that is, that the difference between the estimates is likely not caused by sampling variability—the difference has to be large enough that fewer than 10% of all possible survey samples would produce a difference that large (and, conversely, 90% of the samples would not). Such a difference is said to be statistically significant at the 90% confidence level. Point estimates whose differences are not statistically significant are described as such in this report.

which the Census Bureau also computes and releases. Statistics comparing the official measure with the SPM are provided at the conclusion of this report.

The SPM includes adjustments to reflect geographic variations in housing costs, and the estimated effects of taxes and in-kind benefits (such as housing, energy, and food assistance) on poverty, while the official measure does not. Because some types of tax credits and noncash benefits provide financial help to families and individuals in poverty, the SPM may be of interest to policymakers. However, the official measure provides a comparison of the poor population over a longer period, including some years before many current antipoverty assistance programs had been developed. In developing poverty-related legislation and conducting oversight on programs that aid the low-income population, policymakers may be interested in these historical trends.

## How the Official Poverty Measure is Computed

The Census Bureau determines a person's poverty status by comparing his or her resources against a measure of need. For the official measure, *resources* is defined as total family income before taxes, and the measure of *need* is a dollar amount called a *poverty threshold*. There are 48 poverty thresholds that vary by family size and composition. If a person lives with other people to whom he or she is related by birth, marriage, or adoption, the money income from all family members is used to determine his or her poverty status. If a person does not live with any family members, his or her own income is used. Only *money income* before taxes is used in calculating the official poverty measure, meaning this measure does not treat in-kind benefits such as the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), housing subsidies, or employer-provided benefits as income.

The poverty threshold dollar amounts vary by the size of the family (from one person not living in a family, to nine or more family members living together) and the ages of the family members (how many of the members are children under 18 and whether or not the family head is 65 or older). Collectively, these poverty thresholds are often referred to as the *poverty line*. As a rough guide, the poverty line in 2019 can be thought of as \$26,172 for a family of four, \$20,335 for a family of three, \$16,521 for a family of two, or \$13,011 for an individual not living in a family, though the official measure is actually much more detailed.<sup>9</sup>

The threshold dollar amounts are updated annually for inflation using the Consumer Price Index. Notably, the same thresholds are applied throughout the country: no adjustment is made for geographic variations in living expenses.<sup>10</sup>

The official poverty measure used in this report is the federal government's definition of poverty for *statistical* purposes, such as comparing the number or percentage in poverty over time. A related definition of poverty, the poverty guidelines published by the Department of Health and

---

<sup>9</sup> To provide a general sense of the *poverty line*, the Census Bureau computes weighted averages of the thresholds within each family size. For example, a family of three may consist of any of the following combinations: three adults, two adults and one child, or one adult and two children. Each combination has its own distinct threshold. The \$20,335 figure cited represents an average of those family combinations, adjusted to reflect that some types of three-person families are more common than others. The averages are a convenience for the reader, but are not actually used to compute poverty status for statistical reports. In actual computations, 48 thresholds are used in the official measure.

<sup>10</sup> Unlike the poverty thresholds that are used to compute official poverty statistics, the Health and Human Services (HHS) poverty guidelines used for administrative purposes do include separate amounts for Alaska and Hawaii.

Human Services (HHS), is used for administrative purposes such as eligibility criteria for assistance programs and will not be discussed in this report.<sup>11</sup>

## Historical Perspective

**Figure 1** shows a historical perspective of the number and percentage of the population below the poverty line. The *number* in poverty and the poverty *rates* are shown from the earliest year available (1959) through the most recent year available (2019). Because the total U.S. population has grown over time, poverty rates are useful for historical comparisons because they control for population growth.

Poverty rates fell through the 1960s. Since then, they have generally risen and fallen according to the economic cycle, though during the two most recent expansions poverty rates did not fall measurably until four to six years into the expansion. Historically notable lows occurred in 1973 (11.1%), 2000 (11.3%), and 2019 (10.5%).<sup>12</sup> Poverty rate peaks occurred in 1983 (15.2%), 1993 (15.1%), and 2010 (15.1%).<sup>13</sup>

Poverty rates tend to rise during and after recessions, as opposed to leading economic indicators such as new housing construction, whose changes often precede changes in the performance of the overall economy. The poverty rate's lag is explainable in part by the way it is measured: it uses income from the entire calendar year.

