

**Child Poverty in the United States and the United Kingdom:  
What Counts? What's Happened? What's Next?**

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## **Abstract**

During the “Great Recession” the rate of poverty among children went up in the United States and down in the United Kingdom. This paper explores measurement issues and the evolution of poverty assessment in both countries over the past two decades. The difference in poverty outcomes is only partly the product of differences in measurement; it is due also to differences in policy. When children’s poverty rates in the US are assessed using UK methods, the rate is 28 percent, compared to the UK rate of 18 percent. When children’s poverty rates in the US are assessed using the equivalent of the UK standard, rates are similar but extreme poverty in the UK is lower. Development of poverty measures and the connections between measures and policy are reviewed for both countries. The paper concludes by contrasting “opportunity” and “material” deprivation as objects of assessment.

Key Words: Poverty standard, relative poverty, child poverty, Supplemental Poverty Measure.

# **Child Poverty in the United States and the United Kingdom: What Counts? What's Happened? What's Next?**

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By the government's official measure, 18 percent of children in the United States (US) were living in poor families in calendar 2007, the eve of the "Great Recession." By 2010, the rate was 22 percent (DeNavas-Walt and Proctor 2014). In contrast, the official child poverty rate in the United Kingdom (UK) was 23 percent for FY2007/08 (the fiscal year beginning April 1, 2007). By FY2010/11 it had fallen 5 percentage points, to 18 percent (HBAI 2014b). Thus, the circumstances of children taken at face value moved in opposite directions in the two countries. Poverty trends in the general population were similar: In the US the overall poverty rate increased from 12 percent to 15 percent; in the UK the rate fell from 18 to 16 percent.

Both countries experienced the period's economic downturn. Between 2007 and 2010 the unemployment rate in the US rose from 4.6 to 9.6 percent, compared with a rise in the UK from 5.3 to 7.8 percent (OECD 2014). The contrasting difference in poverty outcomes is, we argue here, the combined product of differences in policy and differences in measurement. This paper emphasizes measurement issues and the evolution of poverty assessment in both countries over the past two decades. We think much has been learned on both sides, but as always, problems remain.

Here's the path to our conclusion, and beyond: We begin with a comparative review of how poverty is assessed in the UK and the US. Then we calculate what poverty rates would be in the US were UK procedures to be applied. We follow this by reviewing the reforms policymakers in both countries have undertaken in their respective poverty assessment systems. We conclude with thoughts on lessons and what we perceive as an important dimension of social benefit that is not accommodated by measurement strategies in either country.

## **Counting the Poor, UK Style**

People are counted as poor in the UK if they live in household circumstances such that when "equivalised" by the modified Organization for Economic Cooperation and Development (OECD) scale, household weekly income net of taxes but not housing costs falls short of 60 percent of contemporary median spendable income, as calculated from data reported in the Family Resources Survey (FRS) conducted by the Department for Work and Pensions (DWP).<sup>1</sup>

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<sup>1</sup> See (OECD 2013, 174) for an explanation of alternative OECD equivalence scales. Because they are common in the British literature, we use (with, except in direct quotes, American spelling) the term "equivalised" and variants despite their aurally irksome character.

“Equivalisation” converts household income to per capita amounts presumed to match what a single individual, living alone, would require to achieve the same standard of living as a person living in the household as constituted. The base poverty standard is then 60 percent of the median calculated on the basis of this adjusted figure. In FY2010/11, the single person standard was £168 per week, or around \$12,100 per year using OECD’s Individual Purchasing Power Parity (PPP) measure for 2010 (OECD 2014).

To convert the individual measure to an estimate of the income required for persons living in households, the modified OECD equivalence scale is applied again. The scale assigns a value of 1 to the head of the household, a value of 0.5 for each additional person age 14 or older, and a value of 0.3 for children under 14. For a family of four with two children ages five and fourteen, this translates the single-person standard of £168 per week to a household poverty threshold of £385, or roughly £20,000 per year (DWP 2012). The fact that poverty is defined on the basis of where one stands compared to the median income among all UK residents makes this a relative measure. The standard changes over time as the income distribution shifts.

There is a second version of the UK poverty standard. This is based not on contemporary median income but on 60 percent of what median income was in a baseline year, adjusted for inflation. Based on 60 percent of FY1998/99 median income as a baseline, the FY2010/11 poverty threshold for the family of four just introduced was £338 per week, or roughly £17,600 per year (DWP 2012). Relating poverty to where one stands compared to a fixed (in purchasing power) standard makes this baseline an absolute measure. The UK poverty rate in FY1998/99 was the point of reference for measuring progress toward the (at the time) Labour government’s goal of halving child poverty (i.e., the proportion of children living in families deemed poor by the contemporary standard) by FY2009/10 (DWP 2003).

In UK official statistics, the contemporary and baseline measures are presented both before and after (i.e. net of) housing costs. Presentation of before (BHC) and after (AHC) numbers reflects the difficulty of comparing the status between homeowners and renters and, among renters, the differences in real income that are the consequence of a variety of national and local housing subsidies. The income poverty numbers are complemented by data on the prevalence of various measures of children’s “deprivation of items and services.” Deprivation is measured by comparison of possessions and experiences ranging from bicycles to ‘at least one week’s holiday away from home with family’ (HBAI 2014c, 15). Our purpose at this point is served by concentrating on the BHC income measures, the numbers most widely cited in UK public discussion. There are no readily available comparable American statistics on material deprivation, but we do discuss the matter further in the concluding section of the paper.

Figure 1 shows the UK poverty rates for several age groups using the absolute (60 percent of FY1998/99 median income) threshold, adjusted for inflation.<sup>2</sup> The series ends in

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<sup>2</sup> Note that the published UK percentage data used for Figure 1 and subsequent figures are generally rounded to whole numbers because unrounded point estimates are not publicly available. In some instances, equality (for example the equivalence between the all, pensioner, and child poverty rates in Figure 1) is a happenstance of rounding.

2010/11 because this is the last year for which DWP publishes absolute poverty rates based on the 1998/99 median income standard. DWP defines children as individuals under age 16. Young people ages 16-19 are counted as children if they are unmarried, living with parents, and in full-time “non-advanced” education or unpaid government training programs (DWP 2014b). Working-age adults are adults below the pension age—65 years for men, currently 62 years for women. The state pension age for women, which has been gradually increasing since 2010, will continue increase until it reaches 65 years in 2018 (DWP 2014b). Pensioners are adults who have reached pension age.

[Figure UKPOVOLDABS here](#)

Figure 1: UK Poverty Rates, FY1998/99-FY2010/2011, Absolute (FY1998/99) Standard

Figure 2 shows the UK poverty rates for the same age groups mentioned above, as measured by the relative threshold, meaning that people are considered poor if their equivalized income is less than 60 percent of median income for the current year.

[Figure UKPOVOLDREL here](#)

Figure 2: UK Poverty Rates, FY1998/99-FY2010/11, Contemporary (Relative) Standard

Looking first at the assessment based on contemporary standards (Figure 3), we see cause for policymaker angst. After a modest overall decline in the poverty rate over the first six years of the thirteen-year span we cover, poverty evaluated on the basis of contemporary income increased, even among children—the target of former Prime Minister Tony Blair’s goal-setting (Walker 1999). From a baseline perspective (Figure 2), the story is somewhat different. Viewed using the baseline standard, the aggregate poverty rate fell by 7 percentage points between FY1998/99 and FY2007/08, and the poverty rate for children was halved. Nevertheless, from 2004 to the beginning of the recession (2007), no progress was made in reducing poverty, even among children.

But then the surprise: Based on both the baseline and contemporary standard, the child poverty rate *fell* from the beginning of the Great Recession through FY2010/11. The 5 percentage point decline in the poverty rate estimated using the contemporary standard in part reflects a decrease of about 4 percent in median income between FY2007/08 and FY2010/11. Had median income been constant at the FY2010/11 level throughout the interval, the decline in poverty would have been less, about 4 percentage points. Nevertheless, the baseline measure indicates that the UK was able to shield children from recession effects.<sup>3</sup>

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<sup>3</sup> The numbers in this paragraph were calculated from DWP (2014b), Table 2b (p. 32) and Table 4a (p. 53). The magnitudes of year-to-year changes are sensitive to the choice of price index. The Retail Price Index (RPI) used by DWP in generating the constant-dollar absolute poverty standard has been declared “not to meet the required standard for designation as National Statistics” (DWP 2014b, Annex 4, p. 116), and the UK Statistics Authority initiated a review of official price indices in 2013. This review is scheduled to appear in early 2015. Compared to computation based on arguably superior indices, it appears that the RPI has exaggerated the rate of inflation by

## Counting the Poor, US Style

Comparing the UK trends to developments in the US requires manipulation of the US data. We start with the Official Poverty Measure (OPM).

The OPM is a relic of the early 1960s. It was constructed by Mollie Orshansky, an analyst in the Social Security Administration, to provide a “crude index” to count the number of children in the country “growing up in the gray shadow of poverty” (Orshansky 1963). The Orshansky standard was based on “economy plan” food budgets specified by the U.S. Department of Agriculture and a survey estimate that households in the 1950s spent on average about one-third of income on food (Fisher 1992). Thus, a family was poor if its income was less than three times its food budget, which varied by total family size and number of children. “Income” meant income as defined in the Current Population Survey (CPS, the only national data source for annual family income available at the time): The income data are gross (not net of taxes) and include cash transfers. Put in technical terms, this is “pre-tax, post-transfer” income. Additional adjustments, generally ad hoc, were made for single and older persons (Fisher 1992). Thus, equivalence of people’s status across family types was judged on the basis of the requirements of the applicable food budget and the same 3:1 ratio of total income to food.

The results of the first application of the standard were published in 1963 and updated in 1965 (Orshansky 1963, Orshansky 1965). With only minor changes, this standard has been used ever since, with values adjusted only for changes in prices. Like the UK FY1998/99 baseline used above, America’s is an absolute poverty standard; but it is antiquated and anchored in a normative judgment about what people need to eat, not in a demarcation of the base year(s) income distribution. The 2010 poverty threshold for a family of four (two adults, two children) was \$22,113 (DeNavas-Walt et al. 2011). The overall prevalence of official poverty in the US is low (15 percent in 2010), but the rate is much higher for children. As Figure 3 illustrates, poverty increased over the decade leading up to 2010 for everyone except the elderly.<sup>4</sup>

[Figure USOPM here](#)

Figure 3: US Poverty Rates (Official Standard) by Age Group, 1998-2013

Cross-national comparisons of living standards are difficult. While tempting, translating \$22,113 into pounds cannot be responsibly done with exchange rates, because exchange rates are influenced by many factors not directly associated with the cost of living. Possibly the best fallback is what we use earlier: The OECD’s Individual PPP measure. This is intended to

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about one-half percentage point per year since 2004, and the overstatement may be even greater recently (p. 117). This problem does not affect trends in relative poverty, but it does lead to an understatement of gains in poverty assessed using baseline standards—in other words, Figure 1 should show greater decline. Absent resolution of the issue and revised data, we stay with the official series for this paper.

<sup>4</sup> U.S. poverty rates used in this paper are computed using the Census Bureau website’s “Table Creator” utility. Because the Table Creator uses CPS public use datasets, some estimates may differ in minor ways from what appears in Census Bureau publications based on less censored data.

measure the ratio of the prices in national currencies of the same goods or services in different countries (Schreyer and Koechlin 2002). Using the OECD's 2010 PPP of 1.3841 \$/£, the UK poverty threshold amounts to roughly \$27,700 for the contemporary (FY2010/11) measure and \$24,300 for the baseline (FY1998/99) measure. Both are well above the \$22,113 threshold used in the US.

