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Disseminating the Administrative Version and Explaining the Administrative and Statistical Versions of the Federal Poverty Measure*

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ABSTRACT

This article describes how the author, a federal employee, disseminates and explains the poverty guidelines (the administrative version of the federal poverty measure, used in determining eligibility for certain programs) and other poverty-related information, responding to 1312 public inquiries in 1996. The article reviews federal programs and some non-federal activities using the poverty guidelines; the principal categories of people who make poverty inquiries; and some of the questions most commonly asked.

One common question is "How was the poverty line developed?" The author has prepared a detailed account of the development and history of the poverty thresholds (the original version of the poverty measure), as well as a history of unofficial poverty lines in the U.S. between 1904 and 1965; these papers are disseminated in response to public inquiries on those subjects. The article discusses several findings about the development of poverty lines in the U.S. as a social process.

* An earlier version of this article was presented at the annual meeting of the Sociological Practice Association in Arlington, Virginia, in June, 1996. I am indebted to Jan Fritz for encouraging me to prepare and present that version. I am indebted to two anonymous reviewers for suggesting further topics to address in the published version of the article. The views expressed in this article are those of the author, and do not represent the position of the U.S. Department of Health and Human Services.

I work as a program analyst at the U.S. Department of Health and Human Services (HHS). In 1968 and from 1970 through 1973, I worked for the Office of Economic Opportunity (OEO), the lead agency of the Johnson Administration's War on Poverty; at OEO I prepared an annual tabulation of estimated direct benefits to the poor through federal programs. I transferred to what is now HHS in 1973. During the 1970's, my work included various analyses of means-tested programs and of trends in the poverty population. Since 1982, one of my major responsibilities has been to issue the annual update of the HHS poverty guidelines—the administrative version of the U.S. poverty measure, used in determining financial eligibility for certain federal programs (Fisher 1992a). (The other version of the poverty measure—the Census Bureau poverty thresholds—is used for calculating the number of persons in poverty.) I am also the main federal source for information about how the poverty thresholds were originally developed in the 1960's and about their subsequent history, and about the history of unofficial poverty lines before the 1960's. I receive and respond to numerous inquiries (1312 in 1996—up from 763 in 1993) from the public about the guidelines, the history of the thresholds, and related subjects.

I received a B.A. in sociology and religion. My graduate degree was not in applied or clinical sociology as such; instead, I received an M.P.A. (Master of Public Administration) in urban affairs. My orientation has been towards providing and explaining information to the public (including some sociological practitioners) rather than towards conducting academic or theoretical research studies. From a sociological perspective, my work is not a direct intervention in social systems; instead, it is providing and explaining relevant public information to many persons engaged in their own interventions in existing social systems at different levels.

How the Poverty Guidelines Are Used

The poverty guidelines are widely used to determine eligibility for various programs and services. Some programs use percentage multiples of the guidelines, such as 125 percent or 185 percent; some programs use the guidelines as one of several eligibility criteria. Federal programs using the guidelines include parts of the Medicaid program, Head Start, the Community Services Block Grant, Low-Income Home Energy Assistance, the Hill-Burton Uncompensated Services Program, AIDS Drug Reimbursements, the Food Stamp Program, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Emergency Food Assistance Program (TEFAP), the National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, Job Corps, other employment and training programs under the Job Training Partnership Act, the Senior Community Service Employment Program, the Foster Grandparent Program,

and Legal Services for the Poor. (The guidelines are not used to determine eligibility or benefit levels for Supplemental Security Income, public housing or other federal housing assistance programs, or (with a few minor exceptions) Aid to Families with Dependent Children or its new block grant successor.) Community health centers and Title X Family Planning projects use the guidelines to set sliding fee scales for services. The guidelines are used in affidavits of support filed by persons wishing to sponsor immigrants (in order to show that the would-be immigrant is not "likely...to become a public charge"). Hospitals use the guidelines in providing charity care under federal, state, or their own authority. Non-federal programs and activities using the guidelines include some state health insurance programs, the determination of legal indigency for court purposes, the provision of electricity or telephone service to needy households at special low rates, and state financial guidelines for child support enforcement. From time to time, some private or public organizations choose to use the poverty guidelines to assess the adequacy of wages or pensions.

The poverty guidelines thus affect significant numbers of persons and dollars—even though their effect is not as great as is often believed. A number of people believe that the poverty guidelines affect many big "entitlement" programs.¹ That belief is an exaggeration of the actual situation. Most of the federal programs using the guidelines are medium-sized or small, with only a few big programs (see the following paragraphs). Moreover, most of the federal programs using the poverty guidelines are discretionary programs—i.e., programs for which a fixed amount of money is appropriated each year. Once a discretionary program's appropriation for the year is used up, no more persons can receive benefits from it during that year, no matter how many more persons might be eligible for and apply for those benefits. Only a few programs using the guidelines are non-discretionary or mandatory (more precise and neutral labels than "entitlement"): Medicaid, the Food Stamp Program, and "state child nutrition programs" (mainly the National School Lunch Program).