---

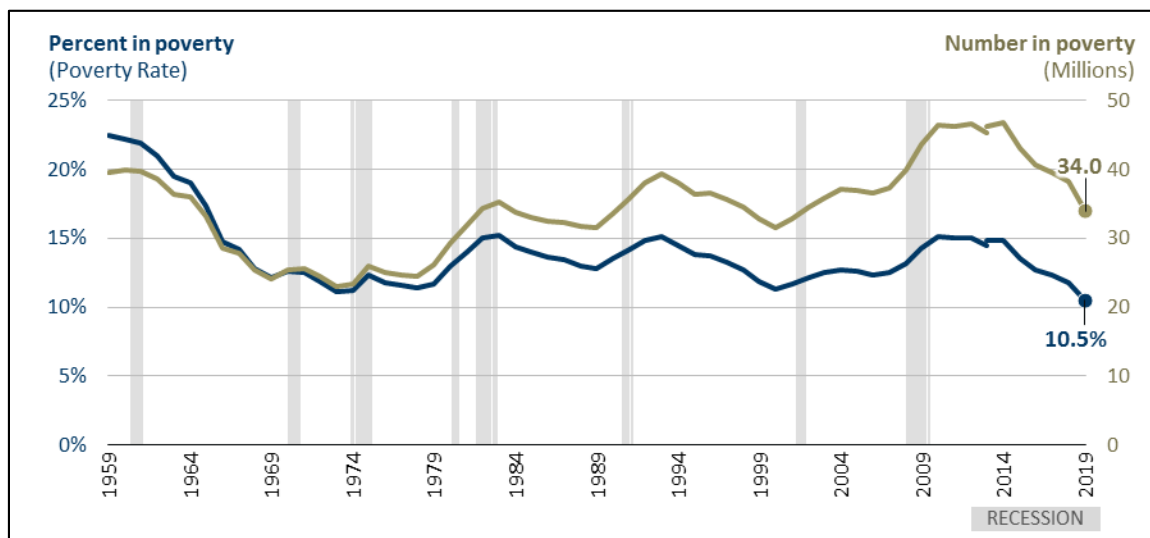
<sup>11</sup> The official poverty measure described in this report was established in the Office of Management and Budget's Statistical Policy Directive 14, May 1978, reproduced on the Census Bureau's website at <https://www.census.gov/topics/income-poverty/poverty/about/history-of-the-poverty-measure/omb-st-at-policy-14.html>. It states that the official measure is to be used for statistical purposes, but should not be construed as required for administrative purposes. Though the poverty guidelines published by HHS use the official thresholds as part of their computation, the HHS poverty guidelines are collectively a distinct poverty definition and are often used as a criterion in federal assistance programs. The HHS poverty guidelines are often referred to as the *federal poverty level* or FPL. See CRS Report R44780, *An Introduction to Poverty Measurement*, for further discussion.

<sup>12</sup> The rate in 2019 is the lowest numerically, but suffered from nonresponse bias, as was described in the "Introduction" section. Before 2019, the poverty rates in 1973 and 2000 had been considered to be tied for the lowest measured poverty rate because they are not statistically different from each other.

<sup>13</sup> These poverty rates may not necessarily be distinguishable from the poverty rates in their adjacent years. See footnote 8 for an explanation of statistical significance.



**Figure I. Number of Persons in Poverty and Poverty Rate: 1959 to 2019**  
(Poverty rates in percentages, number of persons in millions. Shaded bars indicate recessions)



**Source:** Congressional Research Service (CRS), based on poverty data from Table B-5 of Jessica Semega, Melissa Kollar, Emily A. Shrider, and John F. Creamer, *Income and Poverty in the United States: 2019*, U.S. Census Bureau, Current Population Reports number P60-270, issued September 2020.

**Notes:** The 2019 estimates were biased downward because of increased nonresponse associated with telephone-only interviewing during the pandemic; for details, see the “Introduction” section. Two estimates are shown for 2013 because the Census Bureau implemented a change to the CPS ASEC income questions. Some households received the old questionnaire and others the new, so that it would be possible to see the effect of changing the questionnaire. The CPS ASEC processing system was also updated for 2017. Those updates did not affect the overall poverty rate, nor the poverty rates for children or the population aged 18-64, though the 2017 poverty rate for the aged was 0.3 percentage points higher than under the legacy system. For details, see John Creamer and Ashley Edwards, *Examining Poverty in 2016 and 2017 Using the Legacy and Updated Current Population Survey Processing System*, U.S. Census Bureau, Social, Economic, and Housing Statistics Division, Working Paper #2019-28, July 30, 2019, <https://www.census.gov/library/working-papers/2019/demo/SEHSD-WP2019-28.html>.

## Poverty by Demographic Group

Declines in poverty rates between 2018 and 2019 occurred among many demographic groups rather than being concentrated among a few groups. Both sexes, multiple racial groups, children and working-age adults, and full-time workers and nonworkers all experienced declines in their poverty rates. Given the nonresponse bias explained in the “Introduction” section, the discussion below will focus only on those groups with especially large<sup>14</sup> decreases in their poverty rates, to avoid overstating how widely the decreases in poverty were felt.

### Family Structure

Because poverty status is determined at the family level by comparing resources against a measure of need, vulnerability to poverty may differ among families of different compositions. In this section, poverty data by family structure are presented using the official poverty measure, with *families* defined as persons related by birth, marriage, or adoption to the householder (the

<sup>14</sup> For the purposes of this report, “especially large” refers to year-to-year decreases in poverty rates that would still be statistically significant even if the decrease were half a percentage point less than actually reported by the Census Bureau.



person in whose name the home is owned or rented). In the “Supplemental Poverty Measure” section of this report, a different definition will be used.