The shortcomings of the American standard are legion. Its empirical basis was lost long ago. While the fixed poverty standard has stayed constant in real terms since 1963, median family income has increased by 53 percent.<sup>5</sup> Surely any meaningful poverty standard should reflect this changing social context. Moreover, while the income measure used may have been appropriate for the early 1960s, it excludes major sources of poverty-targeted benefits today, either because they come through the tax system (and hence are not “pre-tax”) or are earmarked for food, shelter, or other merit goods (and hence are not strictly cash income). The most important examples of these excluded resources are the benefits of the Supplemental Nutrition Assistance program (SNAP, delivered through ATM-like bank cards usable only in food stores),<sup>6</sup> the Earned Income Tax Credit (EITC, the inspiration for the UK Working Tax Credit), housing subsidies, and Medicaid, the national health insurance system for low-income individuals and families. The amounts involved are hardly trivial. In (federal) FY2010 (i.e., from October 2009/September 2010) total SNAP benefits amounted to \$65 billion, EITC payments \$54 billion, housing subsidies \$34 billion, and Medicaid \$383 billion. In contrast, total federal and state payments under the major cash transfer program for families with children, Temporary Assistance for Needy Families, amounted to just \$33 billion—\$12 billion in cash and \$21 billion in other non-cash assistance.<sup>7</sup>

At least among policy analysts and others engaged in poverty studies, complaints about the poverty standard have become litany, and our faults list is far from exhaustive. However, the poverty standard survives, possibly because virtually any defensible alteration would likely raise the poverty count. This is not to say attempts have not been made. In 1995 the independent National Research Council (NRC, an arm of the National Academy of Sciences) issued a report calling for transition to a new poverty standard that was an ingenious combination of consumption and relative income standards, as discussed further below (Citro and Michael 1995). In 1999, the agency responsible for poverty assessment, the Census Bureau, began publishing “experimental” measures of poverty based on the NRC recommendations (Short et al. 1999, Short 2001, Dalaker 2005). These efforts supported the eventual implementation in 2011 of a modification to the NRC standard initially called the Research Supplemental Poverty Measure, as discussed further below (Short 2011).

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<sup>5</sup> See U.S. Census Bureau (2014). These data are unadjusted for changes over time in typical family composition.

<sup>6</sup> SNAP was formerly called the Food Stamp Program. The name changed October 1, 2008, but reference to “food stamps” continues to be common.

<sup>7</sup> Food stamp data are from FNS (2014). EITC data are from Tax Policy Center (2014). Housing subsidies are from McCarty et al. (2011, 11). TANF data are from US Department of Health and Human Services, Administration for Children and Families (2012). The Medicaid estimate is from the Department of Health and Human Services (2012).

What is important for the UK comparison is that the Census Bureau's efforts to account for various components of income and expense greatly expanded what was available from the CPS. Of particular importance—at least to this paper—was the introduction in 2003 of a special web-based utility called the Census Table Creator (TC; [<http://www.census.gov/cps/data/cpstablecreator.html>]). Based on the same household survey (CPS) as the official poverty statistics, the TC allows users to manipulate the income components used in poverty assessments using the official standard and to apply alternative poverty standards, most notably relative measures akin to the UK poverty estimates, to the American data.

### US Poverty, UK-Style

In this section we apply UK methodology to the US by changing both the measure of income and the income standard used to measure poverty. This is straightforward with one exception; timing differences in data collection frequency between the two countries leave some residual uncertainty, as we discuss when the issue becomes relevant.

We begin by backtracking a bit and reviewing what we need to match. The source for UK poverty estimates is the DWP *Households Below Average Income* (HBAI) report.<sup>8</sup> The HBAI definition of income (for income before housing costs) is sweeping, including: earnings, profit or loss from self-employment, all government benefits and tax credits (including the Working Tax Credit), pensions, investment income, child support received, educational grants and scholarships plus (for students) money received from loans as well as parents, and the estimated cash value of in-kind transfers ranging from free school breakfasts to free TV licenses for persons age 75 and older.<sup>9</sup> From income, DWP subtracts income tax payments; National Insurance contributions; and certain local taxes, contributions to various pension schemes, alimony and child support paid, contributions to students living away from home, and student loan repayments. Therefore instead of pre-tax, post-transfer cash income, we are working with post-tax (including a range of mandatory non-tax payments), post-transfer income. The most significant unaccounted benefit is probably the subsidy implicit in the below-market rents charged for units managed by local housing authorities or not-for-profit housing associations—“social housing” (Hills 2007). Similarly, the UK income measure does not include an estimate of the value of rent saved by the substantial majority of households resident in their own homes. Inclusion in official publications of measures of poverty “after housing costs” is one way of trying to avoid these problems (Brewer et al. 2008, 81-82).

We can more or less do the same with US data.<sup>10</sup> We take all the cash income now counted in the poverty measure, add the value of educational benefits, SNAP benefits, subsidized

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<sup>8</sup> DWP (2014b). In HBAI, the term “average” is used to describe the median (p. 13).

<sup>9</sup> The lists of both what is counted and what is deducted are long. For detail, see DWP (2014b), p. 139.

<sup>10</sup> Details of what we count and what we miss are given in the appendix. Use of the Table Creator makes our calculations readily replicable; indeed this paper grows out of a classroom exercise developed for the graduate “Poverty and Social Policy” class at the authors’ institution. Most students survive.



school lunches, low-income energy assistance, alimony and child support payments and other income received, and subtract net income taxes (thereby *adding* the EITC), mandatory payroll deductions, and property taxes on owner-occupied housing. There are lots of little differences left that do not account for much—including the fact that we do not have information on maintenance and child support payments paid, and we have doubts about the appropriateness of the way DWP accountants treat certain types of mandatory payments. But we are close in concept, especially when considering income before housing costs. Where we are not so close is in timeframe.

Here's the timing problem: The US poverty measure is based on responses to the Annual Social and Economic Supplement to the CPS (the CPS/ASEC) (U.S. Census Bureau 2006). The CPS/ASEC is a face-to-face interview with one adult respondent in each of approximately 60,000 households, conducted largely in March, with some interviewing in February and April. Interviews are obtained in about 90 percent of the eligible (i.e., occupied) households that fall into the sample frame (US Census Bureau 2006, 16-3). The survey is timed to coincide with the mid-April deadline for filing federal and state income tax returns for the previous calendar year. Unlike in the UK, where most earnings taxation is pay-as-you-go and most households do not file annual tax returns, in the US the vast majority of individuals and families do file annually, and this means that, at the time the CPS is fielded, most have a reasonably good sense of what their income was in the previous year.

Like the US poverty measures, the UK poverty measure is based on a household survey, in this case the Family Resources Survey (FRS). This is conducted by DWP (DWP 2014a). The household participation rate in FY2012/13 was about 60 percent. The achieved sample size is approximately 20,000 households, with 20,201 “fully cooperating” in FY2012/13. Thus the FRS is smaller than the CPS (thus reducing precision), and response rates are lower, even after adjustment for difference in definition (thus raising more serious concerns about bias). On the other hand, the FRS attempts to interview all adults residing at sampled addresses (rather than generally relying on a single respondent), so the quality of income data may be higher. Also unlike the CPS/ASEC, the FRS is a continuous sample, with interviewers in the field each month. The survey cycle is the fiscal year, from April through March. Income questions posed in the FRS focus on current time period, so if one is paid fortnightly, one reports that fact and fortnightly earnings. Based on amount and payment interval, these data are converted into a weekly income measure. (Conversion to a weekly basis for certain types of income follows more complicated procedures.) The end result, accumulated over the entire fiscal year cycle, is a sample-based distribution of weekly income, and this is the basis of the poverty estimates.

We cannot match the weekly UK perspective with CPS data. Moreover, we are not sure we would want to if we could. There is considerable fluctuation in income over the course of a year for people in many professions and especially among the self-employed (Hills, Smithies, and McKnight 2006). Much of this fluctuation is no surprise, and people save or borrow to smooth out consumption over the ups and downs of the year. Thus in assessing real poverty, a longer perspective makes sense, but just what specifically that sensible interval should be is unclear. Whatever interval might be best, we must compare data collected for the calendar year in the US with data for the fiscal year in the UK. Therefore we will continue to compare, for example, calendar year 2006 data for the US to FY2006/07 data for the UK, recognizing that only nine of the 12 months of 2006 are in FRS survey data for FY2006/07. Perhaps more

important than this slight temporal mismatch is the likelihood that the higher-frequency data in the FRS will show much variability that would be averaged out were annual data to be used. This means estimated poverty rates will probably be higher using short-period data (as in the UK) than would be using annual totals (as in the US). Our contemporary poverty comparison will therefore be biased against the UK. We note in this connection that Böheim and Jenkins (2006) use data from another survey with questions similar to those used in the FRS to evaluate the consequence for poverty assessment of the choice between annual and higher-frequency data and find it to be quite small.

The timing issue also arises in an important way with the EITC. The EITC is paid following tax return filing. As a result the payment occurs in the calendar year following claim accrual. In contrast, the UK Working Tax Credit is paid weekly based on an income estimate generally from the the preceding year (with an end-of-year reconciliation).<sup>11</sup> We follow convention in American research and treat the EITC as income for the year in which the claim accrues, but this is obviously different from the real-time WTC benefit.

That leaves us with a choice of standard and a small demographic comparability problem. We use the same OECD equivalence scale as the DWP uses, and we adopt as the poverty standard 60 percent of equivalised median income, adjusted as outlined above. We identify children as anyone under age 18. The UK definition is somewhat more complicated and involves an assessment of independence, but under 18 is probably close enough. On the top end we treat everyone age 65 or older as the equivalent of UK “pensioners,” even though in the UK women are deemed pensioners at 60. (The pension age for women is increasing, as noted, and will reach 65 in 2018).

Since our UK calculations focus on FY2010/11, we make our US calculations for 2010. The results appear in Table 1.<sup>12</sup> For our reference family of four, 60 percent of median income (incorporating all the adjustments cited above) is \$35,103—59 percent higher than the official US standard. Using again the OECD purchasing power conversion makes this equivalent to £25,361, significantly above the FY2010/11 contemporary UK standard of £20,045. We do two calculations, one using 60 percent of the median as the poverty standard, the second using 50 percent of the median.

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<sup>11</sup> For detail, see <https://www.gov.uk/working-tax-credit/overview>. The process of reconciliation has been contentious: See “More families fall into debt with HMRC after tax credit overpayment soars.” <http://www.independent.co.uk/money/tax/more-families-fall-into-debt-with-hmrc-after-tax-credit-overpayment-soars-9463244.html>

<sup>12</sup> We are not the first to attempt a comparison of this sort. Dickens and Ellwood (2003) present much more detailed comparison over the period 1979-2001 and an interesting decomposition of sources of poverty decline in both countries during the 1990s. Their analysis differs from ours in that they use gross, rather than net income before housing costs, and a different equivalence scale. Here we enjoy the advantage of better income data on both sides. As do we, Dickens and Ellwood show that a relative income standard pushes child poverty rates in the US significantly above rates in the UK (p. F224).