The largest federal program using the poverty guidelines is Medicaid. It had 34.0 million recipients in Fiscal Year 1994, with expenditures of \$82.1 billion in federal funds and \$61.4 billion in state/local funds (Burke 1995:212). However, it is important to note that the major portion of the Medicaid program still does not use the poverty guidelines. After reviewing program statistics, personnel familiar with Medicaid unofficially estimate that in Fiscal Year 1995, about 20 to 25 percent of Medicaid recipients had their eligibility determined using the poverty guidelines (Klemm 1997).

The Food Stamp Program had 28.9 million recipients (monthly average) in Fiscal Year 1994, with \$25.6 billion in federal expenditures. The free and reduced-price segments of the National School Lunch Program (the segments

using the poverty guidelines) had 14.0 million recipients (daily average) in Fiscal Year 1994, with \$4.4 billion in federal expenditures. The Head Start program had 740 thousand participants in Fiscal Year 1994, with expenditures of \$3.3 billion in federal funds and an estimated \$0.8 billion in state/local funds. The WIC Program had 6.5 million recipients (monthly average) in Fiscal Year 1994, with \$3.3 billion in federal expenditures. The Low-Income Home Energy Assistance Program served 6.1 million households in Fiscal Year 1994, with federal expenditures of about \$1.7 billion. The roughly twenty additional programs using the poverty guidelines are smaller, generally in the hundreds or even tens of millions of dollars in expenditures (Burke 1995:212-226; cf. Citro and Michael 1995:433-448).²

Disseminating the Poverty Guidelines and Responding to Public Inquiries About Poverty

The poverty guidelines are updated annually. The primary and official means for disseminating this update is by publication in the *Federal Register* (e.g., [U.S.] Department of Health and Human Services 1997). They are also posted on the Internet <<http://aspe.os.dhhs.gov/poverty/poverty.htm>>, and I also disseminate them (in response to requests) by mail and telephone.

Intertwined with the process of disseminating the guidelines is the process of responding to public inquiries relating to them. As noted above, I responded to 1312 such public inquiries (or "customer service requests," to use the phrase currently in vogue) in calendar year 1996—up from 763 in 1993 and 182 in 1984.³ Most of these inquiries come by telephone, with relatively small numbers coming by electronic mail, by face-to-face questions from fellow HHS employees, and by letter. Inquiries come from state and local government employees and nongovernment personnel running programs using the guidelines, federal employees inside and outside HHS, academic researchers in the U.S. and other countries who are writing books or articles or teaching courses, advocacy groups for the poor or for children, college and high school students writing papers, librarians, and ordinary citizens wanting to know what the poverty level is. A relatively small number of inquiries come from Congressional staffers and newspaper/media reporters.

The most common questions are when the latest guidelines were (or will be) published, and what the latest figures are. However, responding to inquiries often involves explaining things—not just giving people numbers; this is even more true when one looks at the amount of time required rather than the number of inquiries involved. I often have to explain about the difference between the poverty guidelines and the poverty thresholds, as many people have no reason to be aware of that rather obscure distinction. Another common question is "How was the poverty line developed?"⁴ (In responding to questions on the guidelines, the thresholds, and their development, I am

often able to give people references to or send them copies of articles (Fisher 1992a and 1992b) that I have prepared on those subjects.) People also ask if there are separate poverty lines for each state (Fisher 1996a), and I have to explain why there aren't.

Yet another common question is about the definition of "income" or "family" used with the guidelines. On this question, I have to refer people to the particular program in question, since there is no universal administrative definition of such terms as "income" or "family." If an organization is using the guidelines under its own authority, I point out that it is up to the organization to determine the definition of "income" and "family" that it will use with the guidelines. The matter is complicated by the fact that it has become customary to print the Census Bureau's definition of "income"—a definition used for statistical rather than administrative purposes—as an illustrative definition in the *Federal Register* notice containing the guidelines. I point out that the Census Bureau's statistical definition is not binding for administrative purposes, and discuss particular components of the definition of income that people may want to pay attention to in considering the difference between statistical and administrative definitions of income.

Researchers, students, and others sometimes ask me about various issues in poverty definition and measurement, or sometimes raise the more general question, "Is the current poverty line adequate for the 1990's?" I respond to such inquiries by discussing the issues in question and often referring the inquirers to relevant articles and books.⁵

From time to time, in response to requests, I provide comments to professional colleagues on drafts of poverty-related papers, articles, or books.

I also get some inquiries that are not about the poverty guidelines but about other social statistics—e.g., the number of persons in poverty (tabulated by the Census Bureau using the poverty thresholds), the number of persons receiving Aid to Families with Dependent Children, the Consumer Price Index, unemployment figures, federal social welfare expenditures, and so on. I refer these inquiries to knowledgeable people in the relevant offices.