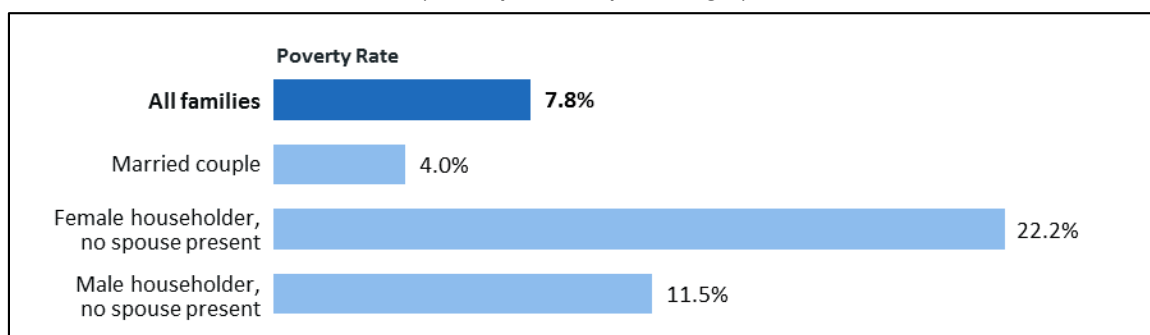
In general, women have higher poverty rates than men: 11.5% compared with 9.4% in 2019. Both sexes experienced poverty rate declines from 2018 (from 12.9% for women and 10.6% for men). Historically, families with a female householder and no spouse present (female-householder families) have had higher poverty rates than both married-couple families and families with a male householder and no spouse present (male-householder families). This remained true in 2019: the poverty rate among female-householder families was 22.2%, compared with 11.5% for male-householder families and 4.0% for married-couple families (**Figure 2**).

Female-householder families, unlike male-householder families, experienced a decline of 2.6 percentage points in their poverty rate from 2018. The 2019 poverty rate for female-householder families was the lowest reported for that group. Even though nonresponse affected low-income families more than high-income families, and female-householder families are more likely to be low income than the other family types, the 2019 poverty rate is the latest in a series of low poverty rates for this group, compared with previous decades.

Persons not living in families experienced a poverty rate decline as well, from 20.2% in 2018 to 18.8% in 2019.

**Figure 2. Poverty Rates of Families by Family Structure: 2019**

(Poverty rates in percentages)



**Source:** Congressional Research Service (CRS), based on poverty data from Table B-2 of Jessica Semega, Melissa Kollar, Emily A. Shrider, and John F. Creamer, *Income and Poverty in the United States: 2019*, U.S. Census Bureau, Current Population Reports number P60-270, issued September 2020.

**Notes:** The poverty rates above include only families with a householder (the survey’s reference person for the household; typically the person in whose name the home is owned or rented). The Census Bureau defines a family as those living together related by birth, marriage, or adoption.

## Age

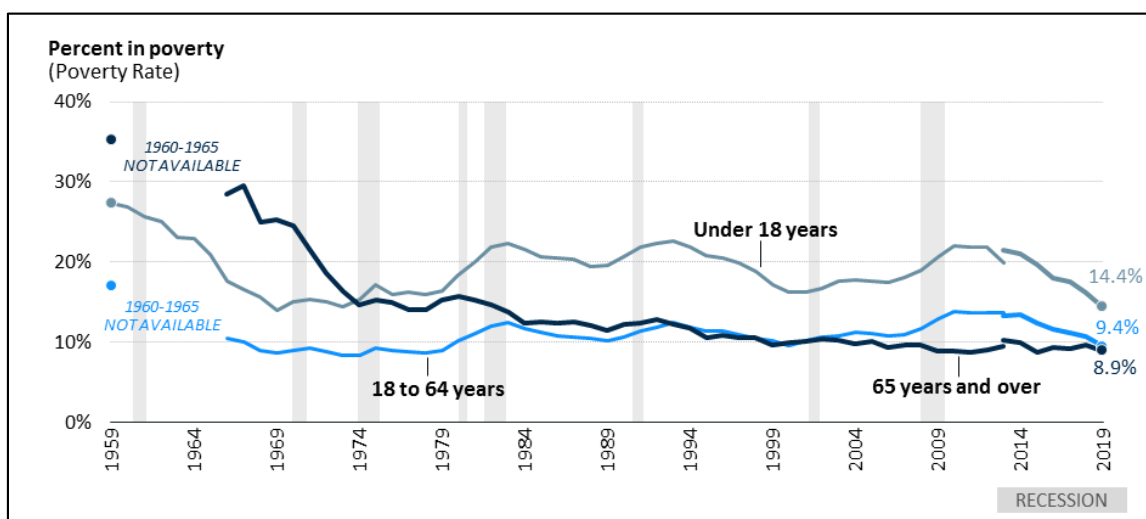
When examining poverty by age, the three main groups (under 18, 18 to 64, and 65 and older) are noteworthy for distinct reasons. People under age 18 are typically dependent on other family members for income, particularly young children below their state’s legal working age. People aged 18 to 64 are generally thought of as the working-age population and typically have wages and salaries as their greatest source of income. People aged 65 and older, referred to as the aged population, are often eligible for retirement, and those who do retire typically experience a change in their primary source of income.

As shown in **Figure 3**, children and the working-age population experienced decreases in poverty. Among children, 10.5 million, or 14.4%, were poor, down from 11.9 million, or 16.2%, in 2018.

Among the working-age population, 18.9 million, or 9.4%, were in poverty, down from 21.1 million, or 10.7%, in 2018.

In earlier years, the poverty rate for those aged 65 and over was the highest of the three age groups. In 1966, people aged 65 and over had a poverty rate of 28.5%, compared with 17.6% for those under 18 and 10.5% for working-age adults. By 1974, the poverty rate for people aged 65 and over had fallen to 14.6%, compared with 15.4% for people under 18 and 8.3% for working-age adults. Since then, people under 18 have had the highest poverty rate of the three groups, while the poverty rate among the 65-and-older population had fallen to 8.9% by 2019.