<a href="#">Table RELPOVUSUK Here</a>
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Table 1: Contemporary Poverty Rates, 2010 (US) and FY2010/11 (UK)

Consider first the comparison with the 60-percent-of-median relative standard. The difference between the two countries' results is dramatic across the board, but it is children who are of greatest concern in this discussion. For children, US rates are some 56 percent higher than in the UK—28 percent of the child population compared to 18 percent using the relative income standard. This 28 percent finding is also 6 percentage points higher than the official US rate (see Figure 3). The differences are larger using the 50 percent standard, so the ratios of the 50 percent figure to the 60 percent figure in the third set of comparisons are significantly larger for the US than the UK. The implication is clear: Not only is relative poverty rate higher in the US than in the UK, but those who are poor in the US are typically in deeper poverty. Seventy-two percent of persons considered poor on the 60 percent standard in the US have equivalized incomes below half the median; this is true for only 56 percent of persons similarly poor in the UK.

Recall that given generally higher incomes, the 2010 US 60-percent-of-median threshold is significantly higher than the FY2010/11 UK equivalent, recalculated in dollars: \$35,103 (US) versus \$27,744 (UK) for the example family of four. What would happen were we to apply the UK contemporary standard to US data? See Table 2. Measured using the dollar equivalent of the UK 60 percent standard, the two countries seem remarkably close—for each age group, the two numbers are quite similar. But again, when the UK 50-percent-of-median figure is used for the US calculations, poverty is much greater in the US. Once again, we see evidence of substantial differences between the two countries in the income distribution of persons below the poverty line.<sup>13</sup> And in any event, the poor in the US are much worse off in comparison to the general living standard. Were the comparison to be pushed further, it is likely the outcome would depend on matters not accounted for in Table 2—the effect of much broader availability of subsidized social housing in the UK, differences in the proportion extremely poor, differences in the quality of available schooling and health care, and contrast in matters addressed in the UK's measures of material deprivation.

<a href="#">Table USUKSTND here</a>
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Table 2: Comparative Relative Poverty Rates, 2010 (US) and FY2010/11 (UK), Using UK Contemporary Poverty Standard

### Reform in the United Kingdom

Table 1 and Table 2 are for single years. We now return to developments over time in both countries, both in the official poverty rates and in poverty measurement policy.

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<sup>13</sup> Ideally this would be addressed with comparative examination of the poverty gap (that is, the aggregate shortfall of income relative to the poverty standard for all poor persons).

Prior to 2003 there was no official British poverty standard, although there did exist a long history of efforts to construct one, notably with the work of Charles Booth in London (Booth 1902) and B. Seebohm Rowntree (son of industrialist and confectioner Joseph Rowntree) in York (Rowntree 1901). Rowntree famously created a poverty measure based on the cost of “minimum necessities for the maintenance of merely physical efficiency,” meaning some calculation of nutritional needs, clothing, fuel, rent, and other household items. The Booth/Rowntree work inspired much subsequent study and the Rowntree fortune lived on to fund what became the Rowntree Foundation, a major sponsor of and contributor to poverty studies in the UK.

The landmark political development occurred in 1999 when, in a speech at Toynbee Hall in London, Prime Minister Tony Blair proposed committing the Labour Government to “ending child poverty in a generation.” If taken seriously—and advocates were anxious to do so—this commitment posed an immediate problem: Neither “poverty,” nor “ending,” was defined (“generation” meant 20 years). Eventually, “ending” was dialed back slightly to mean, among other things, “being amongst the best in Europe on relative low incomes” (DWP 2003, p. 20). The exact definition of child poverty was to become the central subject of several government consultations, and the ideal measurement continues to be debated.

Fortified by a landslide victory in 2001, the Labour government moved to develop appropriate indicators for child poverty measurement. The following April, DWP published a consultation document that presented several options for measurement and invited comments (DWP 2002, 5). The four options to be considered were: (1) using a number of headline indicators, such as low-income or educational attainment; (2) creating a single index from a variety of measures; (3) using only the headline measure of ‘consistent poverty,’ which would combine measures of low income and material deprivation; and (4) a tiered approach, which would use several indicators of low-income and ‘consistent poverty.’

In December 2003, DWP published final conclusions from the consultation and outlined the measures of child poverty for the long term (DWP 2003). Measures of child poverty would include absolute low-income (set at 60 percent FY1998/99 income), relative low-income (set at 60 percent of contemporary median income) and the combination of material deprivation and low income (meaning a person who is below 70 percent of contemporary median income and lacking certain goods and services). The data on material deprivation would be obtained by adding questions to the FRS, and the new measure of child poverty would be used from FY2004/05.

The final consultation conclusion also clarified slightly the targets with regard to “ending” child poverty. It pointed out that, due to the fact that the income measures are collected through “snapshot” surveys, there will likely always be some people of “high living standards” who are classified as poor because, at the time of the survey, they have temporary low incomes for one reason or another. Material deprivation, on the other hand, was judged not as likely to be affected by temporary changes in income. For this reason, the consultation concluded the targets aimed at eradicating poverty should be set as approaching zero for material deprivation, but as already noted “among the best in Europe” (read Scandinavia) for relative low-income (DWP 2003, 20).

The income target is of primary interest here, and that is what Tables 1 and 2 are about. But development has proceeded on assessment of material deprivation, defined as “an additional way of measuring living standards [that] . . . refers to the self-reported inability of individuals or households to afford particular goods and activities that are typical in society at a given point in time, irrespective of whether they would choose to have these items, even if they could afford them” (HBAI 2014b). A suite of questions intended to assess material deprivation for families with children has been included in the FRS since FY2004/05. A set for pensioners was introduced in FY2008/09. We look more closely at the child deprivation indicators later in the paper.

By 2005, the UK poverty record looked very good. Though narrowly missing the cross-departmental 2000 “Public Service Agreement”<sup>14</sup> target of reducing child poverty by one-quarter by FY2004/05 (HM Treasury 2000), the UK child poverty rate had by that time reached a 15-year low, and 700,000 fewer children were in poverty (using the contemporary standard) in FY2004/05 than in FY1998/99, a decline of 21 percent. This accomplishment drew considerable attention from other countries, including the US (Waldfogel 2010; Smeeding and Waldfogel 2010).

Labour won the 2006 elections. Despite the initial success of child poverty reduction efforts, after FY2005/06 progress stalled, and debate about strategy, tactics, and performance measures grew. Given the difficulty of building consensus around next-step strategies for addressing poverty, the Labour government decided to outlaw it. In 2008, the government published *Ending Child Poverty: Everybody's Business* (HM Treasury, Department for Work and Pensions, Department for Children, Schools and Families 2008), which reviewed the efforts and progress of the government so far, and made the case for further action. The following year, the government published a consultation called “Ending Child Poverty: Making it Happen” (Child Poverty Unit 2009). This consultation further highlighted the government’s work against child poverty, again sought comment on the ideal long-term child poverty measures, and announced the intention to “enshrine in legislation the Government’s pledge to eradicate child poverty in the UK by 2020” (p. 2).

“Enshrining” came in the form of a Child Poverty Bill introduced in the House of Commons. The Child Poverty Act, passed in March 2010, made the original child poverty targets (halving child poverty by 2010 and eradicating it by 2020) binding, and required publication of child poverty strategies for meeting that 2020 goal every three years between 2010 and 2020. The Act also required the UK government to publish annual child poverty progress reports. The poverty measurements included in the Act were relative low-income, absolute low-income, combined low-income and material deprivation, and persistent poverty. The relative low-income target was that fewer than 10 percent of children would live in households with less than 60 percent contemporary median income. The combined low-income and material deprivation target was set at 5 percent, meaning that less than 5 percent of children would have

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<sup>14</sup> Public Service Agreements are commitments made by UK governments as part of the budgeting process to promote cross-departmental commitment and coordination toward achievement of certain ends.

less than 70 percent contemporary median income and be materially deprived (which at the time still required definition). The absolute low-income target was that less than 5 percent of children would live in households with incomes below 60 percent of the median income of the base year, which was shifted to FY2010/11. “Persistent poverty” was defined to mean living in a poor household (based on the contemporary standard) in three of the preceding four calendar years. However, the law left the appropriate target for persistent poverty subject to consultation. The Child Poverty Act also established a Social Mobility and Child Poverty Commission to provide advice on child poverty strategies.

The Child Poverty Act became law only months before the 2010 parliamentary elections that brought the Coalition government into power. Although both the new Prime Minister David Cameron and Secretary of State for Work and Pensions Iain Duncan Smith had previously endorsed a relative poverty measure (Cameron 2006, The Social Justice Policy Group 2006), in office the Coalition continued the effort to shift focus from the contemporary poverty standard to indicators that addressed what they saw as causes and contributors—including drug use, heavy indebtedness, and worklessness (HM Government 2011). Nevertheless the government was required to report on the prescribed indicators. In 2012, the government released its report documenting failure to meet the 2010 child poverty target (DWP and Department for Education 2012). In FY2010/11, the number of children in relative poverty had been reduced by 2.3 million from the FY1998/99 baseline—short of the 50 percent reduction goal by 600,000 children. As was to be expected and was at least chronologically appropriate, Secretary Smith and others in the government blamed Labour strategy, claiming that the previous government had simply addressed the symptoms of poverty through government transfers, rather than treating the roots of poverty and making work pay (p. 4). Smith argued that it had been Labour strategy to focus transfers on groups with incomes only slightly below 60 percent of median in order, in a sense, to pluck low-hanging fruit.<sup>15</sup>

The political impact of the failure to achieve poverty targets was softened by growing evidence of the shortcomings of the contemporary poverty measure. Smith and others accused the Labour government of targeting with small additional benefits families with incomes near the contemporary standard in order to push them across the line—ensuring “poverty plus a pound” incomes for some, but leaving others behind. “It remains apparent that such a strategy did nothing to transform the lives of the poor,” Smith wrote in his introduction to the 2012 report, “for the root causes of poverty cannot be changed simply by a set of income transfers” (p. 4). Adding to the arguments against focus on a relative measure was the fact that a significant portion of the decline in numbers of children in poverty between FY2009/10 (the year of the election) and FY2010/11 (the last year of data for the report) was attributable to a decline in median income, not improvement in living standards. Thus the Great Recession itself nominally became something of an aid in reaching poverty targets.

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<sup>15</sup> See the speech “Families and young people in troubled neighbourhoods” released 2 December 2011: <https://www.gov.uk/government/speeches/families-and-young-people-in-troubled-neighbourhoods>.

The paradox (to some) of a positive effect of recession on poverty served to reinforce demands for a different focus, and DWP followed up by announcing a consultation asking how the government could use other dimensions, in addition to income, to develop better measures of child poverty (DWP 2012). The results of the consultation (there were 257 written responses, most representing organizations or units of government) are complicated by failure to distinguish between measures of outcomes—child poverty—and causes (worklessness, parental health, child attending a “failing school,” parents’ skills) (DWP 2014d). Averaging, the government found “support for developing new measures.” Oddly, 21 percent of responses did not agree that a family’s income was important or very important “in determining whether a child is in poverty” (p. 97). Possibly not so oddly, academic and “think tank” respondents were least enthusiastic about child poverty measures “wider than income” (p. 96).

As required by the Child Poverty Act, the Coalition government published its 2014 to 2017 Child Poverty Strategy in June 2014 (DWP 2014e). “This Government,” the document states, “remains firmly committed to the goal of ending child poverty in the UK by 2020” (p. 11). The Strategy reiterates the government’s intention “to tackle the root causes of child poverty now and across generations so we can transform lives” with tactical proposals in four areas: (1) supporting work and efforts to increase earnings; (2) raising living standards through various service enhancements; (3) raising educational attainments; and (4) collaborating with private firms, local government, and other local agencies. A centerpiece of the strategy is reorganization and integration of cash assistance within a single-benefit framework called Universal Credit (DWP 2014f).