Responding to citizen inquiries is a useful form of public service in itself, since a well-informed citizenry is necessary for a democracy to function. In addition, public inquiries about the guidelines are a useful form of feedback for me. When a number of people call with questions about the meaning of a particular phrase or sentence in the text of the poverty guidelines *Federal Register* notice, that tells me that the phrase or sentence is not clear, and I revise it to try to make it more understandable. In some cases when a number of people have asked for a piece of information that was not in the text of the *Federal Register* notice (for instance, the U.S. Code citation for the section of law that requires HHS to update the poverty guidelines), I have included that piece of information in the next update of the notice, thus making it possible

for potential inquirers to get the information without the time and expense of a long-distance telephone call.

Compiling the History of the Present and Earlier Poverty Lines

As noted above, people often ask "How was the poverty line developed?" Some of these people ask for something in writing in addition to my verbal explanation. As a result, I became aware during the 1980's that there was no entirely satisfactory secondary account of the development and subsequent history of the poverty thresholds.⁶ Published secondary accounts of the development of the thresholds did exist, but often their consultation of published primary sources was limited, resulting in errors and inaccuracies.

Persons interested in the development and history of the thresholds could consult some published primary sources—e.g., articles by Mollie Orshansky⁷, who developed the thresholds. However, I became aware that there were various unpublished primary sources—internal memoranda, records of interagency committee meetings, and unpublished papers by Orshansky—that most interested persons could not consult. Various government employees had preserved various items in old files, but no one was actively conserving and gathering all of this material into a single collection. As time went on, much of this historical record was in danger of being lost. Preservation of the historical record was important both for its own sake and because specific details of the development of the thresholds had significant implications for possible changes in poverty/income definitions. (As a federal employee dealing with poverty issues since the late 1960's, I had been exposed to ways of viewing poverty definition issues that did not always make their way into the academic literature.)

Since my office worked with the poverty guidelines, not the poverty thresholds, my official responsibilities during the mid-1980's did not include collecting historical material about the thresholds. However, as a former OEO employee, I felt strongly that this task ought to be done, so in 1987 I began doing it. Several colleagues graciously let me copy material from their files. I also collected numerous published and unpublished papers and Congressional testimony by Orshansky. And I learned much from conversations with Orshansky about her work on the poverty thresholds. Using all these primary sources, I prepared several draft papers on the development and history of the poverty thresholds. In 1992, the *Social Security Bulletin* asked me to write an article on the origin of the poverty thresholds. I responded by preparing a 75-page paper (Fisher 1992c), to get down on paper as much historical material as possible; this was condensed into a 12-page article (Fisher 1992b) for the *Bulletin*.

While researching the early history of the poverty thresholds, I became interested in unofficial poverty lines that various Americans had developed

before 1965, and began doing historical research on this subject as well. (I was unable to find any single complete published account on this subject.) In 1993, I prepared a 75-page paper (Fisher 1993) on unofficial poverty lines in the U.S. between 1904 and 1965. In the introduction to this paper, I commented that I believe the "ancient history" of 1904-1965 American poverty lines is relevant to poverty definition and measurement today because I look at the drawing of poverty lines as a social process—not merely a technical economic exercise.

During my research on pre-1965 poverty lines, I also became increasingly aware of a significant but (presently) little-known phenomenon known as the income elasticity of the poverty line—that successive unofficial poverty lines tend to rise in real terms over time as the real income of the general population increases. I gathered extensive evidence on the occurrence of this phenomenon in the U.S., Britain, Canada, and Australia, and in 1994 and 1995 compiled it into a 78-page paper (Fisher 1995—briefly summarized in Fisher 1996b).

I send out copies of my *Social Security Bulletin* article and my unpublished papers in response to inquiries about the development of the thresholds, about poverty definition and measurement issues, and about pre-1965 poverty lines. I gave copies of them to the National Research Council's Panel on Poverty and Family Assistance while it was preparing its 1995 report (Citro and Michael 1995) recommending a new approach for developing a poverty line for the U.S.; in connection with the Panel's recommendation to update the proposed new poverty line in a quasi-relative fashion, my papers were one of the sources for the historical evidence the Panel cited that successive absolute poverty lines rise in real terms over time as the real income of the general population rises.

I have also sent or given copies of my poverty line article and papers to researchers and government employees in this country and in Canada, Mexico, Britain, Germany, the (former) Czech and Slovak Federal Republic, India, China, Taiwan, South Korea, and Australia; colleagues have given copies of my *Bulletin* article to government officials from Albania and to a community/grass-roots group in Latvia concerned about increases in poverty there in the wake of the transition to a market economy. British sociologist and poverty researcher Peter Townsend commented that my papers represented a major contribution to the international literature on poverty, and that they "offer a remarkable insight into the U.S. tradition of measuring poverty."