**Figure 3. Poverty Rates by Age: 1959 to 2019**  
(Poverty rates in percentages. Shaded bars indicate recessions)



**Source:** Congressional Research Service (CRS), based on poverty data from Table B-6 of Jessica Semega, Melissa Kollar, Emily A. Shrider, and John F. Creamer, *Income and Poverty in the United States: 2019*, U.S. Census Bureau, Current Population Reports number P60-270, issued September 2020.

**Notes:** The 2019 estimates were biased downward because of increased nonresponse associated with telephone-only interviewing during the pandemic; for details, see the “Introduction” section. Data are not available from 1960 to 1965 for persons aged 65 and older and for persons aged 18 to 64. Two estimates are shown for 2013 for each age group because the Census Bureau implemented a change to the CPS ASEC income questions. Some households received the old questionnaire and others the new, so that it would be possible to see the effect of changing the questionnaire. The CPS ASEC processing system was also updated for 2017. Those updates did not affect the overall poverty rate, nor the poverty rates for children or the population aged 18-64, though the 2017 poverty rate for the aged was 0.3 percentage points higher than under the legacy system. For details, see John Creamer and Ashley Edwards, *Examining Poverty in 2016 and 2017 Using the Legacy and Updated Current Population Survey Processing System*, U.S. Census Bureau, Social, Economic, and Housing Statistics Division, Working Paper #2019-28, July 30, 2019, <https://www.census.gov/library/working-papers/2019/demo/SEHSD-WP2019-28.html>.

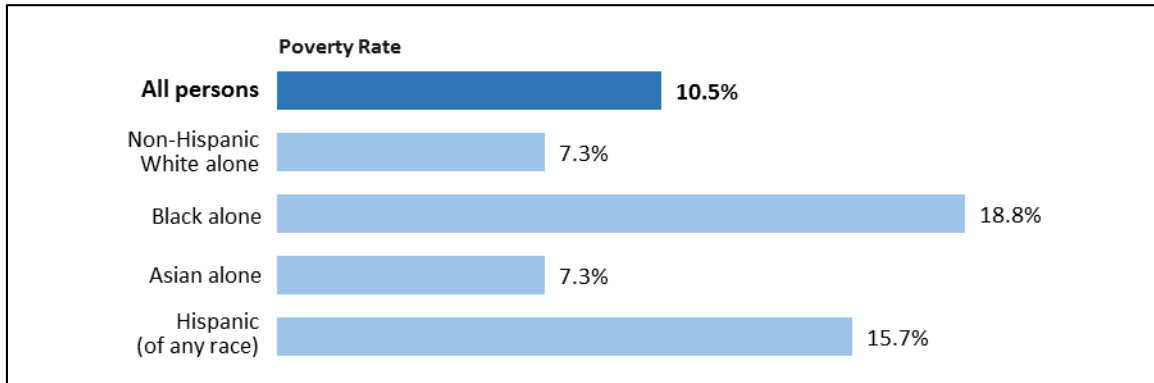
## Race and Hispanic Origin<sup>15</sup>

Poverty rates vary by race and Hispanic origin, as shown in **Figure 4**. In surveys, Hispanic origin is asked about separately from race; accordingly, people identifying as Hispanic may be of any

<sup>15</sup> Since 2002, federal surveys have asked respondents to identify with one or more races; previously, they could choose only one. The groups in this section represent those who identified with one race alone. Another approach is to include those who selected each race group either alone or in combination with one or more other races. Those data are also

race. Among the racial and Hispanic origin groups with populations large enough to estimate given the sample size of the CPS ASEC, every one experienced a statistically significant decline in its poverty rates from 2018 to 2019. Among the White non-Hispanic population, the poverty rate fell from 8.1% to 7.3%; among the Black population,<sup>16</sup> from 20.8% to 18.8%; among the Asian population,<sup>17</sup> from 10.1% to 7.3%; and among the Hispanic population, from 17.6% to 15.7%.

**Figure 4. Poverty Rates by Race and Hispanic Origin: 2019**  
(Poverty rates in percentages)



**Source:** Congressional Research Service (CRS), based on poverty data from Table B-1 of Jessica Semega, Melissa Kollar, Emily A. Shrider, and John F. Creamer, *Income and Poverty in the United States: 2019*, U.S. Census Bureau, Current Population Reports number P60-270, issued September 2020.

**Notes:** People of Hispanic origin may be of any race. Additionally, respondents may identify with one or more racial groups. Except for “All persons” and “Hispanic,” the remaining groups shown include those who identified with one race only. The “non-Hispanic White alone” group includes only the White non-Hispanic population, the “Black alone” group includes Blacks of Hispanic origin, and the “Asian alone” group includes Asians of Hispanic origin. Data for Native Hawaiians and Other Pacific Islanders, American Indians and Alaska Natives, and the population of two or more races are not shown separately.

## Work Status

While having a job reduced the likelihood of being in poverty, it did not guarantee that a person or his or her family would avoid poverty. Among the population aged 18 to 64 living in poverty, 39.2% had jobs in 2019. Poverty rates among workers in this age group were 4.7% for all workers, 2.0% for full-time year-round workers (down from 2.3% in 2018), and 12.0% for part-time or part-year workers. Among those who did not work at least one week in 2019, 26.4% were poor (down from 29.7% in 2018).

