Ratio

FIGURE Be-C   Income inequality – ratios of high-percentile income to the median income: 1929–1998

Source

95th income percentile: series Be16 and Be24. 80th income percentile: series Be17 and Be25.

Documentation

See the text for Tables Be1–18 and Be21–26 for the differences between the series displayed here.

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POVERTY

Linda Barrington and Gordon M. Fisher

> *Give me your tired, your poor,*
> *Your huddled masses yearning to breathe free.*[1]

American historical myth, especially that of the nineteenth and twentieth centuries, is heavily laden with economic advancement –

[1] "The New Colossus" (1883) by Emma Lazarus, mounted in the base of the Statue of Liberty in 1903.

streets paved with gold and opportunity waiting around every corner. Horatio Alger penned such stories; John D. Rockefeller and Bill Gates embody them. Such anecdotes provide proof for the faithful but hardly a complete chronology of the economic condition of Americans. In reality, how big was the pool of poverty from which the fictional Horatio Alger characters rose? Without a definition of poverty across time, or a count of population therein, the odds of rising above poverty cannot be calculated, and the truth of the myth cannot be tested.

As the United States enters the new millennium, the changing population demographics are dramatic. As of the 2000 U.S. Census of the Population, African Americans are no longer the single largest minority population – the Hispanic population has pulled even. The percentage of the population that is foreign-born again registers in the double digits. One out of ten Americans lives in a state with a "majority minority" population. How pertinent has the American myth been for demographic minorities in the United States? Which Americans face what odds of being poor?

The implicit social contract of capitalism assigns the individual the responsibility of supporting herself in exchange for the ownership of (or property rights to) the additional value that she produces for society. The incidence of poverty is one measure of how well that contract is succeeding.

Although widely accepted time-series estimates exist for gross national product or consumer prices for periods of over a century, an official measurement of America's poor exists only for the last four decades. This is the first volume of *Historical Statistics of the United States* to contain statistics on poverty. At the time of the last edition (1975), the U.S. Census Bureau had been publishing national poverty statistics for less than a decade – not long enough to produce an "historical" series. Now, however, the official series of poverty statistics for the United States covers some four decades. Information on poverty in earlier decades, unfortunately, is still limited. The data series in this chapter compile the official poverty statistics covering the period 1959–1999; some earlier unofficial poverty lines and poverty population estimates are also presented.

The data series on poverty in this chapter are presented in two sections: the first documents the dollar levels that define poverty, and the second, who is poor. The first group of poverty tables answers the question, "What are the income levels below which people are classified as poor in the United States?" (Tables Be85–259). The second group answers the question, "Who and how many are poor?" (Tables Be260–411). These tables present poverty counts, poverty rates, and statistics showing the composition of poverty. The poverty *count* is simply the number of persons or families who are classified as poor. The poverty *rate* is the prevalence of poverty among select demographic groups (for example, what percentage of whites is poor?). The *composition of poverty* tells what share of the poor a certain demographic group comprises (for example, what percentage of the poor is white?).

Note that poverty and inequality, while related, are distinct concepts with separate measures and unique historical trends (see the essay in this chapter on inequality). If the poor are defined as those households with incomes below one half the median household income, it is possible for income to be distributed so equally that no one is poor, as historically has been proven by Sweden. Alternatively, defining poverty independent of contemporary living standards can result in almost universal poverty regardless of the income distribution. Such would be the case, for example, if a modern-day poverty line were simply projected backward to the

nineteenth century (with appropriate price adjustments). While measures of both poverty and income distribution are certainly considered important socioeconomic barometers of how broadly the benefits of economic production spread, historical income distribution is not addressed in this essay.