The Development of Poverty Lines as a Social Process

As indicated in the previous section, a significant part of my "practice" is researching, disseminating, and explaining the past "practice" of those who

developed poverty lines in the U.S. While an extensive summary of this historical material would be beyond the scope of this article, *Clinical Sociology Review* readers might be interested in a discussion of several of my findings about the development of poverty lines as a social process.⁸

What Groups Have Developed and/or Studied Poverty Lines?

One intriguing finding about this social process is that there was a change during the 1960's in the identity of the groups that develop and/or study poverty lines in the U.S. (Fisher 1993:73-74; Fisher 1995:76-77). Up until about 1965, the people who developed (and studied) poverty lines were usually advocates of the disadvantaged rather than academic social scientists elucidating abstract concepts about minimum consumption. (This group of advocates who developed poverty lines includes Mollie Orshansky, who developed what became the current official poverty thresholds.) There are, of course, exceptions to this generalization, but time and again one finds someone developing a poverty line or standard budget because s/he was indignant about some social injustice and wanted to do something about it (hoping that more factual, quantitative knowledge would help in combating the injustice).⁹ Specific social injustices included industrialists conspicuously consuming luxuries while paying workers "starvation wages," harsh working conditions among immigrant adults and children doing piecework at home in often windowless tenements, six-year-old children being forced to labor in cotton mills and the brutal working conditions in those mills, and shockingly high infant mortality rates among low-income working-class families. In terms of professions, the pre-1965 developers of poverty lines and budgets included social workers (especially during the Progressive Era, when social work included many activist social reformers), employees of state bureaus of labor statistics, labor union representatives, home economists, and employees of federal social agencies. Some economists did participate, but they were only one of several elements in the mix, and relatively little of the pre-1965 poverty line literature that I have found was in traditional economic publications. (When economists were involved with poverty lines, there was some tendency for them to be women interested in distributional or household economics, rather than men interested in macroeconomics.)

However, that situation changed after the War on Poverty began in 1964 (Fisher 1995:77). Poverty studies became a distinct field as such, and economists began to get involved in poverty line studies in significant numbers. People who had been involved in developing and studying poverty lines during the 1950's and early 1960's gradually retired and/or died during the 1970's and 1980's. By 1980, Walter Korpi of Sweden was noting that sectorially oriented poverty research in the United States was clearly dominated by economists (in contrast to the situation in Britain and

Scandinavia, where there was a relatively even balance between sociologists and economists). What Korpi said of poverty studies in general is true of poverty line studies in particular. Today if one mentions (in an American context) that one deals with poverty—or poverty lines—a common response is, "You must be an economist, then."

*The Income Elasticity of the Poverty Line*¹⁰

A second significant finding about the social process of developing poverty lines is the phenomenon of the income elasticity of the poverty line (referred to above)—the tendency for successive unofficial poverty lines to rise in real terms over time as the real income of the general population increases (Fisher 1995). There is extensive American evidence for this phenomenon, including expert-devised minimum budgets prepared over six decades, "subjective" low-income figures in the form of national responses to a Gallup Poll question over four decades, and the recorded common knowledge of experts on poverty lines and family budgets from about 1900 to 1970. Similar although somewhat less extensive evidence is available from Britain, Canada, and Australia.

From roughly 1905 to 1960, American budget experts developed a number of "standard budgets" (item-by-item "market baskets") at different levels of living. Ornati (1966:10-14, 141-145, and 147-150) analyzed about 60 standard budgets prepared during the 1905-1960 period, and classified them as being at "minimum subsistence," "minimum adequacy," and "minimum comfort" levels. (His "minimum subsistence" category corresponds to our concept of poverty.) A study by Kilpatrick (1973:331) showed that Ornati's minimum subsistence figures over this 55-year period rose 0.75 percent in real terms for each 1.0 percent increase in the real disposable income per capita of the general population.

An examination of early poverty lines and budgets not considered by Ornati confirms and extends this picture (Fisher 1993; Fisher 1995). The poverty/subsistence figures examined (like Ornati's budgets) were all derived as absolute poverty lines. Yet over time, these successive absolute poverty lines rose in real terms as the income of the general population rose. Poverty lines and minimum subsistence budgets before World War I were, in constant dollars, generally between 43 and 54 percent of Mollie Orshansky's poverty threshold for 1963. By 1923, Dorothy Douglas' "minimum of subsistence level" (expressed as a range rather than a single dollar figure) was equal to 53 percent to 68 percent of Orshansky's threshold. A U.S. Works Progress Administration "emergency" budget for the Depression year of 1935 was equal to 65 percent of Orshansky's poverty threshold. Robert Lampman's low-income line for 1957 was equal to 88 percent of Orshansky's poverty threshold.