In light of the difficulty of attaining even the intermediate goals for child poverty reduction, it seems unlikely the 2020 goal will be reached. Nevertheless, it is important not to lose long-term perspective. Certainly by American standards, the UK’s accomplishments in poverty reduction over the past 15 years have been extraordinary. When Tony Blair declared war on child poverty in 1999, around one in four UK children was in relative poverty. By FY2007/08, the numbers of children in absolute poverty had fallen by 50 percent, to approximately 1.7 million children. Progress against the relative measure was less dramatic. After a consistent decline in relative child poverty from FY1998/99 until FY2004/05, relative child poverty actually increased until 2008, after which it declined by around 300,000 children; but again, this was largely due to a decline in real incomes. The most recent HBAI document, published in July 2014 and based on data from FY2012/13, shows child poverty rates virtually unchanged from the previous year, with 17 percent of children in relative poverty and 19 percent of children in absolute poverty (based on 60 percent of FY2010/11 median income). This is well above what should have been achieved if the 2020 targets are to be reached.

This outcome is disappointing, but if anything the US has done worse. Table 3 shows recent poverty trends calculated on the basis of 60- and 50-percent of median income poverty standards for the UK and the US. We include relative poverty rates based on the contemporary median and absolute poverty rates based on a fixed baseline median. As long planned, the baseline for assessing absolute poverty in the UK has been ratcheted upward and the current absolute standard is based on median income in FY2010/2011. Following the convention used in constructing Table 1, we compare UK data for fiscal years to US data for the overlapping (by nine months) calendar year. The US incomes data include all the adjustments described in the appendix. To complete the comparison we add data on child poverty rates in the US based upon

the 60-percent-of-median threshold for 2010. Since 2009 child relative poverty rates have fallen in the UK and have possibly risen when assessed using a fixed income standard. In the US child poverty rates appear to have increased both when assessed relative to contemporary incomes and with reference to the income distribution in 2010. The story told by the OPM (see Figure 3) differs, at least for the most recent data. But again, the standards are much different. The official poverty standard for a family of four amounted to only about 76 percent of the 50-percent-of-median income cutoff in 2010. Some families are moving out of official poverty, but the overall shape of the income distribution is slow to change.

[Table USUKRCNT here](#)

Table 3: Recent Trends in Comparative Relative Poverty Rates, United Kingdom and United States

As Smeeding and Waldfogel (2010) emphasize, from an American perspective what seems important is that, despite failure to fully achieve the goals set out following the initial Blair declaration, what has happened over the past decade and one-half is remarkable. Moreover, the changes are clearly linked to deliberate policy aimed at poverty reduction (Griggs, Hammond, and Walker 2014). Government, it appears, worked. The challenge in the UK is to find ways to resume the downward trend; in the US, the problem is to find ways to start one.

### Reform in the United States

Like the UK, the US has a long history of private efforts at assessing poverty, but it was a change in policy that brought major government effort. In the American case the policy development was President Lyndon Johnson's War on Poverty. Orshansky's original calculations were done as refinement to the rough measure of poverty prevalence introduced in the 1963 *Economic Report of the President*; they were subsequently refined and adopted generally by the government in 1969 (Fisher 1992).

The Orshansky index was an interesting combination of normative and relative poverty assessment. The normative component was the measure's anchor, as noted, in an "economy" food budget. The relative component came about because Orshansky used contemporary (or at least from the 1950s) household expenditures data to develop an estimate of the ratio of non-food to food expenditures for inflating the economy food budget to a total expenditures level. Thus the anchor for the measure was a normative judgment of what families needed to meet minimum nutrition standards. Variation in this requirement by household size—the equivalence scale—was built in because the USDA food plan was organized by family composition (Orshansky 1965, 9).

At the time most observers—and Orshansky herself—viewed the standard as an interim measure to be refined over time (Orshansky 1965, 1). Subsequent developments proceeded on three tracks. In one the official measure gradually become entrenched both for government reporting and as the anchor for eligibility standards for many means-tested government programs. A major landmark in this development was OMB's 1978 directive that the standard "shall be used by all executive departments and establishments for statistical purposes" (Office of Management and Budget 1978).



A second track involved refinement of the family resources measure used by Orshansky to include noncash benefits, out-of-pocket costs for work- and health-related expenses, and in some work, appropriation of the value of assets. Milestones here include the 1976 report of a “Poverty Studies Task Force” authorized by Congress and commissioned by the Department of Health, Education and Welfare (HEW, U.S. Department of Health, Education and Welfare 1976). The Task Force report emphasized the complexity of poverty assessment and generally surveyed issues involved in establishing need and assessing resources. The Census Bureau responded by undertaking a continuing research program on valuation of noncash benefits (cf. Census Bureau 1982), and holding a 1985 conference on the topic (U.S. Census Bureau 1985).

A third track was encapsulated in the 1995 NRC report. Convened by the National Research Council (NRC) in 1992,<sup>16</sup> the panel’s original mandate was for “an independent, in-depth review of the U.S. poverty measure” (Citro and Michel 1995, xv); over time its mandate shifted, first under authorization from the Joint Economic Committee of Congress and subsequently under a broad and evolving mandate to study options for a national minimum benefit standard for Aid to Families with Dependent Children. Eventually the panel moved beyond studying the issue to actually proposing the new poverty measure noted above.

The panel’s recommendations involved both the measurement of family resources and family needs. The resources proposals were consistent with the arguments for a more inclusive definition of family income regularly presented in critiques of the official poverty measure—all income resources usable for consumption, including the value of food stamps and the earned income credit, were to be included. The panel broke new ground, however, in proposing a standard of need, or at least a *range* for the standard of need. The proposal was an interesting refinement of Orshansky. Like Orshansky, the panel’s standard was based on necessities, but necessities expanded to include food, shelter, clothing, and utilities (FCSU) and “other needed expenditures” (Citro and Michael 1995, 6). Like Orshansky, the standard was set in relation to common expenditure, but in this case there was no anchor in a normative food budget. The panel proposed instead a relative measure based on the distribution of FCSU across the entire population. Rather than identify a specific number, the panel suggested a range: somewhere between the 30<sup>th</sup>-35<sup>th</sup> percentile of FCSU outlays “plus a little more” (15-25 percent) for the other needed expenditures. A specific formula was proposed for adjusting FCSU assessment and the derived threshold for variations in household composition. Over time the FCSU anchor would move upward (presumably) with general consumption trends, but the adjustment was to be based on a multiple-year average. This averaging would dampen changes in the poverty standard in response to macroeconomic fluctuations; it would be, in a phrase used by the panel and its consultants, “relatively absolute.”

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<sup>16</sup> In 1980 an Expert Committee commissioned by the Bureau of Labor Statistics produced a report on Family Budget Revisions that proposed a “social minimum standard” based on relative expenditures that anticipates many features of the later NAS recommendations. However, 1980 was not a propitious time for promoting a new poverty standard. See Expert Committee (1980).

There was a bit of strategic genius in the NRC recommendations. Like Orshansky, they began with necessities—indeed a list that seemed to echo Franklin Roosevelt’s second inaugural reference to the third of America’s depression era population that was “ill-housed, ill-clad, and ill-nourished.” They positioned the proposed standard with reference to common outlays on these necessities, making it relative but relative to what was presumed by the NRC’s Band of Analysts to reflect a popular sense of what constitutes items essential to well-being. And they selected a range, rather than a point—thus in a sense leaving a window for political judgment. The report argued that the poverty standard range implied by the FCSU-plus-a-bit was consistent with various examples of normative judgments of minimum living standards but, at the same time, did not produce an amount radically different from the Orshansky standard. Nevertheless, the panel’s recommendations were comprehensive, and proposing a range simply invited taking the mean to obtain a specific number. One panel member took exception to *any* expert recommendation concerning the poverty standard on the grounds that such judgments were political and not scientific; but other members argued that the debate over the poverty standard would be served by having a reasoned proposal for alteration to replace the “demonstrably flawed” current measure (p. xvii).

Despite clever construction, the Panel’s report had no immediate impact, coming as it did in the midst of confrontation between the Clinton administration and the Congress over welfare reform.<sup>17</sup> It did, however, give license to and spur additional Census Bureau work on estimating components of income and expenditure necessary to develop an NRC-based poverty estimate. The first example appeared in mid-1999 (Short et al. 1999). Publication of the more comprehensive estimates of income continued through the George W. Bush administration. The Table Creator web utility, rolled out in 2003, was part of this somewhat stealth-full effort. A special workshop was convened in 2004 by the NRC Committee on National Statistics (CNSTAT) to refine the NRC proposal (National Research Council 2005). Among other things, the workshop recommended modification in the equivalence scale used for adjusting the poverty standards for households of differing compositions.

Implementation of a new poverty measure seemed to receive a substantial boost with the election of Barack Obama in 2008. An Interagency Technical Working Group (ITWG) was formed and charged with establishing a starting point for an NRC-type “Supplemental Poverty Measure” (SPM). The title was strategic; the new poverty standard was not to replace the entrenched Orshansky threshold, but rather was “designed as an experimental poverty measure that defines income thresholds and resources in a manner different from the official poverty measure” (Census Bureau 2013). Use in program administration was specifically disavowed. Among other things, the ITWG recommended averaging FCSU over a longer period than the NRC report—taking the midpoint of the FCSU range originally proposed by the NRC, subtracting medical out-of-pocket (MOOP) expenses from disposable income, using the three-parameter equivalence scale, and doing separate computations for households in three tenure classes: renters, homeowners without a mortgage, and homeowners with a mortgage. Given

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<sup>17</sup> See Haskins (2006) for the definitive Republican review. At no point in this 450-page “inside story” is either the Panel’s Report or the official poverty standard discussed.

these and other adjustments, the Census Bureau began annual publication of the new measure; and each year the standard report on the official poverty measure (cf. DeNavas-Walt and Proctor 2014) is followed by a report on results with the SPM (cf. Short 2014). From 2010-2012 the Census Bureau labeled the measure the *Research* [our emphasis] Supplemental Poverty Measure, presumably to emphasize its experimental character; the 2014 report dropped the Research modifier, as we do in the rest of the paper.

As now computed, the SPM retains the essential features of the NRC model but moves beyond in some areas, following the recommendations of the ITWG. Each SPM report includes a summary of the major differences between the SPM and the official measure. This is reproduced (with some elaboration) in Table 4, which includes the UK measure for comparison. The SPM-UK comparison turns on difference in focus (necessities for SPM versus net income in the UK), reference time period (much shorter for the UK), adjustment for regional price variations (none in the UK), and approach to housing costs. A larger difference, not apparent in the table, is that in the UK such computations are carried on in context of a national health system for all citizens. In contrast, health coverage in the US, while improving, remains less than universal, and medical “out of pocket” expenditures are a significant factor in household finance, especially for the elderly.

[Table MEASCOMP here](#)

Table 4: Poverty Measure Components: US Official, US Supplemental, and UK

Table 5 shows the various thresholds from 2010 to 2013, in 2013 dollars. Our Table Creator calculations for 50 percent and 60 percent of median income are almost the same in 2010 as in 2013 (a difference of less than \$25 in both cases). However, the thresholds for all three housing tenures declined by at least \$600 from 2010 to 2013. These changes are likely statistically significant.<sup>18</sup> While the thresholds for the SPM are similar to the OPM, the difference in treatment of income produces a substantial change in the composition of the population of households and people with incomes below the poverty standard. The most dramatic difference involves age: Inclusion of expenses and benefits uncounted in the OPM reduces estimated poverty rates for children and raises estimates for the elderly. In 2013, the poverty rate for children was 20.4 percent using the OPM, but only 16.4 percent using the SPM (Short 2014). In the same year, the poverty rate for adults over age 65 was 9.5 percent using the OPM and 14.6 percent using the SPM (Short 2014).