Poverty under Official Measure

Official Poverty Thresholds

Like any definition of poverty, the official U.S. definition of poverty actually has two components – the dollar levels (poverty thresholds) below which people are classified as poor and the definition of income that is compared with those thresholds (Citro and Michael 1995, p. 98). In their present form, the official poverty thresholds for the United States are a matrix of 48 thresholds (dollar figures) that vary by family size, by the number of family members who are children, and (for one- and two-person units only) by the age of the person or family householder.[2] The Census Bureau uses the matrix of 48 thresholds to tabulate poverty population statistics; the thresholds in the matrix may be referred to as the "detailed thresholds." However, the figures commonly cited for general purposes are weighted-average poverty thresholds – one for each family size. For three-person families, for instance, the single weighted-average threshold is generally cited in place of the detailed thresholds for a three-adult family, a two-adult/one-child family, and a one-adult/two-child family. The weighting for the average threshold is based on the total number of families of each subtype according to the Current Population Survey (CPS) for the income year in question. Instead of citing all nine weighted-average thresholds, people often cite a single figure to give a general idea of the poverty thresholds; the figure cited is often the weighted-average threshold for a family of four, although more recently, with average family size having dropped, some people cite the weighted-average three-person threshold. The weighted-average poverty thresholds by family size are presented in Table Be95–112. Tables Be177–259 present the full matrices of official poverty thresholds for the "decennial" income years 1959 through 1999.

History of the Official Poverty Thresholds[3]

The U.S. poverty thresholds were originally developed in 1963–1964 by Mollie Orshansky of the Social Security Administration. She began developing the thresholds as part of a Social Security Administration research project; she was not trying to introduce a new general measure of poverty and, indeed, did not know that the Johnson administration was going to initiate a concerted effort against poverty (called the "War on Poverty") in 1964. In 1965, the Office of Economic Opportunity, the lead agency in the War on Poverty, adopted Orshansky's poverty thresholds as a working

or quasi-official definition of poverty. In 1969, the Bureau of the Budget designated the poverty thresholds with some revisions as the federal government's official statistical definition of poverty.

Orshansky based her poverty thresholds on the economy food plan – the cheapest of four food plans developed by the U.S. Department of Agriculture. The Agriculture Department described the economy food plan as being "designed for temporary or emergency use when funds are low."

Orshansky knew from the Department of Agriculture's 1955 Household Food Consumption Survey, the latest available such survey at the time, that families of three or more persons had spent about one third of their after-tax money income on food in 1955; the one-third figure related to families at all income levels, not just those at lower income levels. Orshansky calculated poverty thresholds for families of three or more persons by taking the dollar costs of the economy food plan for families of those sizes and multiplying the costs by a factor of three – the reciprocal of the one-third food-expense-to-income ratio; this factor of three is known as the "multiplier." Although there is no standard term for Orshansky's methodology, it can be characterized as a "component-and-multiplier" methodology. In this methodology, she, in effect, scaled down the food/nonfood consumption pattern of a hypothetical average family to the point where food expenditures equaled the cost of the economy food plan and assumed that the family's nonfood expenditures would then be as adequate as the food plan. The methodology did not assume specific dollar amounts for any budget category other than food. Orshansky derived poverty thresholds for two-person families by multiplying the dollar cost of the food plan for that family size by a somewhat higher multiplier (3.7) also derived from the 1955 survey. She calculated the poverty thresholds for one-person units to be directly proportional (at 80 percent) to the thresholds for two-person units.

The base year for the original poverty thresholds was calendar year 1963. In the absence of valid data usable for that purpose, Orshansky did not adjust her thresholds for geographic variations in living costs. She presented her thresholds as a measure of income inadequacy, not of income adequacy – "if it is not possible to state unequivocally 'how much is enough,' it should be possible to assert with confidence how much, on average, is too little" (Orshansky 1965, p. 3).

Besides the distinctions retained in the official version of the poverty thresholds (family size, number of members who are children, and aged/nonaged status for smaller units), Orshansky also differentiated her original thresholds by the sex of the family head and by farm/nonfarm status. The family size category ranged from one-person units (unrelated individuals, in Census Bureau terminology) to families of seven or more persons. All of these distinctions resulted in a detailed matrix of 124 poverty thresholds (reduced to 48 in a 1981 revision).