Because poverty is a family-based measure, a change in one member’s work status can affect the poverty status of his or her entire family. Among all 18- to 64-year-olds who did not have jobs in 2019, 61.4% lived in families in which someone else did have a job.<sup>18</sup> Among 18- to 64-year-olds

available on the Census Bureau’s website at <https://www.census.gov/library/publications/2020/demo/p60-270.html>, where they are published in Appendix B of Jessica Semega, Melissa Kollar, Emily A. Shrider, and John F. Creamer, *Income and Poverty in the United States: 2019*, U.S. Census Bureau, Current Population Reports number P60-270, issued September 2020; and in accompanying historical data tables.

<sup>16</sup> Includes Blacks of Hispanic origin.

<sup>17</sup> Includes Asians of Hispanic origin.

<sup>18</sup> Author’s tabulation using 2020 CPS ASEC public use file.

with income below the poverty line and without jobs, 19.2% lived in families where someone else worked.<sup>19</sup>

## Poverty Rates by State<sup>20</sup>

Poverty is not equally prevalent in all parts of the country. **Figure 5** shows states with relatively high poverty rates across parts of the Appalachians, the Southwest, and the Deep South. Mississippi's poverty rate (19.6%), seemingly the highest, was not statistically different from Louisiana's (19.0%). The poverty rate in New Hampshire (7.3%) was the lowest. When comparing poverty rates geographically, the official poverty thresholds are not adjusted for geographic variations in the cost of living—the same thresholds are used nationwide. As such, an area with a lower cost of living accompanied by lower wages will appear to have a higher poverty rate than an area with a higher cost of living and higher wages, even if individuals' purchasing power were exactly the same in both areas.

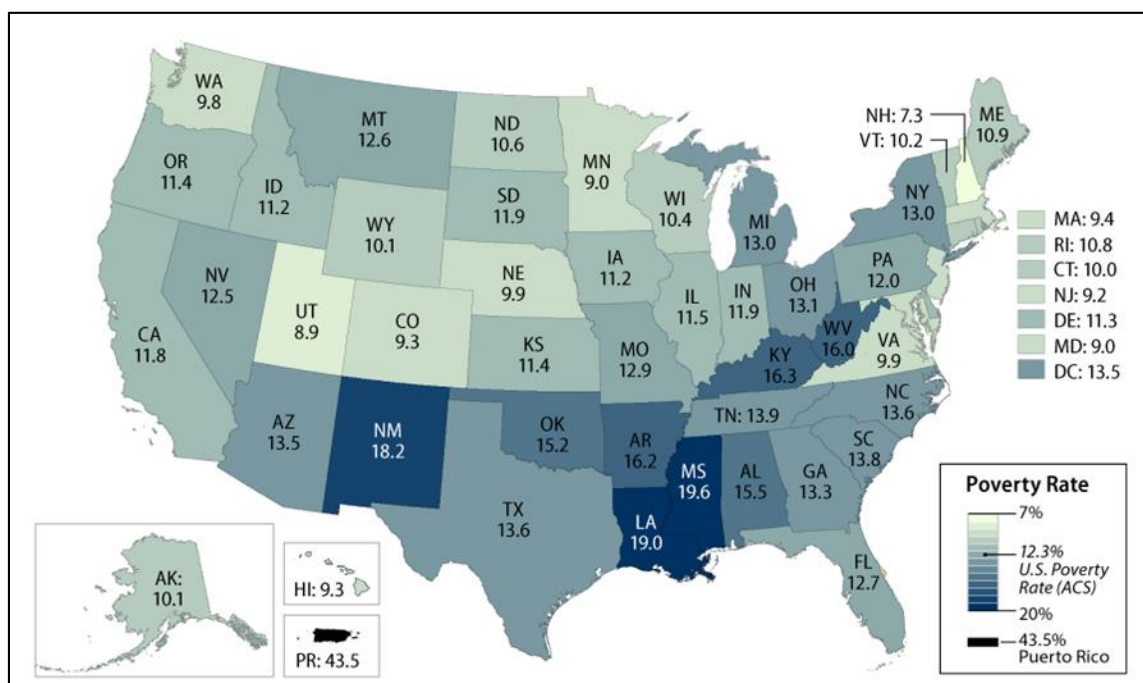
Twenty-three states and the District of Columbia experienced statistically significant declines in their poverty rates compared to 2018: three in the Northeast (Massachusetts, New York, and Rhode Island), seven in the Midwest (Illinois, Indiana, Michigan, Minnesota, Nebraska, Ohio, and Wisconsin), nine states (Alabama, Arkansas, Florida, Georgia, South Carolina, Tennessee, Texas, Virginia, West Virginia) plus the District of Columbia in the South, and four in the West (California, New Mexico, Oregon, and Washington).

---

<sup>19</sup> Ibid.

<sup>20</sup> These state estimates are based on the ACS instead of the CPS ASEC, because the Census Bureau recommends the ACS when comparing states and smaller geographic areas. Because the CPS ASEC surveys 90,000 to 100,000 addresses nationwide, it is sometimes difficult to obtain reliable estimates for small populations or small geographic areas—the sample may not have selected enough people from that group or area to provide a meaningful estimate. The ACS samples about 3.5 million addresses per year and therefore affords greater statistical precision for comparing states and smaller geographic areas. However, unlike the CPS ASEC, which uses trained interviewers and detailed income questions, the ACS is filled out by the respondent on his or her own. Furthermore, the ACS is conducted continuously, and asks the respondents about their income in the previous 12 months, not necessarily the previous calendar year as in the CPS ASEC. For these reasons, poverty estimates from the ACS are often different from CPS ASEC estimates: the ACS reported a poverty rate of 12.3% for the United States in 2019, compared with 10.5% in the CPS ASEC (11.1% after adjusting for nonresponse bias resulting from telephone-only interviewing). Poverty estimates from the ACS and the CPS ASEC do not include Puerto Rico in the U.S. total. Puerto Rico's poverty rate was 43.5% in 2019. The ACS is not conducted in the other U.S. territories.