Evidence from an overlapping but more recent period (extending up to the 1990's) comes from the Gallup Poll. Since 1946, the Gallup Poll has repeatedly asked the American public the following question: "What is the smallest amount of money a family of four (husband, wife, and two children) needs each week to get along in this community?" The average response to this "get-along" question has been higher than the Orshansky poverty line, but it seems reasonable to assume that the relationship between the "get-along" amount and family income is a good indicator of how the public's perception of the poverty line would vary over time in relation to family income (if a "poverty" poll question had been asked). Half a dozen analyses (Kilpatrick 1973; Rainwater 1974; Rainwater 1990; Vaughan 1993; others summarized in Fisher 1995:12-16) have found that the "get-along" amount rises by between 0.6 and 1.0 percent for every 1.0 percent increase in the income of the general population.

Another significant (although neglected) source of evidence about the income elasticity of the poverty line is the common knowledge of experts on poverty lines and family budgets before 1970, as documented in quotations from their writings. There is one such quotation from 1841, over a dozen from the 1900-1959 period, and over a dozen from the 1960's (Fisher 1995:16-27). It is clear that the income elasticity of the poverty line was well known to these experts, and that they were quite familiar with the underlying social processes involved. One quotation which illustrates these social processes with particular clarity was written by Daugherty (1938:137): "A standard budget worked out in the [1890's], for example, would have no place for electric appliances, automobiles, spinach, radios, and many other things which found a place on the 1938 comfort model. The budget of 1950 will undoubtedly make the present one look as antiquated as the hobble skirt." Some of the quotations make ironic reading in the light of subsequent history, as when the Social Security Administration's Ida Merriam (Mollie Orshansky's boss) wrote in 1967 that "It is easy to observe that poverty in the U.S. today cannot meaningfully be defined in the same way as in the U.S. of 1900....obviously today's [poverty] measure, even if corrected year by year for changes in the price level...should not be acceptable twenty, ten or perhaps even five years hence" (Merriam 1967:2). (As things turned out, of course, the poverty measure of the 1960's, adjusted only for "changes in the price level," is still in use not merely ten or twenty but thirty years later.) Others publicly recognizing the income elasticity of the poverty line during the 1960's included Rose Friedman and the Republican minority of the Joint Economic Committee of Congress (Fisher 1995:22-23).

In the light of this extensive American evidence from standard budgets, the Gallup Poll, and the common knowledge of experts, it becomes clear that the decision made by a 1968-1969 federal interagency committee to adjust the

official U.S. poverty thresholds only for price changes (and not for changes in the general standard of living) represents a single major historical anomaly. The anomaly of the 1968-1969 decision is highlighted by the fact that when the Council of Economic Advisers' \$3,000 poverty line and then the Orshansky poverty thresholds had been adopted only five years earlier, they had been known to be 14 to 19 percent higher in real terms than unofficial poverty lines introduced only six to fifteen years earlier (Fisher 1995:70-76).

The force of this American historical evidence is strengthened when one realizes that the income elasticity of the poverty line results from social processes that have continued—indeed, have perhaps even intensified—since the 1960's. These social processes can be summarized as follows (Fisher 1995:69-70), based on analytical descriptions by American and British experts: As technology progresses and the general standard of living rises, new consumption items are introduced. They may at first be purchased and used only by upper-income families; however, they gradually diffuse to middle- and lower-income levels. Things originally viewed as luxuries—for instance, indoor plumbing, telephones, and automobiles—come to be seen as conveniences and then as necessities. In addition, changes in the ways in which society is organized (sometimes in response to new "necessities") may make it more expensive for the poor to accomplish a given goal—as when widespread car ownership and increasing suburbanization lead to a deterioration in public transportation, and the poor are forced to buy cars or hire taxis in order to get to places where public transit used to take them. Finally, the general upgrading of social standards can make things more expensive for the poor—as when housing code requirements that all houses have indoor plumbing added to the cost of housing.

In the light of these social processes, the only (hypothetical) kind of American society in which it would be sociologically justified to have had the same fixed-constant-dollar poverty line since the mid-1960's would be a society in which there had been essentially no technological change or innovation since 1960. Accountants and economists in such a society would still perform involved numerical analyses using mechanical calculators and slide rules, and secretaries would type up the results using manual typewriters. On certain evenings they would all drive home from work hurriedly in their Edsels in order to catch favorite television programs, knowing that if they missed the program, they would never have a chance to see it again. The lack of technological innovation would mean that no new consumer products had been introduced since 1960 to work their way down from the upper to the middle and lower levels of society; the list of "necessities" would thus be the same in 1997 as it was in 1963 (the base year for Orshansky's original poverty thresholds) or 1955 (the year of the food survey from which Orshansky derived the multiplier for her thresholds).