Orshansky developed separate poverty thresholds for farm families because the 1955 survey showed that about 40 percent of the food items consumed by all farm families came from their home farm or garden, rather than being purchased for cash. Another reason for having lower thresholds for farm families involved a technical issue about how farm housing expenses were reported for purposes of determining net farm self-employment income in the CPS. The farm thresholds applied specifically to families living on farms, and not to the broader categories of "rural" or nonmetropolitan families. The farm/nonfarm distinction was eliminated in the 1981 revision of the thresholds.

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[2] There are actually two slightly different versions of the U.S. poverty measure – the poverty thresholds and the poverty guidelines. The poverty thresholds (updated by the Census Bureau) are used to prepare figures on the number of persons and families in poverty. The poverty guidelines (issued by the U.S. Department of Health and Human Services) are a simplification of the thresholds; the guidelines are used to determine financial eligibility for certain federal programs (not including cash public assistance). The guidelines are not discussed further in this chapter.

[3] The material in this section is drawn from Fisher (1992, 1997a). Both the article and the longer manuscript draw on many sources, most notably Orshansky (1965, 1969).

Orshansky developed separate poverty thresholds for aged one- and two-person units because of policy concerns about the economic status of the aged, most of whom lived in such units. The fact that these thresholds for the aged were lower than those for the nonaged was simply a mechanical consequence of the fact that economy food plan costs for aged persons were lower than those for nonaged adults. Orshansky was not claiming that necessary nonfood expenditures for the aged were or should be lower than those for the nonaged. The aged/nonaged distinction for smaller units has been retained in the official thresholds to the present day.

By late 1965, Social Security Administration policymakers and analysts began to express concern about how to adjust the poverty thresholds for increases in the general standard of living (see the following discussion regarding the income elasticity of the poverty line). In 1968, a Social Security Administration plan to raise the thresholds by 8 percent was rejected, but an interagency Poverty Level Review Committee was initiated to reevaluate the poverty thresholds. It decided to adjust the thresholds only for price changes, and not for changes in the general standard of living. In 1969, the Committee decided that the thresholds would be indexed by the Consumer Price Index (CPI) instead of by the per capita cost of the economy food plan, and that farm poverty thresholds would be set at 85 percent rather than 70 percent of corresponding nonfarm thresholds.[4] In August 1969, the Bureau of the Budget designated the poverty thresholds with these revisions as the federal government's official statistical definition of poverty. The series of official poverty thresholds given in this chapter therefore represent the same constant-dollar levels as Orshansky's original nonfarm thresholds for the base year 1963. In 1981, in accordance with recommendations of another interagency committee, several minor changes were made in the poverty thresholds, including the elimination of both the farm/nonfarm differential and the distinction between thresholds for female-headed and male-headed families.

Poverty lines are traditionally dichotomized as "absolute" or "relative." In this context, the phrase "absolute poverty line" is used to denote a poverty definition that is supposedly independent of the living standards, consumption patterns, or development stage of a society.[5] However, the word "absolute" is commonly used rather loosely in this phrase. It is often unclear whether "absolute" refers to (1) the methodology by which a poverty line is developed, (2) the way in which the poverty line is updated, (3) whether the poverty line has been set at a "subsistence" level based on an implicit ranking of "physical" needs as being more important than "social" needs, or (4) some combination of these. Orshansky's poverty thresholds are often called an absolute poverty line. Because the series of official poverty thresholds represent the same constant-dollar levels as Orshansky's original nonfarm thresholds for the base year 1963, the thresholds are "absolute" only in regard to how they are updated. Note that Orshansky herself described the thresholds she constructed as "relatively absolute" because they were developed from calculations that used the consumption

patterns at a particular point in time (1955) of the U.S. population as a whole.