[Table POVSTANDS here](#)

Table 5: Poverty Standards: Official, Median Income, and SPM(s) (2013\$)

<sup>18</sup> Judged from the estimated standard errors of the annual estimates. The estimates by year are not statistically independent because of overlap of years used in calculating the five-year averages for FCSU outlays.

To date, the SPM has attracted much academic and policy analyst attention and virtually no political interest. The reason is clear: Unlike Britain's 60-percent-of-median measure, the SPM poverty rate is not the target of any policy; but academic and policy analyst attention is attracted by the host of technical and conceptual issues presented by the SPM's construction. Follow-on work has produced similar resource measures for some states and, notably, New York City (NYCCEO 2014).

Important general critiques of the SPM have come from Shawn Fremstad (2010) and from Daniel Meyer and James X. Sullivan (2012a). Writing for an advocacy organization, the Center for Economic and Policy Research, Fremstad is critical of various aspects of the SPM, including the FCSU definition of necessities, reference to the 33<sup>rd</sup> percentile of the expenditure distribution instead of a fraction of the median, and the adjustment for geographic variations in cost of living. Clearly influenced by developments in the UK, Fremstad argues for using a proportion-of-median-income poverty standard combined with a measure of deprivation that reflects necessities associated with contemporary living standards. Fremstad promotes resurrection of the Bureau of Labor Statistics (BLS) Family Budgets Program as a source of normative grounding for assessment of household need. Established in 1945 "to determine how much it costs workers' families in large U.S. cities to live" (cited in Citro and Michael 1995, 120). The program was terminated in 1981 by the Reagan administration, presumably for budgetary or ideological reasons.<sup>19</sup>

The Meyer and Sullivan (MS) critique builds on a long tradition of arguing that since consumption is the ultimate concern for poverty policy, consumption should be the focus of poverty measurement. Concentration on what may be only a subset of resources—notably survey-reported income—leads to anomalies in which some persons who report low current incomes appear to achieve above-poverty lifestyle. Like Fremstad, MS argue for a poverty standard based on the national median, but the (equalized) median of consumption expenditures, including imputed outlays for the services of vehicles and owner-occupied housing, rather than median income. The major source for the MS analysis is the Survey of Consumer Expenditures (commonly called the CEX). The CEX is used in the construction of the SPM to establish a threshold requirement for expenditures on necessities. This threshold is then used with other surveys, notably the CPS, to assess the prevalence of poverty. Instead, MS take advantage of reported income in the CEX to estimate the poverty rate directly using that survey and three alternative poverty measures: (1) the official standard, (2) the SPM, and (3) their own expenditure standard.

MS use face validity as an interesting test of the utility of their approach: From this perspective, the best poverty measure is the one that selects and tabulates people who really look poor. MS begin by actually using the CEX data and the derived 2010 SPM threshold to calculate the poverty rate based on CEX income data. The estimated rate is 16.5 percent, close to the

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<sup>19</sup> Fremstad (2010), p. 13-14. Johnson, Rodgers, and Tam (2001) provide background.

Census Bureau's estimate of 16.0 percent.<sup>20</sup> Next, they estimate an equivalent OPM by proportionate manipulation of the official poverty threshold to produce the same 16.5 percent overall poverty prevalence. They then calculate the distribution of consumer expenditures and identify the persons for whom equivalized consumption falls in the lowest 16.5 percent. The overlap of persons designated as poor across the three measures is only partial. In general the poverty population added by the MS measure has more earmarks of poverty (less education, fewer assets, lack of health insurance, etc.) than does the population excluded on the basis of consumption (Meyer and Sullivan 2012a, pp. 119-120). While not emphasized in their analysis but relevant to the concerns of this paper, the change reduces the number of families in poverty but increases the number of children estimated as poor, by identifying more large families as poor.<sup>21</sup>

The MS critique of SPM is part of a larger effort to study the difference in poverty trends when assessed on an income (i.e., using the pre-tax, post-transfer approach of the OPM or something more inclusive) compared to a consumption basis. They are also concerned with widely recognized problems with inflation adjustment in assessing trends in absolute poverty. In an important recent paper, MS compare trends in poverty using income as defined in the OPM, income adjusted for taxes and in-kind benefits, and a measure of consumption (Meyer and Sullivan 2012b). Their technique is similar to that adopted for analysis of the SPM, as described above. Alternative measures of resources are developed and compared, with the major difference being between a more inclusive measure of income and a CEX-based measure of consumption. The adjusted income and consumption measures are scaled to produce the official poverty rate for 1980—13 percent. The poverty threshold for the adjusted income and consumption measure is then combined with an alternative price index to produce an absolute poverty standard for each year through 2010, and this standard is used to calculate a poverty rate.

The price adjustment is important. Over time the methods used by BLS for constructing the Consumer Price Index (CPI) have changed. The time series used by MS (CPI-U-RS) retrospectively incorporates many of these adjustments to provide a methodologically consistent price index.<sup>22</sup> Year-to-year changes in prices measured by the CPI-U-RS are generally lower than changes assessed using the contemporary CPI; for example, the cumulative increase in

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<sup>20</sup> See Short (2011). The difference between estimates is probably within the range of expected sampling variation. Meyer and Sullivan cite the fact that the income measure used for the lower Census Bureau estimate includes value of three small (in aggregate) noncash benefits not available in the CEX (p. 120, note 9). What they fail to note is the slight difference in timing. The income data underlying the RSPM cover calendar 2010 and are collected retrospectively in the CPS-ASEC. The CEX sample is assembled continuously during the year (like the UK Family Resources Survey), and the income data refer to the "preceding 12 months." The upshot is that the income measure for no observation in the 2010 CEX data actually covers the same period as the 2010 incomes questions collected in the 2011 CPS-ASEC.

<sup>21</sup> We infer this from the fact that household sizes are larger in the consumption-based poverty counts while the overall poverty rate is, by construction, the same as determined using the SPM—an interpretation that was confirmed by MS. See Meyer and Sullivan (2012a), p. 119.

<sup>22</sup> See "CPI Research Series Using Current Methods (CPI-U-RS)" (<http://www.bls.gov/cpi/cpirsdc.htm>) for additional detail.

prices since 1980 is 165 percent using the CPI, 152 percent using the CPI-U-RS. On the basis of other expert opinion, MS further reduce the year-over-year percentage increase in prices by .8 percentage point. The cumulative increase in prices since 1980 of 165 percent for the CPI shrinks to 128 percent using this adjusted CPI-U-RS.

Figure 4 reproduces some of the MS results showing three series.<sup>23</sup> The first, the OPM, is 13 percent in 1980 and 15.1 percent in 2010—hardly lower than the 19.0 percent calculated for 1964, the year President Lyndon Johnson announced the War on Poverty. In contrast to studies using the OPM with CPI-based inflation adjustment, MS find substantial progress in poverty since 1980. The difference is attributable to both the revised price index and incorporation of changes in taxes and, to a lesser extent, in-kind benefits. By 2010 the rate based on after-tax income plus noncash benefits is down to 8.3 percent and the rate based on a consumption measure to 4.5 percent. (MS provide additional consumption poverty measures that drive the estimated poverty rate even lower.) Note that each of these lines represents trends in an absolute measure of poverty established for 1980. Subsequent differences reflect changes in policy not counted in the OPM (notably the EITC expansion in the 1990s) and differences in the applied price index.

[Figure MSPOVTRENDS here](#)

Figure 4: Trends in Official, Alternative Income, and Consumption-Based Poverty Rates, 1980-2010 (Thresholds Set to Produce Equal Poverty Rates in 1980)

From a political perspective, the dramatic news in the MS results concerns the first decade of the new millennium—during which the official poverty rate rose by 3.8 percentage points, the poverty rate calculated using the after-tax/benefits measure rose by .9 percentage points, and the poverty rate based on consumption *fell* by 1.8 percentage points. Indeed, the consumption poverty rate fell during every year of George W Bush’s administration, then rose during the first two (recession) years of the Obama administration. The divergence between the consumption-based and income-based poverty series is particularly striking because the two series generally track closely up to 2000.

MS attribute part of the divergence between the consumption and comprehensive income measures of poverty to increasing rates of underreporting of income in the CPS. In a posthumously published article written prior to publication of the MS paper, Richard Bavier—a long-time specialist in survey data and poverty measurement at the White House Office of Management and Budget—pointed out that poverty rates calculated on the basis of the incomes reported in the CEX also show a downward trend that is inconsistent with estimates derived from two other well-established surveys—the Panel Study of Income Dynamics (PSID) and the American Community Survey (Bavier 2014). Moreover, consumption data collected in the PSID

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<sup>23</sup> Figure 4 imitates Figure 2 in MS (2012b, 153) except that we take out pre-1980 data and substitute the MS “after taxes plus noncash benefits” series for the “after-tax income” series they plot. The two series are virtually the same. More detail on definitions is available in the source.

are inconsistent with decreasing rates of poverty over the same interval. Bavier concludes that “the weight of the evidence . . . leans heavily toward the conclusion that the CE[X] provides an inaccurate picture of changes in spending and income poverty in the years after the economic peak in 2000” (p. 709). Nevertheless, after ruling out various problems with the CEX sample, interview procedures, data imputation, and nonresponse as sources of divergence, he concludes that publicly available data reveal “no strong candidates” for causes.

At this writing, the muddle is unresolved; and this is important in part because the CEX is the source for the SPM poverty thresholds. At least for the time being, the uncertainty justifies our focus on poverty assessment using comprehensive income measures. This focus is further justified by our concentration on children; the CEX is not large enough to support detailed analysis of the status of children or links between consumption patterns of households with children and variations in government policy.

### **Conclusions and Opportunities**

The US and the UK appear far apart both in the importance attached to child poverty and in identifying the appropriate indicators for assessing poverty prevalence and the effects of public policy on it. The difference seems to have consequences: Child poverty rates in the UK are lower, and the UK safety net significantly outperformed US social protection during the Great Recession.

Both countries are engaged in discussions of standards for poverty assessment. In the UK the recession revealed shortcomings of relative poverty measures, but the search continues for theories of change to undergird national action and for links between such theories and appropriate indicators. Such indicators are particularly important in the context of the rollout of program changes as great as those incorporated in Universal Credit (National Audit Office 2014). In the US, the SPM—while interesting and in the international setting exceptional—has had no political consequence. Given the Census Bureau’s accomplishments in improving the definition of income beyond that used for the OPM, a better strategy for getting beyond Orshansky might be to simply take one relative poverty measure—say 60 percent of median income adjusted to include defensible estimates of the value of taxes, benefits, and services from durable goods—and then report trends in it in addition to trends in the OPM.

Our analysis suggests that a number of technical issues common to both sides are worthy of comparative attention. One is the valuation of the “income” from the services of owner-occupied housing in both countries and the subsidies implicit in provision of social housing in the UK. A second concerns the choice of index for the inflation adjustment of absolute poverty standards. Another is methods of incorporation of regional variation in costs of living, the subject of important recent work at the US Census Bureau (Renwick 2009). A fourth is the long-term problem of improving accuracy of the data on household resources; here integration of administrative and interview data seems essential but is in practice difficult. Fresh ideas on either side would be most welcome.