**Figure 5. Percentage of People in Poverty in the Past 12 Months by State and for the District of Columbia and Puerto Rico: 2019**  
(Poverty rates in percentages)



**Source:** Congressional Research Service, based on data from Craig Benson, *Poverty: 2018 and 2019*, U.S. Census Bureau, American Community Survey Brief ACSBR/20-04, Table 1, issued September 2020, at <https://www.census.gov/library/publications/2020/acs/acsbr20-04.html>.

**Notes:** Data by state are based on the ACS while national-level data presented elsewhere in this report are based on the CPS ASEC. The ACS reported a poverty rate of 12.3% for the United States in 2019, compared with 10.5% in the CPS ASEC. See footnote 20 for further details.

## Supplemental Poverty Measure

Criticisms of the official poverty measure led to the development of the SPM. Described below are the development of the official measure, its limitations, attempts to remedy those limitations, the research efforts that eventually led to the SPM's first release in November 2011, and a comparison of poverty rates in 2019 based on the SPM and the official measure.<sup>21</sup>

### How the Official Poverty Measure Was Developed

The poverty thresholds were originally developed in the early 1960s by Mollie Orshansky of the Social Security Administration. Rather than attempt to compute a family budget by using prices for all essential items that low-income families need to live, Orshansky focused on food costs.<sup>22</sup>

<sup>21</sup> For a more thorough discussion of the SPM's development and methodology, see CRS Report R45031, *The Supplemental Poverty Measure: Its Core Concepts, Development, and Use*.

<sup>22</sup> While Orshansky did not attempt to compute a complete basket of goods and services, her focus on food costs was already a more detailed empirical approach to poverty measurement than were the dollar amounts used in the 1964 Economic Report of the President, issued by the Council of Economic Advisers (chapter 2, "The Problem of Poverty in America"). In that report, a flat figure of \$3,000 was used for all families and \$1,500 for unrelated individuals. See also

Unlike other goods and services such as housing or transportation, which did not have a generally agreed-upon level of adequacy, minimum standards for nutrition were known and widely accepted. According to a 1955 U.S. Department of Agriculture (USDA) food consumption survey, the average amount of their income that families spent on food was roughly one-third. Therefore, using the cost of a minimum food budget and multiplying that figure by three yielded a figure for total family income. That computation was possible because USDA had already published recommended food budgets as a way to address the nutritional needs of families experiencing economic stress. Some additional adjustments were made to derive poverty thresholds for two-person families and individuals not living in families to reflect the relatively higher fixed costs of smaller households.

## Motivation for a Supplemental Measure

While the official poverty measure has been used for over 50 years as the source of official statistics on poverty in the United States, it has received criticism over the years for several reasons. First, it does not take into account benefits from most of the largest programs that aid the low-income population. For instance, it uses money income before taxes—meaning that it does not necessarily measure the income available for individuals to spend, which for most people is after-tax income. Therefore, any effects of tax credits designed to assist persons with low income are not captured by the official measure. The focus on money income also does not account for in-kind benefit programs designed to help the poor, such as SNAP or housing assistance.

The official measure has also been criticized for the way it characterizes families' and individuals' needs in the poverty thresholds. That is, the method used to compute the dollar amounts used in the thresholds, which were originally based on food expenditures in the 1950s and food costs in the 1960s, does not accurately reflect current needs and available goods and services.<sup>23</sup> The official measure also does not take account of the sharing of expenses and income among household members not related by birth, marriage, or adoption. And, as mentioned earlier, the official thresholds do not take account of geographic variations in the cost of living.

In 1995, a panel from the National Academy of Sciences issued a report, *Measuring Poverty: A New Approach*, which recommended improvements to the poverty measure.<sup>24</sup> Among the suggested improvements were to have the poverty thresholds reflect the costs of food, clothing, shelter, utilities, and a little bit extra to allow for miscellaneous needs; to broaden the definition of *family*; to include geographic adjustments as part of the measure's computation; to include the out-of-pocket costs of medical expenses in the measure's computation; and to subtract work-

---

Economic Report of the President (1964), <https://fraser.stlouisfed.org/title/45#8135>. For a thorough history of the official poverty measure, see Gordon Fisher, *The Development of the Orshansky Thresholds and Their Subsequent History as the Official U.S. Poverty Measure*, 1992, rev. 1997, reproduced on the Census Bureau's website at <https://www.census.gov/library/working-papers/1997/demo/fisher-02.html>.

<sup>23</sup> Criticisms have been discussed in the mainstream press as well as academia. A 1988 article (Spencer Rich, "Drawing the Line Between Rich, Poor," *The Washington Post*, September 23, 1988, <https://www.washingtonpost.com/archive/politics/1988/09/23/drawing-the-line-between-rich-poor/60f5dbeb-dab3-4a42-819a-2dea34e7854e/>) documented dissatisfaction about the official measure. This came from both those claiming it was too high, citing its failure to capture the effects of in-kind benefits for the poor and its overstatement of inflation, and those claiming it was too low, based on the fact that if the thresholds were derived using more recent household consumption data, they would be based on roughly five times the cost of food, not three times as Orshansky had computed in the early 1960s.