Over the years, a number of ad hoc proposals for changes in one aspect or another of the official U.S. poverty measure have been made; often such proposals have focused quite narrowly on one or another particular feature of the poverty thresholds or the income definition used with them.[6] In 1995, however, a report was published proposing a new approach for developing a poverty measure that comprised a set of well-thought-out and mutually consistent changes in all major aspects of the poverty measure (Citro and Michael 1995). The report was produced by the Panel on Poverty and Family Assistance appointed in 1992 by the National Research Council in response to a Congressional committee request for a study of the official U.S. poverty measure to provide a basis for its possible revision. The Panel recommended that a new poverty threshold be developed using actual consumer expenditure data on food, clothing, shelter, and utilities (FCSU), with a small amount added for other necessities. The level of the threshold would be within a range based in part on consideration of various expert family budgets and relative and subjective poverty thresholds. The threshold would be updated annually based on changes in median actual consumption expenditures for FCSU. The threshold would be adjusted for different family sizes and types and to reflect geographic variations in housing costs. The Panel would redefine family resources (income) to be consistent with its threshold concept, including money income and the value of near-money benefits (such as food stamps) that can buy goods and services included in the threshold concept, but excluding expenses that cannot be used to buy these goods and services (for example, income and payroll taxes, child care and other work-related expenses, and out-of-pocket medical care costs, including insurance premiums). Illustrative variations of this Panel's recommendations have been published in several Census Bureau reports on experimental poverty measures since 1999 (for example, Short, Garner, et al. 1999; Short 2001). However, no change has been made in the official poverty measure.

Trends in the Official Poverty Population

Poverty population and poverty rate figures under the Orshansky definition were first published in 1965, but the series was subsequently extended back to 1959, so that there is now some four decades worth of figures (see Figure Be-D). The factor most obviously affecting poverty rates during this period is the business cycle: poverty rates rise during recessions and fall during economic expansions. (During the 1980s and 1990s, poverty rates did not begin to fall until the second or third year of an economic expansion.) Despite the theoretical distinction between poverty and income inequality, the empirical experience with U.S. poverty statistics during the post-1959 period has been that when other factors are held equal, poverty rates increase as income inequality increases (see, for instance, Danziger and Gottschalk 1986).

In 1959, 39.5 million persons – 22.4 percent of all Americans – were in poverty under the official definition in place at that time.[7] These figures remained essentially unchanged during the next two

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[4] Nonfarm poverty thresholds for the base year 1963 were retained, and the new annual-adjustment and farm/nonfarm provisions were applied to them to yield revised poverty thresholds for both earlier and later years; revised poverty population figures for 1959 and subsequent years were tabulated using the revised thresholds.

[5] For a critique of the notion of an "absolute poverty line," see Townsend (1962). For an alternative classification of methodologies for developing poverty lines, see Callan and Nolan (1991).

[6] As noted by Ruggles (1990, p. 6).