Whatever the problems with the CEX as currently operated, the logic behind using expenditures for assessing poverty is very strong. We have not investigated UK data on household expenditures, but we think it would be useful to compare expenditure patterns for comparably defined low-income households between the two countries. Working in the UK, for

example, we are struck by the differences from the US in social amenities—parks, libraries, transport, schools, and health care—available to low-income households. Is our perception justified? How can it be assessed? And what are the consequences for the patterns of household expenditures at what appear to be similar levels according to current measurement practices?

Both the UK and the US are experimenting with measures of deprivation. In the US, the food security measure developed by the Department of Agriculture is probably the most widely cited (Coleman-Jensen, Gregory, Singh 2014). While appropriately subject to criticism, the measure has proven quite productive in assessing the effect of counter-recession policy (Nord and Prell 2011), as well as in comparative study of the well-being of the poor in Canada and as an indicator for deprivation status in other countries (Nord and Hopwood 2008). The foundation of the food security statistics is a set of 18 questions asked in household interviews—primarily as part of the CPS, but versions are included in other surveys as well. Ten of the questions are asked in all interviews, with eight additional questions when the household includes children. The questions are graduated to move from occasional shortage to more severe and recurring need. Based on responses, households are classified as “Food Secure” or “Food Insecure”; the Food Insecure group is further graduated to Low and Very Low Food Security subgroups. An additional classification dimension is added for households with children, based on the questions asked about children. In 2013, 19.5 percent of households with children were identified as Food-Insecure on the USDA measure; in half of these households the children themselves experienced food insecurity (in the other half adults appeared to shield them). In about 9 percent of the households with Food-Insecure children, food security was classed as “very low”; children may have, for example, regularly skipped a meal because there wasn’t enough money for food (Coleman-Jensen, Gregory, and Singh 2014, 9).

We find nothing similar to the US food security measures in the UK. Our sense is the presumption that the income support system at least secures access to food for most persons, although some UK observers question this.<sup>24</sup> Instead, focus has been on dimensions of children’s lives as idealized by committee. The UK deprivation question set used for FY2012/13 is reproduced in Table 6. Note that allowance is made for inapplicability (infants, for example, rarely have hobbies) and even in the top quintile of the income distribution some children are denied the opportunity to ‘have friends around for tea or a snack once a fortnight.’ But as with food insecurity, what counts is what is identified by combinations of deprivation. In this case, it is a child whose deprivation score (a weighted function of the responses to the questions in Table 6) is above 25 out of a possible 100 and who lives in a household with income less than 70 percent of the median that meets the standard of “low income with deprivation”—one of the UK measures of poverty outcomes (DWP 2014c).

[Table UKCHILDDEP here](#)

Table 6: The UK Child Deprivation Indicators, FY2012-2013

<sup>24</sup> Recent UK controversies suggest that while this may be true for families with children, access to food remains a problem for some. See All-Party Parliamentary Group on Hunger and Food Poverty (2014).



In comparison to whether or not adults go without food to ensure meals for children (an element of the US food security measure), assessing whether a child has a bicycle or the pleasure of a snack with friends once a fortnight (elements of the UK deprivation measure) seems almost comical. But such UK items probably say much about environment, and they express an effort at achieving a normative vision of the experiences to which children might be thought to have a right. To be sure, normative visions, like setting poverty standards, raise thorny issues for policy professionals. But for those ultimately concerned for the well-being of the young, such visions can be important points of reference in building indicators.

Social inclusion, food security, and a child's opportunity to have friends over for tea or a snack are outcomes of successful social policy. But gaining these things requires access to employment for parents or, if employment is not adequately remunerative, income supplementation. An intermediate public accomplishment is to provide a place for those in need to gain help, a door to it, and the resources behind the door to move those seeking to do so out of poverty, however defined. For sure, it is important to count the numbers who cross the threshold and the numbers left behind. But to assess the success of policy, we need an accounting of the resources actually made available to those who are, in the language of the UK literature, "at risk" of poverty.

Finding ways to measure this resource availability and its evolution could be a useful contribution of public management. In the US such a metric would be useful, for example, in assessing the degree of erosion of assistance provided through TANF; in the UK the same metric might be used to study the consequences of the problems encountered in roll-out of Universal Credit. In any event, looking at the supply of help—the proximity of the door and what lies behind it—should assist in understanding why poverty outcomes are so different.

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## Appendix: Table Creator Set-Up

This paper grew out of an exercise devised for the graduate “Poverty and Social Policy” class taught by Michael Wiseman in the Trachtenberg School of Public Policy and Public Administration at the George Washington University. All the US computations reported in this paper are done with Table Creator (<http://www.census.gov/cps/data/cpstablecreator.html>). Since a course of this type appears in the curriculum for most policy schools, others may find such an exercise useful. This appendix details the procedures followed to construct the US numbers in, for example, Table 1 and also supports replication for verification of our computations.

The basic task is to approximate with US data what is counted as household income in the HBAI. HBAI definition of income (for income before housing costs) is sweeping, including: usual net earnings from employment; profit or loss from self-employment (losses are treated as a negative income); state support (all benefits and tax credits); income from occupational and private pensions; investment income; maintenance payments, if a person receives them directly; income from educational grants and scholarships (including, for students, top-up loans and parental contributions); the cash value of certain forms of income in kind (free school meals, free school breakfast, free school milk, free school fruit and vegetables, Healthy Start vouchers, and free TV license for those age 75 and over) (DWP 2014b).

Deductions include income tax payments; National Insurance contributions; domestic rates/council tax; contributions to occupational pension schemes (including all additional voluntary contributions [AVCs] to occupational pension schemes, and any contributions to stakeholder and personal pensions); all maintenance and child support payments, which are deducted from the income of the person making the payment; parental contributions to students living away from home; and student loan repayments (DWP 2014b).

Therefore instead of pre-tax, post-transfer cash income, we are working with post-tax (including a range of mandatory non-tax payments), post-transfer income. Post-transfer income in the UK accounting includes benefits provided “in kind” or earmarked for specific expenditures, such as “free welfare milk” and winter fuel payments.

For our approximation, we take all the cash income now counted in the poverty measure, add the value of educational benefits, food stamp benefits, subsidized school lunches, low-income energy assistance, maintenance and child support payments and other income received, and subtract net income taxes (thereby *adding* the EITC), mandatory payroll deductions, and property taxes on owner-occupied housing. There are lots of little differences left that do not account for much, including the fact that we do not have information on maintenance and child support payments paid, and we have doubts about the appropriateness of the way DWP accountants treat certain types of mandatory payments.

The numbering of income components below corresponds with the Table Creator numbering system, and is not intended to be a numbered list.

The items counted in income for this paper include:



1. Earnings (wages, salaries, and self-employment income)
2. Interest income
3. Dividend income
4. Rents, royalties, estate, and trust income
5. Non-government retirement pensions and annuities
6. Non-government survivor pensions and annuities
7. Non-government disability pensions and annuities
8. Realized capital gains (losses)
9. Social Security
10. Unemployment compensation
11. Workers' compensation
12. Veterans' payments other than pensions
13. Government retirement pensions and annuities
14. Government survivor pensions and annuities
15. Government disability pensions and annuities
16. Public assistance (includes TANF and other cash welfare)
17. Supplemental Security Income (SSI)
18. Veterans' pensions
19. Federal earned income credit
20. Federal income taxes after refundable credits except EIC (deducted from income)
21. State income taxes after all refundable credits (deducted from income)
22. Payroll taxes (FICA and other mandatory deductions) (deducted from income)
23. Property taxes on owner-occupied housing (deducted from income)
24. Government educational assistance
25. Non-government educational assistance
26. Supplemental Nutrition Assistance Program (SNAP; formerly the Food Stamp Program)
27. Free and reduced-price school lunches
28. Low-income energy assistance
31. Child Support
34. Money income not elsewhere classified
41. Economic stimulus payments (2009 ASEC only)
42. Economic recovery payments (2010 ASEC only)

For comparability with UK procedures, we have *not* included:

29. Public housing and rent subsidies
30. Fungible value of Medicaid
32. Alimony
33. Regular contributions from persons not living in the household
35. Imputed return to home equity on owner-occupied housing
36. Regular-price school lunches
37. Employer contribution to health care plans
38. Fungible value of Medicare
39. Medical expenses out-of-pocket (deducted from income)
40. Work-related expenses

To calculate median income using Table Creator:

1. Go to <http://www.census.gov/cps/data/cpstablecreator.html>
2. If it is not already open, select the “Data Options” drop-down from the Table Criteria box on the left side of the page.
3. In the drop-down menu under “Get Count of:”, select “Persons in Poverty Universe (everyone except unrelated individuals under 15)”.
4. Select the desired number of years, and the desired Latest year (Selecting 2010 will create a table based on 2009 data, collected in 2010).
5. Leave “Separate Table for Each Year” and “Census 2010 Weights” selected.
6. Under “Define Your Table” leave the Row Variable as “nested” and select “Poverty Status-Alternative” as the First Row Variables. Leave the Second, Third, and Fourth variables set to “None”.
7. Leave the Column Variables as “nested” and select “Age” as the First Column Variable. Leave the Second, Third, and Fourth variables set to “None”.
8. Under “Statistics”, leave all the default settings as they are, except change the “Percentages by:” drop down menu from “None” to “Poverty Status Alternative”.
9. Under Customized Formatting, leave the default settings as they are, except change “Display sums in:” From “Thousands” to “Whole Numbers”.
10. Under “Poverty Thresholds”, select “OECD Equivalence Scale (1)” under “Poverty Threshold Options”. Under the “Income-to-Poverty Ratio Percent Cutoff or Relative Poverty Thresholds Income Percent Cutoff”, enter 60 (we also did calculations for 50% median. If you want to do those calculations, enter 50 in this box instead of 60).
11. Under “Income Definition” select “Customize your own income definition”.
12. In the box that pops up to the right, select income sources 1-28, 31, and 34. For reference year 2008, also include number 41 (Economic Stimulus Payments (2009 ASEC only). For reference year 2009, do not include 41 but also include 42 (Economic Recovery Payments (2010 ASEC only).
13. Once all this is entered, click “Get Table”.

Of course, others may choose a different mix.