<sup>24</sup> Constance F. Citro and Robert T. Michael, eds., *Measuring Poverty: A New Approach*, Panel on Poverty and Family Assistance: Concepts, Information Needs, and Measurement Methods, Committee on National Statistics, National Research Council (Washington, DC: National Academies Press, 1995), available at <https://www.nap.edu/read/4759/chapter/1>.



related expenses from income. An overarching goal of the recommendations was to make the poverty measure more closely aligned with the real-life needs and available resources of the low-income population, as well as the changes that have taken place over time in their circumstances, owing to changes in the nation's economy, society, and public policies (see **Table 1**).

After over a decade and a half of research to implement and refine the methodology suggested by the panel, conducted both from within the Census Bureau as well as by other federal agencies and the academic community, the Census Bureau issued the first report using the SPM in November 2011.<sup>25</sup>

**Table 1. Differences Between the Official and Supplemental Poverty Measures**

	Official Poverty Measure	Supplemental Poverty Measure
<b>Resource units (families)</b>	People related by birth, marriage, or adoption (official Census Bureau definition of <i>family</i> ). People aged 15 and older not related to anyone else in the household are considered as their own economic units.	People related by birth, marriage, adoption, plus unrelated and foster children, and cohabiting partners and their children or other relatives (if any) are considered as "SPM resource units" (sharing resources and expenses together).
<b>Needs (thresholds)</b>	<ul style="list-style-type: none"> <li>• Vary according to family size and ages of family members.</li> <li>• Dollar amounts based on the cost of a food plan for families in economic stress in the early 1960s, times three (with adjustments for two-person families and individuals).</li> <li>• Updated for inflation using the Consumer Price Index.</li> <li>• No geographic cost adjustments.</li> </ul>	<ul style="list-style-type: none"> <li>• Vary according to the size and composition of the resource unit (see above).</li> <li>• Dollar amounts based on consumer expenditure data for food, clothing, shelter, and utilities, with adjustments by homeownership and mortgage or rental status.</li> <li>• Based on the most recent five years of consumer expenditure data (not fixed at one point and trended forward).</li> <li>• Housing costs geographically adjusted for individual metropolitan areas and the entire nonmetropolitan area within states.</li> </ul>
<b>Resources</b>	Money income <i>before</i> taxes (includes 18 private and government sources of income, including Social Security, cash assistance, and other sources of cash income).	Money income (both private and government sources) <i>after</i> taxes ... <ul style="list-style-type: none"> <li>• <b>Minus:</b> work expenses, child care expenses, child support paid, out-of-pocket medical expenses.</li> <li>• <b>Plus:</b> tax credits (such as the Child Tax Credit and the Earned Income Tax Credit) and the value of in-kind benefits (such as food and housing subsidies).</li> </ul>

<sup>25</sup> The effort to consolidate the previous research and create the SPM was done under the auspices of an Interagency Technical Working Group (ITWG) led by the Office of Management and Budget (OMB) and received public commentary via a *Federal Register* notice (*Federal Register*, vol. 75 no. 101, Wednesday, May 26, 2010, pp. 29513-29514, <https://www.federalregister.gov/documents/2010/05/26/2010-12628/developing-a-supplemental-poverty-measure>). The *Federal Register* notice referenced a report by the ITWG ("Observations from the Interagency Technical Working Group on Developing a Supplemental Poverty Measure"), which has since been moved to a new URL at <https://www.census.gov/content/dam/Census/topics/income/supplemental-poverty-measure/spm-twgobservations.pdf>. The comments that the Census Bureau received on that report are available on the Census Bureau's website at <https://www.census.gov/content/dam/Census/topics/income/supplemental-poverty-measure/redactedcomments.pdf>. These and additional methodological documents on the SPM are available at <https://www.census.gov/topics/income-poverty/supplemental-poverty-measure/guidance/methodology.html>.



**Source:** Congressional Research Service (CRS) summary of methodological discussion in Liana Fox, *The Supplemental Poverty Measure: 2019*, U.S. Census Bureau, September 2020, <http://www.census.gov/content/dam/Census/library/publications/2020/demo/p60-272.pdf>.

**Notes:** For caveats, see the text of the “Supplemental Poverty Measure” section.

## Official and Supplemental Poverty Findings for 2019<sup>26</sup>

Compared with the official measure, the SPM takes into account greater detail of individuals’ and families’ living arrangements and provides a more up-to-date accounting of the costs and resources available to them. Because the SPM recognizes greater detail in relationships among household members and geographically adjusts housing costs, it provides an updated rendering, compared with the official measure, of the circumstances in which the poor live. In that context, some point out that the SPM’s measurement of taxes, transfers, and expenses may offer policymakers a clearer view of how government policies affect the poor population today. However, the SPM was developed as a research measure, and the Office of Management and Budget set the expectation that it would be revised periodically to incorporate improved measurement methods and newer sources of data as they became available; it was not developed for administrative purposes. The fact that tax liabilities and credits are modeled, or that in-kind benefits are estimated using limited data, can be useful to bear in mind when comparing SPM estimates with official poverty estimates, or when any changes to the SPM methodology become implemented in the future.<sup>27</sup> Conversely, the official measure’s consistency over a longer time span makes it easier for policymakers and researchers to make historical comparisons.