[7] See the documentation for Table Be260–282 for a discussion of the definitional and methodological changes that have taken place in the definition of poverty since the 1960s.
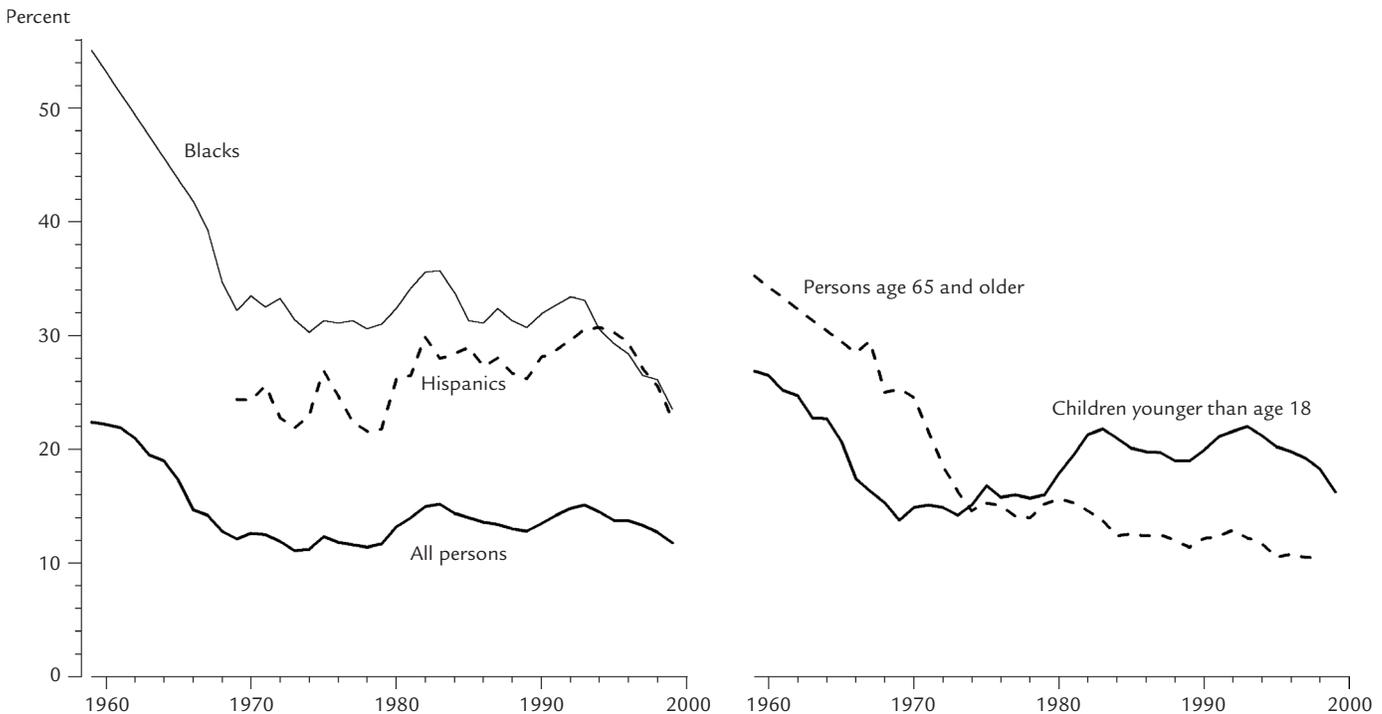
Percent

FIGURE Be-D   Percentage of persons in poverty, by race, ethnicity, and age: 1959–1999

Source

Series Be272, Be276–277, Be318, and Be335.

years, presumably as a result of the 1960–1961 recession. From 1961 to 1969, during the economic expansion of the 1960s, the poverty rate dropped from 21.9 to 12.1 percent; this was the largest percentage point decrease in the official poverty rate over any eight-year span. During the 1969–1970 recession, the poverty rate rose modestly, to 12.6 percent in 1970. It then fell to its all-time low of 11.1 percent – 23.0 million persons – in 1973. During the 1973–1975 recession, the poverty rate rose to 12.3 percent in 1975. As the economy began to expand again, the rate fell to 11.8 percent in 1976, but then remained statistically unchanged through 1979. As a result of two back-to-back recessions (January–July 1980 and July 1981–November 1982), the poverty rate rose from 11.7 percent in 1979 to 15.0 percent in 1982. The poverty rate remained statistically unchanged in 1983 and dropped to 12.8 percent in 1989. During the 1990–1991 recession, the poverty rate rose to 14.2 percent in 1991. As the economy began to expand again, the rate drifted upward to 15.1 percent in 1993, but fell after that, reaching 12.7 percent in 1998.

For the 1959–1998 period as a whole, the overall poverty rate experienced a net decrease of slightly over two fifths – from 22.4 percent in 1959 to 12.7 percent in 1998. All this net decrease had already occurred by 1973, when the poverty rate fell to 11.1 percent.