Given that the phenomenon of the income elasticity of the poverty line was well known among American poverty line experts before 1970, why is it so little known today? This change in knowledge seems to be connected with the change described above in the identity of the groups that develop and/or study poverty lines in the U.S.—from advocates of the disadvantaged to academic economists. As the advocates were gradually succeeded by economists, it appears that the history and traditions of the earlier group tended not to be taken in by the newcomers as part of their own history and traditions. (An additional factor may have been that economists tend to give more emphasis to theory than to history.) As a result, the knowledge about the income elasticity of the poverty line was to a great degree lost to those who now study poverty lines (Fisher 1995:76-78).

Is the Process of Setting the Level of a Poverty Line Merely "Arbitrary"?

Yet another finding about the process of developing poverty lines is perhaps more precisely described as a personal assessment or conclusion.

Setting the level of a poverty line is often described as "arbitrary"¹¹ by those who study poverty definition and measurement. Is that description appropriate? Specifically, were the poverty lines developed in the U.S. between 1900 and 1965 merely "arbitrary"?

I have studied over forty poverty lines and subsistence budgets developed in the U.S. during the 1900-1965 period. I have studied the work of and the procedures followed by those who developed these poverty lines and budgets, as well as the dollar figures that they came up with. Based on my studies, my assessment is that the people who developed those poverty lines were not merely picking "arbitrary," capricious numbers at random. Instead, they were generally trying to develop a figure that approximated a rough social consensus about the level of a socially acceptable minimum standard of living at a particular time. (For conceptual discussions with some relevance to this conclusion, see Vaughan 1993:22-24 and 37; Dubnoff 1985:287, 293, and 297-298; Rainwater 1990:2-4 and 10-11; Watts 1980:8-9; Citro and Michael 1995:38). What the advocates developing poverty lines were doing was somewhat similar to determining the content of a social norm (such as what types of clothes and fabric colors are acceptable for formal wear by a specific social group in a particular period and social context).

If the developers of poverty lines during the 1900-1965 period had merely been picking "arbitrary," capricious numbers, then the numbers they would have picked would have varied "all over the map," showing no organized pattern. That did not happen. Instead, the numbers developed by the advocates showed the general pattern of rising in real terms over time as the real income of the general population increased. At the times they were developing these poverty lines and subsistence budgets, some of these

advocates (and some of their colleagues) gave qualitative descriptions of the social process in which as the general standard of living rose, new consumption items were introduced, gradually diffusing down from upper-income levels to middle- and lower-income levels, and thus gradually expanding the list of what were considered to be necessities. Some of them also made some numerical comparisons, but most of the more sophisticated quantitative analyses confirming the income elasticity of the poverty line were not done until after 1965. Taken together, the qualitative and quantitative descriptions are persuasive evidence that the gradually rising poverty lines developed by the advocates were approximations of the gradually rising rough social consensus about a socially acceptable minimum standard of living.

When Mollie Orshansky developed her poverty thresholds in 1963-1964, they were a further exemplification of the income elasticity of the poverty line by being higher in real terms than poverty lines developed less than a decade earlier. There is also some evidence that her poverty thresholds approximated a rough social consensus about an acceptable minimum standard of living both among experts and among the general population.

When one looks at twelve expert-developed poverty or low-income lines applied to families of four during the 1959-1964 period, one finds that eight¹² of them were between \$3,000 and \$3,500 in current dollars (Fisher 1993:55-67) (which would have been one or two hundred dollars higher in 1963 dollars), showing a rough consensus among experts¹³ during this period about the level of a socially acceptable minimum standard of living. Orshansky's poverty line of \$3,128 (in 1963 dollars) for a nonfarm family of four fit in well with this expert consensus.

We do not have any direct evidence about the views of the general population in 1963 about the level of a socially acceptable minimum standard of living—i.e., about where the public would have placed a poverty line at that time. However, Vaughan (1993) constructed a socially defined poverty standard for the 1947-1989 period using Gallup Poll responses to the "get-along" question for those years and a Gallup Poll response to a question specifically about the poverty line in 1989. (He assumed that the ratio of the poverty line response and the "get-along" amount for 1989 could be applied to the earlier years.) His Gallup-Poll-based poverty standard for a family of four for 1963 was \$3,108—essentially identical to Orshansky's 1963 poverty threshold of \$3,128. In Vaughan's words, this suggests that Orshansky's poverty line "was generally consistent with societal notions about the poverty level prevailing at about the time it was introduced" (Vaughan 1993:28).

There have been some post-1965 efforts to develop poverty lines that approximate a social consensus about a socially acceptable minimum standard of living. Fendler and Orshansky (1979) developed a revised set of poverty thresholds by applying Orshansky's methodology to more recent data. For a

family of four, their threshold for 1977 was 20 percent higher than the official threshold. Vaughan indicated that this threshold for a family of four for 1977—\$7,442—was essentially identical to his Gallup-Poll-based poverty standard of \$7,431 for that year (Vaughan 1993:45, footnote 41). This implies that the Fendler/Orshansky figure was also "generally consistent with societal notions about the poverty level" at the time. Other post-1965 efforts to develop such poverty lines include Schwarz and Volgy (1992) and Renwick and Bergmann (1993).