Under the SPM, the profile of the poverty population is slightly different than under the official measure. The SPM poverty rate was 1.3 percentage points higher (after rounding) in 2019 than the official poverty rate (11.7%, compared with 10.5%; see **Figure 6**).<sup>28</sup> More people aged 18 to 64 were in poverty under the SPM (11.2%, compared with 9.4%), as were people aged 65 and over (12.8%, compared with 8.9%). The poverty rate for people under age 18 was lower under the SPM (12.5%) than under the official measure (14.4%, with foster children included). Again, the SPM uses a different definition of resources than the official measure: the SPM includes in-kind benefits and refundable tax credits that generally help families with children; subtracts out a flat estimate of assumed work-related expenses, which are often incurred by the working-age

<sup>26</sup> Data in this section are available in Liana Fox, *The Supplemental Poverty Measure: 2019*, U.S. Census Bureau, September 2020, Appendix Table 2, <https://www.census.gov/library/publications/2020/demo/p60-272.html>.

<sup>27</sup> For instance, work expenses such as commuting costs can be difficult to pin down precisely for every person or family, because they often influence and are influenced by a person’s or family’s decision about where to live. Rather than attempting to estimate the relevant work expenses for every family, in the SPM a flat amount is assigned to workers, multiplied by the number of weeks they worked. Some researchers have also found that the tax model used in the SPM underestimates refundable tax credits, in comparison with administrative data, which particularly affects families with children. Therefore, refinements to the SPM methodology based on the ongoing SPM research may not be trivial. For a synopsis of the SPM methodology, see CRS Report R45031, *The Supplemental Poverty Measure: Its Core Concepts, Development, and Use*. Working papers that present results of research into SPM methodology may be found on the Census Bureau’s website at <https://www.census.gov/topics/income-poverty/supplemental-poverty-measure/library/working-papers.html>.

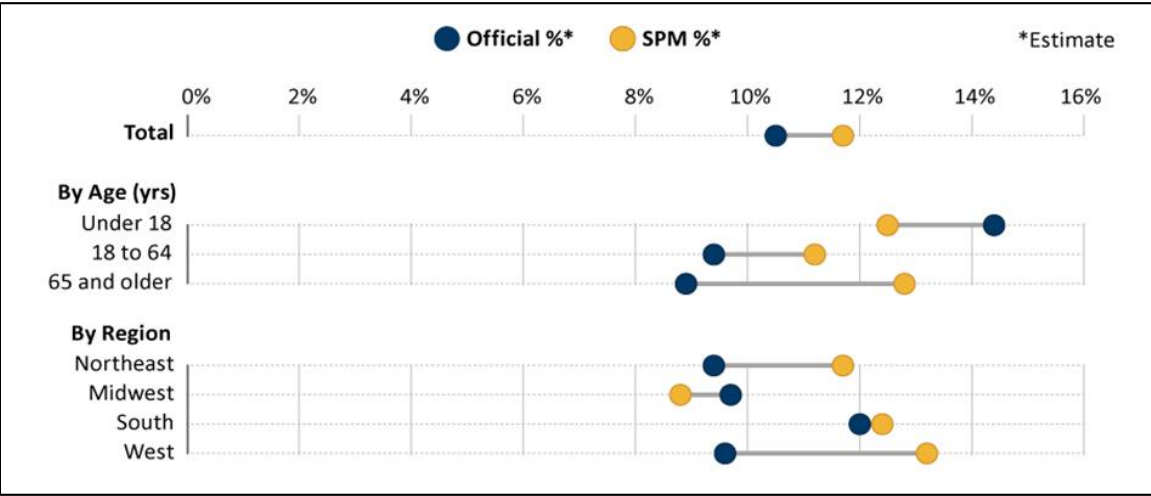
<sup>28</sup> To establish a more accurate comparison with the SPM, a set of poverty estimates using the official measure was recomputed to include unrelated individuals under age 15 (such as foster children) who are not normally included in the official measure. Additionally, both the SPM and the official poverty measure were affected by increased rates of nonresponse in the 2020 CPS ASEC. After adjusting for the increase in nonresponse bias, the SPM poverty rate in 2019 was 11.9% compared with 11.1% for the official poverty rate. As with the estimates based on the official measure, the SPM estimates discussed in this report will use the estimates as published, because adjusted estimates are not available for the characteristics examined in the report.

population; and subtracts medical out-of-pocket expenses, which are incurred frequently by people aged 65 and older.

With the geographically adjusted thresholds, the poverty rate in 2019 was lower under the SPM than under the official measure for the Midwest (8.8% compared with 9.7%), while it was higher than the official measure for the Northeast (11.7% compared with 9.4%), the West (13.2% compared with 9.6%), and the South (12.4% compared with 12.0%).

**Figure 6. Poverty Rates Under Official Measure and Supplemental Poverty Measure for the United States, by Age and by Region: 2019**

(Poverty rates in percentages)



**Source:** Congressional Research Service, based on data from Liana Fox, *The Supplemental Poverty Measure: 2019*, U.S. Census Bureau, September 2020, Appendix Table 2, <https://www.census.gov/library/publications/2020/demo/p60-272.html>.

**Notes:** Figures include unrelated individuals under age 15 (such as foster children), who are not usually included in official poverty estimates.

### Author Information

Joseph Dalaker  
Analyst in Social Policy

---

## **Disclaimer**

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.