Poverty rate trends for large demographic groups of the U.S. population are usually broadly similar to those for all persons, being dominated by ups and downs reflecting the business cycle. The major exception to this generalization is the elderly (persons age 65 or older). The elderly experienced a greater net decrease in poverty from 1959 to 1998 than any other group; their poverty rate dropped from 35.2 percent in 1959 to 10.5 percent in 1998, a reduction of more than two thirds. (The corresponding decrease in the number of elderly persons in poverty was from 5.5 million to 3.4 million,

with the growth in the overall elderly population partially offsetting the sharp decrease in the elderly poverty rate.) Much of this decrease was related to the Social Security program. In particular, a decrease in the elderly poverty rate from 29.5 percent in 1967 to 15.7 percent (unrevised, versus 14.6 percent revised) in 1974 was closely correlated with Social Security benefit increases during that period (Fisher 1976). After that, several longish periods of relatively little change in the elderly poverty rate were punctuated by shorter periods of decrease: from 15.3 percent in 1981 to 12.4 percent in 1984, and from 12.9 percent in 1992 to 10.5 percent in 1995. As a result of these decreases in the elderly poverty rate, the proportion of the total poverty population who were elderly persons also decreased – from roughly 19 percent in 1966–1970 to just a little less than 10 percent in 1993–1998. The strong effect of the Social Security program on elderly poverty is, of course, the reason why elderly poverty trends are so different from poverty trends in the general population.

The elderly poverty rate was well above both the overall poverty rate and the poverty rate for children (related children younger than age 18 in families) in 1959 and during the 1960s. The elderly poverty rate first fell below the child poverty rate in 1974 and has remained below the latter since then. The elderly poverty rate first fell below the overall poverty rate in 1982 and has remained below the latter since then.

Children (related children younger than age 18 in families) experienced a more modest net decrease in poverty over this period than did the elderly; their poverty rate was 26.9 percent in 1959 and 18.3 percent in 1998, a reduction of just less than one third. The effects of recessions and economic expansions are clearly visible in changes in the child poverty rate. During the 1960s, the poverty rate for children dropped from 26.9 percent in 1959 to 13.8 percent

in 1969 – an all-time low that was essentially equaled in 1973. It continued to rise and fall with the business cycle, varying between 15.7 and 22.0 percent during the 1975–1993 period. From 1993 to 1998, the child poverty rate dropped from 22.0 to 18.3 percent. Because the number of children in the general population grew considerably more slowly than the numbers of working-age adults and elderly persons, the proportion of the total poverty population who were children dropped from 43.6 percent in 1959 to 37.3 percent in 1998.

The black population experienced a considerable net decrease in poverty over the 1959–1998 period; the poverty rate for black persons was 55.1 percent in 1959 and 26.1 percent in 1998, a reduction of slightly more than one half. The largest share of this net reduction had occurred by 1973, when the poverty rate for this group fell to 31.4 percent. Despite the large reduction in the poverty rate among African Americans during the 1960s, the proportion of the total poverty population who were black rose from 25.6 percent in 1959 to 32.2 percent in 1973, and then fell back to 26.4 percent in 1998.

The white population also experienced a noticeable net decrease in poverty over the 1959–1998 period; the poverty rate for white persons was 18.1 percent in 1959 and 10.5 percent in 1998, a reduction of slightly more than two fifths. All this net reduction had already occurred by 1973, when the poverty rate for this group fell to 8.4 percent. The proportion of the total poverty population who were white fell from 72.1 percent in 1959 to 65.9 percent in 1973, and then rose slightly to 68.0 percent in 1998.

Poverty statistics for the Hispanic population are not available for years before 1969. Over the 1969–1998 period as a whole, the poverty rate for Hispanic persons showed relatively little net change; it was 24.4 percent in 1969 and 25.6 percent in 1998. The poverty rate for this group showed considerable variation within this period, falling as low as 22 percent in 1973 and 1977–1979 and rising as high as 30–31 percent in 1982 and 1992–1995. Primarily as a result of the growth in the Hispanic population at all income levels, the proportion of the total poverty population who were Hispanic rose from 8.1 percent in 1969 to 23.4 percent in 1998.