It is true that there is no single generally accepted methodology to develop a poverty line that approximates a social consensus about a socially acceptable minimum standard of living.¹⁴ One might at first think that public opinion polling (including Leyden-style "subjective" poverty lines) would be one possible means of ascertaining social norms in this area. However, this approach also turns out to have drawbacks¹⁵; see, for instance, Citro and Michael (1995:134-136); Renwick and Bergmann (1993:4). One expert in poverty definition and measurement has argued persuasively that "since poverty is, in the end, a social construct, triangulation between threshold levels generated through expert judgment, family expenditure data, and public opinion polling is most likely to achieve the desired consensus [concerning what constitutes a minimally acceptable standard of living]" (U.S. General Accounting Office 1997:16). American poverty line research might also benefit from greater familiarity with recent research and conceptual work being done in Britain, Ireland, and New Zealand. (See Mack and Lansley (1985); Walker (1987); Townsend and Gordon (1993); Frayman (1991); Gordon and Pantazis (1995); Veit-Wilson (1994); Callan, Nolan, and Whelan (1993); Waldegrave and Frater (1996).)

I have concluded that the poverty lines developed in the U.S. between 1900 and 1965 were not merely "arbitrary"—in other words, that poverty lines are not necessarily and inherently "arbitrary," random, and capricious. However, I would not claim that no poverty lines are ever "arbitrary." Sometimes a poverty line might be developed simply to pick out a segment of the low-income population for "scorekeeping" purposes over time (i.e., to track increases and decreases in the "poverty" population), without any consideration of where this poverty line might stand in relation to the social consensus about a socially acceptable minimum standard of living. Or someone might propose a new-style poverty line, but with the constraint that it should count no more people poor than does an old poverty line developed several decades earlier. If someone were to characterize such "poverty" lines as "arbitrary," I would not disagree with them.¹⁶

NOTES

1. This belief seems to be a significant factor behind objections to revision of the federal poverty measure.

2. While even a \$10 million federal program may seem large in comparison to an average family's annual income, it is small in comparison to the really large federal benefit programs—Social Security (\$316.9 billion in Fiscal Year 1994 outlays) and Medicare (\$141.8 billion in Fiscal Year 1994 outlays).

3. The number of public inquiries has continued to rise during 1997—up by 12 percent during January-April 1997 over the corresponding period in 1996. In addition to making inquiries directly to me, people also access the poverty guidelines Internet site—6,806 times during the period from February 2 through April 19, 1997. (An unknown number of those people will have been browsers who would not have contacted me directly in the absence of the guidelines Internet site.)

4. Census Bureau personnel answer numerous questions about current and recent poverty thresholds (as well as about the poverty population), but they often refer questions about the development and history of the poverty thresholds to me because of the work that I have done in that particular area.

5. Concerning poverty definition and measurement issues, the following are among the major references that I give to inquirers:

- Citro and Michael (1995) include useful reviews of a number of poverty definition and measurement issues. Their discussion extends beyond U.S. poverty lines (and Leyden-style “subjective” poverty lines) to include Canadian low income cut-offs and British work on deprivation indices and budget standards—topics that have been ignored by much of the U.S. academic literature on poverty lines.
- Wolfson and Evans (1989) is an extremely good paper; its specific focus is the definition and measurement of low-income status in Canada, but a number of the issues that it discusses are also relevant to poverty definition and measurement in other countries, including the U.S.
- U.S. Department of Health, Education, and Welfare (1976) is an important study. While it is obviously no longer the latest in the field, its discussions of a number of poverty definition and measurement issues are still quite useful and informative.

For inquiries about the adequacy for the 1990's of the current poverty line, the following are among the major references that I give:

- Ruggles (1990) advocates a “complete updating” of the poverty thresholds every decade or so to reflect changing consumption patterns and changing concepts of minimal adequacy. (The book

also provides a good examination of a number of the issues involved in poverty measurement. However, there are occasional errors of detail, and the book gives insufficient emphasis to the issue of consistency between the definition of income used to measure resources and the definition of income used to calculate poverty thresholds. For a useful and perceptive review of the book's strengths and weaknesses, see Radner (1990.)

- O'Hare, Mann, Porter, and Greenstein (1990) review current poverty measurement procedures and present the results of a Gallup Poll in which a nationally representative sample of Americans set an average dollar figure for the poverty line which was 24 percent higher than the current official poverty line.
- Schwarz and Volgy (1992) present an "economy budget" which was stringently constructed "to enable people to get all of the basic necessities at the lowest realistic cost"; this Economy Budget was equal to about 155 percent of the poverty threshold for 1990.
- Renwick and Bergmann (1993) and Renwick (1993) construct a set of Basic Needs Budgets for several different types of families with the goal of developing a budget-based definition of poverty. Basic Needs Budgets for three different types of families were equal to between 136 percent and 197 percent of the poverty line.

