

Defining 'poverty' matters

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More Oregonians became officially "poor" this year, following publication of new federal poverty guidelines. These guidelines offer an important — albeit inadequate — answer to the question, "What is poverty?"

Usually published in January or February each year, the guidelines help determine eligibility for many public and safety net programs. Because the 2012 guidelines raised the income level at which a household is considered poor, more Oregonians now qualify for the Oregon Health Plan, the Supplemental Nutrition Assistance Program (formerly known as food stamps) and other programs that use this definition of poverty.

The guidelines, often referred to as the "federal poverty level," vary by family size. For a three-person family, such as a single parent supporting two kids, the federal poverty level in 2012 is \$19,090. That translates to \$367 a week.

It's difficult to conceive of a family of three earning \$370 a week not struggling to make ends meet. Yet this family is not officially "poor" in 2012.

Indeed, it's widely recognized that the official definition of poverty, developed in the early 1960s, is outdated and flawed. Under that definition, families are poor when their income is less than three times the cost of a modest basket of food.

Though over time the income level has been adjusted for inflation, the definition has not changed to reflect that. Compared with decades ago, a bigger share of a family's paycheck today goes to items such as housing, child care, transportation and health care.

The U.S. Census Bureau estimates that 15.8 percent of Oregonians — including more than one in five children — met the official definition of poverty in 2010. That means nearly 600,000 Oregonians lived in poverty that year, an increase of about 120,000 since the recession struck.

Recognizing some of the flaws in the official definition of poverty, the federal government last year published a Supplemental Poverty Measure. This new measure — being used by policymakers just for informational purposes at this point — acknowledges some of the costs that families today confront. It also looks at the income side of the ledger, and thus counts tax credits and non-cash benefits that help families meet basic needs as income.

Under the Supplemental Poverty Measure, the Census Bureau estimated 49.1 million Americans lived below the poverty threshold in 2010 — 2.5 million more than under the official measure. The new measure, still in development, does not yet include state-level estimates.

Yet even that definition is inadequate, ignoring the relative nature of poverty. Both the official and supplemental poverty measures focus on whether a person lacks basic material necessities such as food and shelter. But people can meet their basic needs and still have income so low compared to others that it sets them apart, excluding them from the opportunities that help others get ahead.

By any definition, poverty is a problem. Children growing up in poverty are less likely to do well in school, more likely to suffer from poor health and, ultimately, less likely to achieve their potential.

Even though a perfect definition of poverty may be elusive, the necessity to confront it is clear and urgent. And the increase in the number of poor under the new official guidelines only adds to that urgency.

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