Woman-maintained or female-householder families (families with a female householder, no husband present) experienced a modest net decrease in poverty over the 1959–1998 period; their poverty rate was 42.6 percent in 1959 and 29.9 percent in 1998, a reduction of almost one third. Like that of other demographic groups, the female-householder-family poverty rate is affected by economic conditions, although its decreases during economic expansions are more modest than those for some other groups. During the 1960s, the poverty rate for this group dropped from 42.6 percent in 1959 to 32.3 percent in 1968. It rose to 33.9 percent in 1971 and fell to a new low of 30.4 percent in 1979. It rose to 36.3 percent in 1982, fell to 32.2 percent in 1989, and rose to 35.6 percent in 1993. After 1993, it fell fairly steadily, reaching a new all-time low of 29.9 percent in 1998 (although there was no statistically significant difference between this figure and the 1979 figure).

The proportion of all poor families that are female-householder families rose from 23.0 percent in 1959 to 50.3 percent in 1978 and has fluctuated since then between 45.7 and 54.5 percent (see Figure Be-E). This phenomenon has been termed "the feminization of poverty" (Pearce 1978). It is important to note that the feminization of poverty during the 1960s and 1970s took place while the poverty rate for female-householder families was gener-
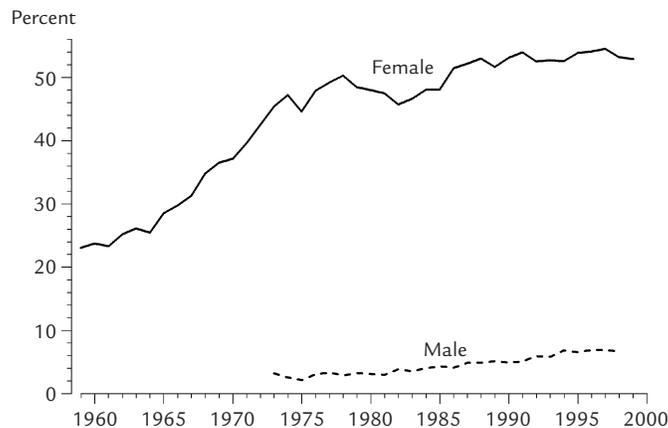

FIGURE Be-E   Percentage of families in poverty headed by single householders, by sex: 1959–1999

Source
Series Be305–306.

ally falling; this falling poverty rate was more than offset by the growth in the number of female-householder families at all income levels.[8]

Poverty statistics for married-couple families are available only for 1973 and subsequent years. Over the 1973–1998 period, the poverty rate for this group showed no net change; it was 5.3 percent in both 1973 and 1998. (The Census Bureau does have poverty statistics for years before 1973 for the slightly larger group comprising married-couple families plus male-householder families, no wife present – a group formerly termed "male-headed" families; for this group, the poverty rate had dropped from 15.8 percent in 1959 to 5.5 percent in 1973, a reduction of two thirds.)

Poverty rates by employment status back to 1966 were estimated by the Census Bureau through a special tabulation (see Figure Be-F) (Barrington 2000). As expected, for all years the poverty rates were lower for employed persons, and lower still for persons employed full-time and year-round. Interestingly, however, the notable downward trend in poverty since the early 1980s that was present for all persons and all employed persons was not present for persons employed full-time and year-round. This implies that increasing work hours for unemployed or underemployed persons has contributed to reducing poverty among them, whereas the wages of the lowest paid full-time, year-round workers have failed to rise in real terms, thus leaving their poverty rate little changed.

Poverty under Unofficial Measures

Minimum Subsistence Budgets and Poverty Lines[9]

In the century before Mollie Orshansky developed her poverty thresholds, numerous unofficial poverty lines and other measures of income inadequacy were developed by American social workers, labor advocates, government employees, researchers, and others, usually because of concerns about inadequate living standards

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[8] For an analysis of the feminization of poverty during the 1939–1959 period, see Barrington and Conrad (1994).