Figure 1: UK Poverty Rates, FY1998/99-FY2010/11, Absolute (FY1998/99) Standard

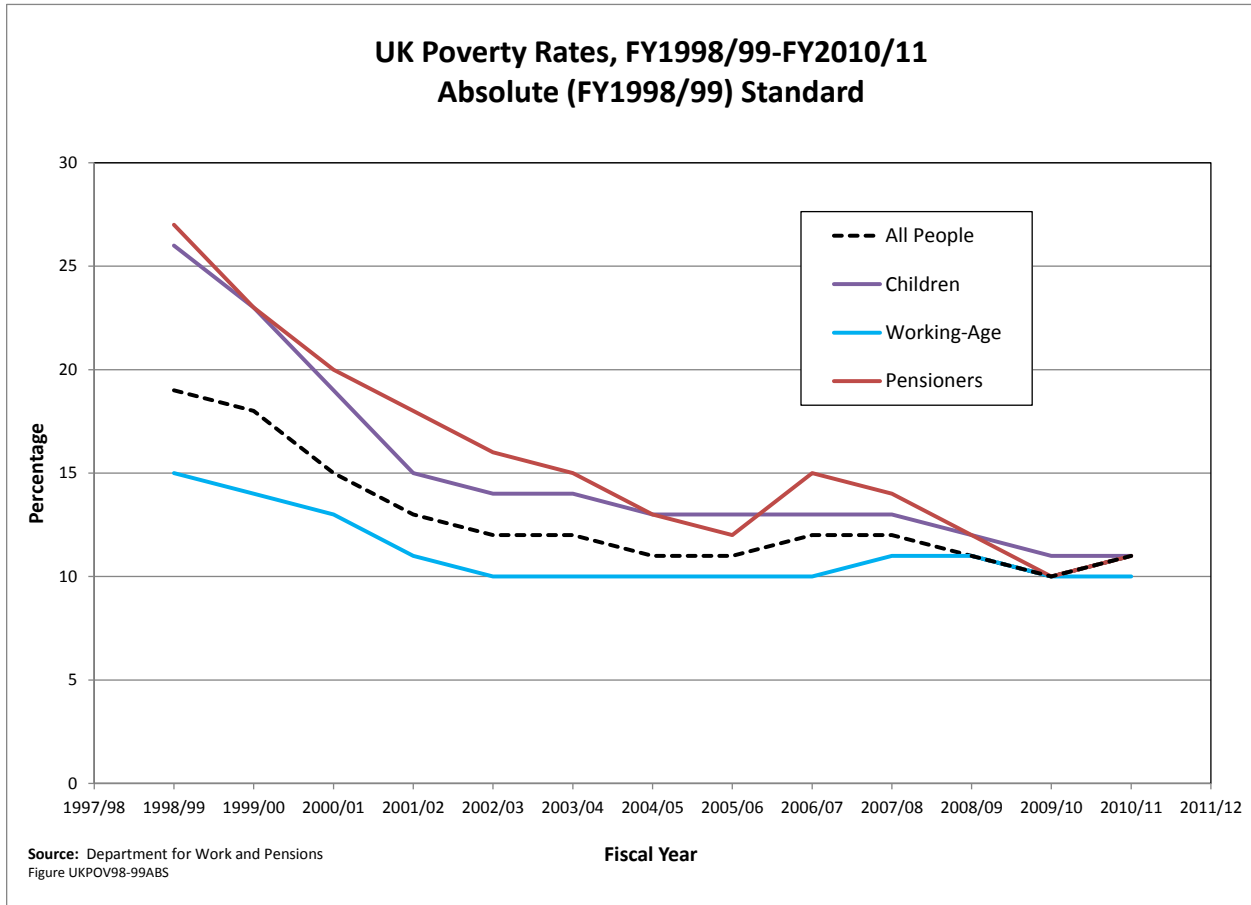


Figure 2: UK Poverty Rates, FY1998/99-FY2010/11, Contemporary (Relative) Standard

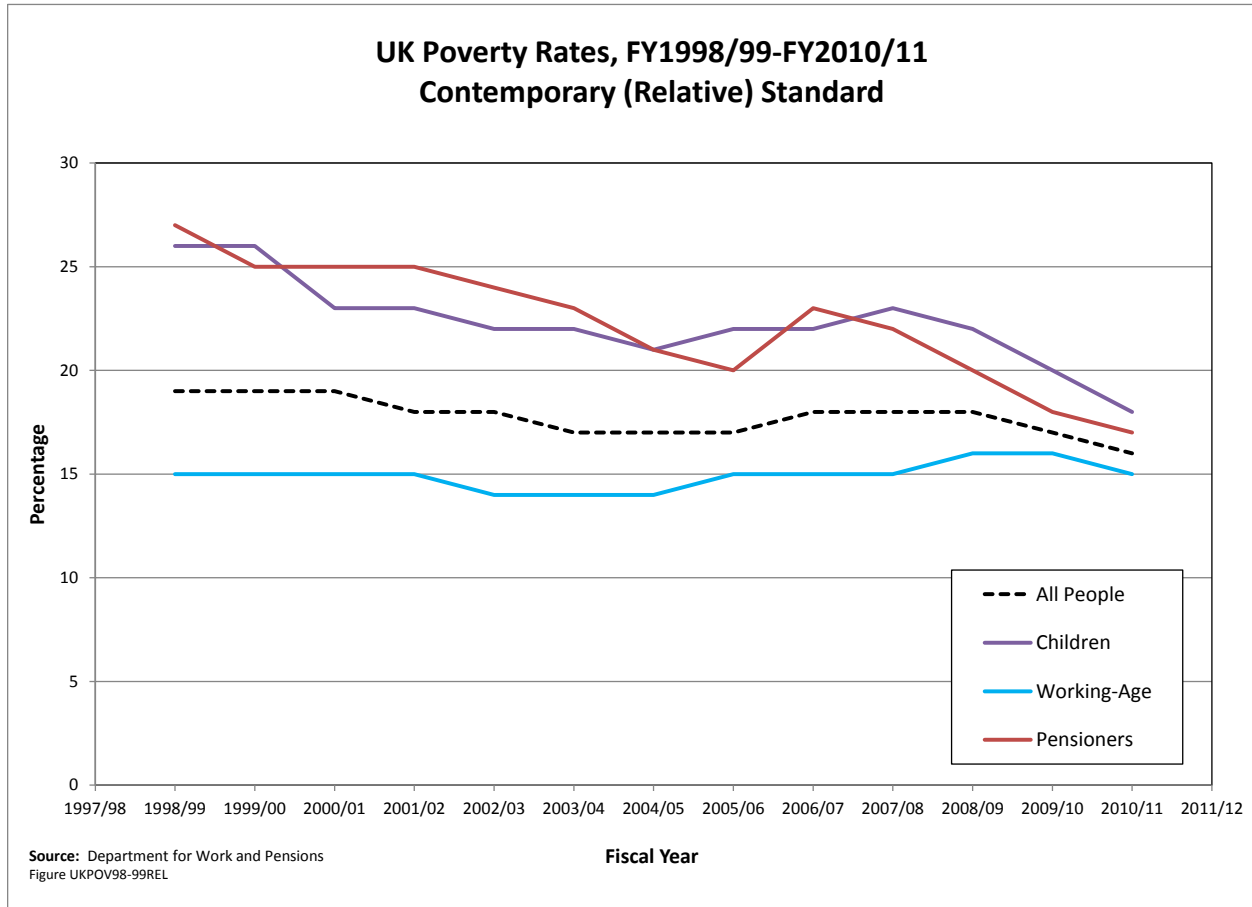


Figure 3: US Poverty Rates (Official Standard) by Age Group, 1998-2013

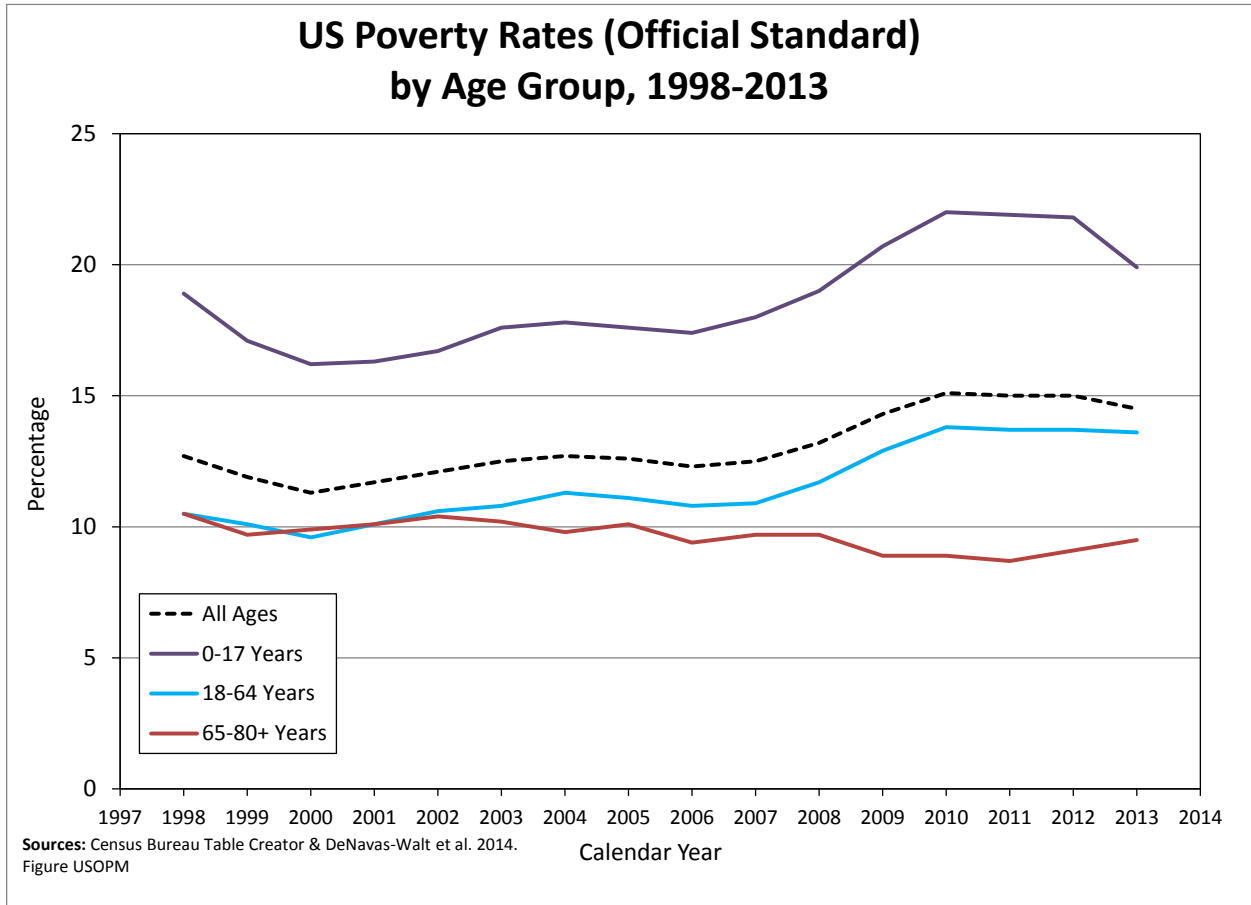


Table 1: Contemporary Poverty Rates, 2010 (US) and FY2010/11 (UK)

<b>Contemporary Poverty Rates, 2010 (US) and FY2010/11 (UK)</b>						
<b>Using Relative Income Standards (in %)</b>						
<b>Age Group</b>	<b>Individual equivalent income relative to national median</b>					
	<b>Below 60%</b>		<b>Below 50%</b>		<b>Ratio, 50/60</b>	
	<b>US</b>	<b>UK</b>	<b>US</b>	<b>UK</b>	<b>US</b>	<b>UK</b>
All	24	16	17	9	0.72	0.56
Children	28	18	20	9	0.71	0.50
Working Age	21	15	15	9	0.73	0.60
Pensioners	27	17	19	9	0.70	0.53

Sources: Authors' calculations based on Bureau of the Census (2014) and Department for Work and Pensions (2014); see text.

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Table 2: Comparative Relative Poverty Rates, 2010 (US) and FY2010/11 (UK), Using UK Contemporary Poverty Standard

<b>Comparative Relative Poverty Rates, 2010 (US) and FY2010/11 (UK) Using UK Contemporary Poverty Standard (in %)</b>						
<b>Age Group</b>	<b>Individual equivalent income relative to UK median</b>					
	<b>Below 60%</b>		<b>Below 50%</b>		<b>Ratio, 50/60</b>	
	<b>US</b>	<b>UK</b>	<b>US</b>	<b>UK</b>	<b>US</b>	<b>UK</b>
All	15	16	11	9	0.75	0.56
Children	18	18	14	9	0.76	0.50
Working Age	14	15	11	9	0.77	0.60
Pensioners	16	17	11	9	0.69	0.53

Sources: Authors' calculations based on Bureau of the Census (2014) and Department for Work and Pensions (2014); see text.