Concerning the income elasticity of the poverty line, Kilpatrick (1973) and Rainwater (1974:41-63) are two major reviews of the U.S. evidence. Ornati (1966) analyzes the expert-devised standard budgets from the 1905-1960 period which are one of the main sources of U.S. evidence discussed by Kilpatrick and later authors. For an excellent recent article on the Gallup Poll "get-along" responses which are another main source of U.S. evidence for this phenomenon, see Vaughan (1993).

6. The account in U.S. Department of Health, Education, and Welfare (1976:5-9) was accurate, but only covered developments through 1973. (In addition, it did not go into as much detail on some issues as some inquirers wanted.)

7. See, for instance, Orshansky (1963), Orshansky (1965a), Orshansky (1965b), Orshansky (1969), Orshansky, Watts, Schiller, and Korbel (1978), Fendler and Orshansky (1979), and Orshansky (1988).

8. *Clinical Sociology Review* readers might also be interested in a discussion of conflicts in the development and interpretation of the federal poverty measure; however, it might be inappropriate for me as a civil servant to discuss such controversial policy issues. (For some informative comments

about the impact of policy concerns on technical issues in poverty definition and measurement, see Vaughan (1993:37-38).)

9. One noteworthy exception to this generalization about the role of advocates is that a few poverty lines were put forward by people whom one might call anti-advocates, since their goal was to push the level of the poverty line below a currently accepted level (Fisher 1993:50-51, 68-69, and 74). For instance, in 1954 and 1955, the Eisenhower Administration's Council of Economic Advisers tried unsuccessfully to replace an unofficial but commonly used poverty/low-income line with figures that were roughly 25 percent lower (in the Council's 1954 report) and 55 percent lower (in the 1955 report) in real terms. In 1965, an American Enterprise Institute pamphlet by Rose Friedman (the wife of Milton Friedman) put forward a poverty line that was (for a family of four) 29 percent lower in real terms than Orshansky's poverty threshold.

10. Much of this subsection is drawn (with modifications) from Fisher (1996b).

11. The application of the term "arbitrary" to poverty lines can be traced back at least as far as 1915, when two Englishmen—a statistician and an economist—described a pair of English standard-budget-based poverty lines as "being, to a considerable extent, abstract and arbitrary" (Bowley and Burnett-Hurst 1915:37). Mollie Orshansky also applied the term to her poverty thresholds in the 1965 article in which she presented them. However, the specific wording that she used was "arbitrary, but not unreasonable" (Orshansky 1965a:4). Subsequent writers have often repeated the first phrase while ignoring the second. An additional point worth noting about the word "arbitrary" is that it has several distinct connotations, including: 1) depending on judgment, choice, or discretion (used in particular of the decision of a judge as contrasted to a decision or sentence specified in a statute); and 2) random or capricious. Orshansky used the word with the first connotation, while a number of subsequent writers seem to use it with the second connotation.

12. The four outliers were \$2,516, \$2,675, \$3,897, and \$4,000. However, note that the last two poverty lines were applied to income data that included some private (or private and public) nonmoney income. The authors of the \$4,000 poverty line (the Conference on Economic Progress) suggested that a poverty line to be applied to such income data should be higher than a poverty line to be applied to income data including only money income (Fisher 1993:61 and 67). This suggests that if money-income-only versions of the two money-plus-nonmoney-income poverty lines had been developed, they would have been lower, and thus closer to or even within the \$3,000-to-\$3,500 "consensus" range. Note also that of the twelve poverty or low-income figures, some were specifically calculated for a four-person family, while

others were applied to families of all sizes.

13. For the distinction between poverty lines developed by experts and poverty lines based on the views of the general population [e.g., Leyden-style "subjective" poverty lines, or Vaughan's poverty line developed using the Gallup Poll "get-along" amount], see, for instance, Mack and Lansley (1985:41-43); Veit-Wilson (1987:188-189).

14. It is, of course, not easy to reach general agreement on such a methodology when there is a widespread belief that poverty lines are "arbitrary."

15. To address one problem area, the Bureau of Labor Statistics is conducting qualitative research (cognitive interviews and focus groups) to understand better how respondents interpret "subjective" questions such as the minimum income question and terms in those questions; see Garner, Stinson, and Shipp (1996).

16. Note that there seems to be a belief among the general population that the amount of a poverty line ought somehow to be enough to "live on," although at a minimal level (Fisher 1996a). A more formal investigation of this belief might well be of interest. If this belief is indeed common among the public, it might have implications for the public acceptability of an intentionally "arbitrary" new poverty line. (For a brief discussion of public acceptability as a criterion for a poverty measure, see Citro and Michael (1995:38).)

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