Table USUKSTD

Last update: 8-Aug-14

Table 3: Recent Trends in Comparative Relative Poverty Rates, United Kingdom and United States

<b>Recent Trends in Comparative Relative Poverty Rates, United Kingdom and United States</b>			
<b>UK</b>			
<b>Fiscal Year</b>	<b>Below 50% CMI</b>	<b>Below 60% CMI</b>	<b>Below 60% 2010/11 BMI</b>
<b>2009/10</b>	10	20	18
<b>2010/11</b>	9	18	18
<b>2011/12</b>	9	18	20
<b>2012/13</b>	9	17	19
<b>US</b>			
<b>Calendar Year</b>	<b>Below 50% CMI</b>	<b>Below 60% CMI</b>	<b>Below 60% 2010 BMI</b>
<b>2009</b>	20	28	27
<b>2010</b>	20	28	28
<b>2011</b>	20	29	29
<b>2012</b>	21	29	29
Note:	CMI is Contemporary Median Income BMI is Baseline Median Income		
Source:	HBAI (2014) for the UK Census Bureau Table Creator for the US Calculations by authors		
Table USUKRCNT			



Table 4: Poverty Measure Components: US Official, US Supplemental, and UK

<b>Poverty Measure Components: US Official, US Supplemental, and UK</b>			
	<b>US Official Poverty Measure</b>	<b>US Supplemental Poverty Measure</b>	<b>UK Poverty Measure</b>
<b>Measurement Units</b>	Families and unrelated individuals	Household: All related individuals who live at the same address, and any coresident unrelated children who are cared for by the family (such as foster children) and any cohabiters and their relatives	Household: One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room, sitting room, or dining area
<b>Baseline Poverty Threshold</b>	Three times the cost of a minimum food diet in 1963	Mean of the 30th through 36th percentile of expenditures on food, clothing, shelter, and utilities (FCSU) of consumer units with exactly two children multiplied by 1.2	Sixty percent of the current-pound median equivalized household income in a base year for the absolute standard. Sixty percent of the current-pound median equivalized household income for the contemporary standard
<b>Threshold Adjustments</b>	Varies according to variation in cost of minimum food diet by family size, composition, and age of householder	Adjusted for other household compositions using three-parameter equivalence scale. Varies for households by tenure class according to variation by class in housing and utility expenditures. Varies for households by location based on geographic variation in housing costs	Adjusted for variation in household composition using OECD equivalence scale. Calculated for total counted resources for Before Housing Costs (BHC) measure; calculated after deduction of housing expenditures for After Housing Costs (AHC) measure
<b>Updating Thresholds</b>	Consumer Price Index–All Items	Five-year moving average of expenditures on FCSU expressed in index-year prices using CPI-All	Absolute threshold updated by Retail Price Index; contemporary threshold computed using latest income distribution

<b>Poverty Measure Components: US Official, US Supplemental, and UK, continued</b>			
	<b>US Official Poverty Measure</b>	<b>US Supplemental Poverty Measure</b>	<b>UK Poverty Measure</b>
<b>Resource Measure</b>	Gross before-tax cash annual income	Sum over year of cash income, plus noncash benefits that families can use to meet their FCSU needs, minus taxes (or plus tax credits), minus work expenses, minus out-of-pocket medical expenses and child support paid to another household	Net (disposable) income in reference week for household interviews; some income components are referenced over a longer period. Child support is deducted from income of payer, counted as income for payee
<b>Source:</b> U.S. Census Bureau 2014, HBAI 2014b			
Table MEASCOMP			

Table 5: Poverty Standards: Official, Median Income, and SPM(s) (2013\$)

<b>Poverty Standards: Official, Median Income, and RSPM(s), in \$2013</b>					
(Family of 4–2 adults and 2 children)					
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Change 2010-13</b>
<b>US Official Poverty Standard</b>	23,624	23,624	23,624	23,624	0
<b>Table Creator 50% Current Median</b>	31,253	31,019	31,386	31,271	18
<b>Table Creator 60% Current Median</b>	37,502	37,221	37,661	37,525	23
<b>RSPM Owners W/ Mortgage</b>	26,824	26,619	26,162	25,639	-1,185
<b>RSPM owners w/ out Mortgage</b>	21,997	21,930	21,713	21,397	-600
<b>RSPM Renters</b>	26,058	26,121	25,473	25,144	-914
Source: U.S. Bureau of the Census					
Table POVSTANDS					

Figure 4: Trends in Official, Alternative Income, and Consumption-Based Poverty Rates, 1980-2010 (Thresholds Set to Produce Equal Poverty Rates in 1980)

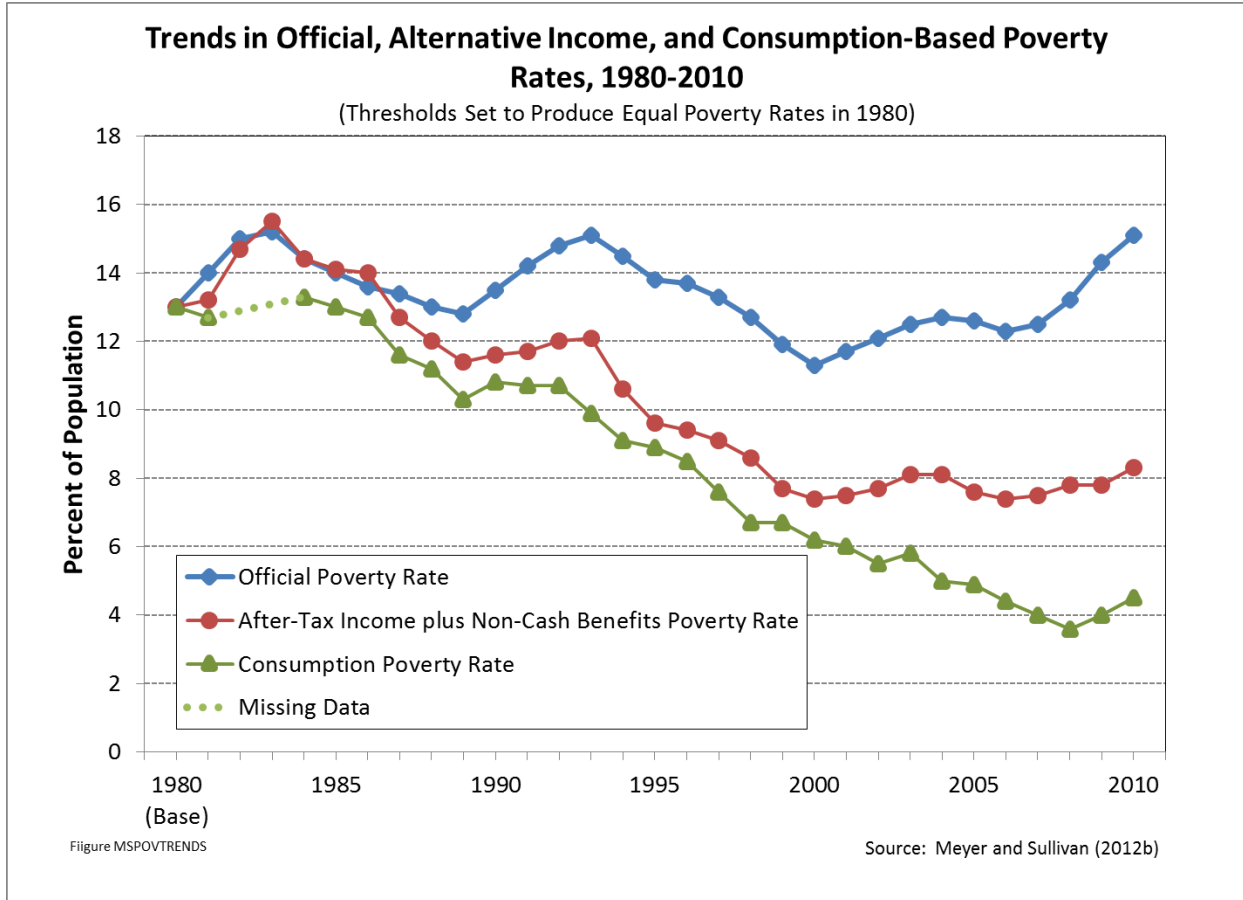


Table 6: The UK Child Deprivation Indicators, FY2012-2013

Quintile distribution of income for children by whether they have the material deprivation items and services, UK <sup>1</sup>							
Percentage of children <sup>2</sup>							
		Net equivalised disposable household income					
		Bottom quintile	Second quintile	Middle quintile	Fourth quintile	Top quintile	All
Outdoor space / facilities to play safely	Have this	83	88	92	97	97	90
	Don't have this	17	12	8	3	3	10
Enough bedrooms for every child 10 years or over and of a different gender	Child/ren has/have this	72	80	89	91	99	84
	Want but can't afford this	26	20	11	7	1	16
	Don't want or need; doesn't apply	2	-	-	1	-	1
Celebrations on special occasions	Child/ren has/have this	91	94	97	97	99	95
	Want but can't afford this	6	4	2	1	-	3
	Don't want or need; doesn't apply	2	1	1	2	1	1
Leisure equipment such as sports equipment or a bicycle	Child/ren has/have this	77	86	88	94	95	87
	Want but can't afford this	16	9	6	1	-	7
	Don't want or need; doesn't apply	7	6	7	5	5	6
At least one week's holiday away from home with family	Child/ren has/have this	35	45	63	76	90	58
	Want but can't afford this	60	51	32	19	7	38
	Don't want or need; doesn't apply	5	4	5	5	2	4
Hobby or leisure activity	Child/ren does/do this	65	70	76	82	87	74
	Would like to but can't afford this	12	9	4	3	-	6
	Don't want or need; doesn't apply	24	21	20	16	13	19
Have friends round for tea or a snack once a fortnight	Child/ren does/do this	63	64	68	74	80	68
	Would like to but can't afford this	11	9	5	3	1	7
	Don't want or need; doesn't apply	26	27	27	23	19	25
Go on school trip at least once a term	Child/ren does/do this	82	87	90	93	96	89
	Would like to but can't afford this	10	6	4	2	-	5
	Don't want or need; doesn't apply	8	7	6	5	4	6
Go to a playgroup at least once a week	Child/ren does/do this	61	63	76	77	84	70
	Would like to but can't afford this	9	6	2	3	-	5
	Don't want or need; doesn't apply	30	31	22	19	16	25
Attend organised activity once a week	Child/ren does/do this	54	60	69	77	85	67
	Would like to but can't afford this	18	13	7	5	1	10
	Don't want or need; doesn't apply	28	26	24	19	14	23
Eat fresh fruit and/or vegetables every day	Child/ren does/do this	85	88	92	93	96	90
	Would like to but can't afford this	8	6	2	1	1	4
	Don't want or need; doesn't apply	8	7	6	6	3	6
Have a warm winter coat	Child/ren does/do this	95	96	98	99	99	97
	Would like to but can't afford this	4	2	1	-	-	2
	Don't want or need; doesn't apply	1	1	1	1	1	1
<b>Notes:</b>							
1. This report and tables are the first to use grossing factors based on 2011 Census data, so caution should be exercised when making comparisons with previous reports.							
2. Percentages relate to the proportion of children whose parent / guardian answered the material deprivation questions. Questions about enough bedrooms, going on a school trip and attend playgroup are not relevant for all children.							
3. Percentages may not sum to 100 per cent due to rounding.							
Source: FRS 2012/13, Supplemental Excel Documents:							
<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325422/hbai-2012-2013-supporting-excel-files.zip">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325422/hbai-2012-2013-supporting-excel-files.zip</a>							
Table: CHILDDEP							

END