[9] Where not otherwise noted, the material in this section is largely drawn from Fisher (1997c). See also Fisher (1998).

Percent

FIGURE Be-F   Percentage of persons in poverty, by employment status: 1966–1999

Sources
Series Be389, Be392, and Be395.

Documentation
These series cover persons ages 16 and older.

among working-class and other low-income Americans.[10] Many of these income inadequacy measures were – or were derived from – standard budgets. A standard budget is a list of goods and services that a family of a specified size and composition would need to live at a designated level of well-being, together with the estimated monthly or annual costs of those goods and services.[11]

Standard budgets and other income inadequacy measures can be developed to represent different standards of living – some of them considerably above poverty. It is thus not always immediately clear which of the pre-Orshansky measures correspond to what Orshansky and others during the 1960s called "poverty" – especially because standardized terminology for classifying living standards was slow to develop. Terms applied to different budgets during the 1900–1920 period included "a fair living wage," "a fairly proper standard of living," "a minimum standard," "safe normal living cost," and "lowest 'bare existence.'" To determine which measures corresponded to Orshansky's poverty concept, we employed a widely used classification scheme developed by Dorothy Douglas and an adaptation of that scheme used by Oscar Ornati (Douglas 1923; Ornati 1966). Historical analysis showed that Douglas's "minimum of subsistence level"[12] and Ornati's "minimum subsistence" level corresponded most closely to Orshansky's poverty concept. Accordingly, we excluded from this chapter more generous standard budgets classified at the

level of 'minimum health and decency," "minimum adequacy," or "minimum comfort."[13]

There is extensive historical evidence from the United States (including but not limited to the minimum subsistence budgets and poverty lines discussed here) and other countries that successive poverty lines develop as "absolute" poverty lines tend to rise in real terms as the real income of the general population increases; this phenomenon is known as the "income elasticity of the poverty line" (Kilpatrick 1973; Fisher 1995; Fisher 1997b, pp. 171–4; see also Citro and Michael 1995, pp. 32, 33, 98–9, 103, 141, and 319). As one way of illustrating this phenomenon, note that when Orshansky presented her poverty thresholds for 1963, she described families living below these thresholds as "lack[ing] the wherewithal to live at anywhere near a tolerable level" (Orshansky 1965, p. 4). But for 1923, an income level (for a family of five) equal in constant dollars to 102 percent of Orshansky's poverty threshold was described as a "comfort level" income "represent[ing] the attainment of the highest class of wage-earners and the cynosure [center of attention or attraction] of the rest." And for 1907, families with incomes at or above a constant-dollar level equal to 92 percent of Orshansky's five-person threshold were described as "liv[ing] well" and "satisfy[ing] . . . the reasonable ambitions of an American who puts his life into his work."[14] Given the extensive American evidence that poverty lines rise in real terms over time as the real income of the general population rises, we generally included in this chapter only pre-Orshansky poverty lines that were developed and used during a particular time period based on the social standards of that time period. We did not include historical "poverty" lines that represent later standards (for example, the official poverty measure) projected back several decades on the basis of price changes only.[15] In two cases, however, we did include measures developed by late twentieth-century scholars for the late nineteenth century based on standards or relevant data from the late nineteenth century.[16]

Because of the particularized and nonrecurring nature of most pre-Orshansky poverty lines and minimum subsistence budgets, we have presented them in a special table rather than as a formal data series (see Table Be-G).[17] We have included the source and major defining characteristics of each poverty line. For those poverty lines applicable to a particular family size, we also converted the dollar values to constant dollars and expressed them as percentages of the corresponding Orshansky poverty threshold for 1963. For technical reasons, any such efforts to adjust for price changes over long periods of time are at best rough approximations.

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[10] Because Orshansky seems to have been the first person to use the specific term "poverty threshold," the term "poverty line" is used in this chapter for pre-Orshansky poverty measures.

[11] Innes (1990), p. 138; and Orshansky (1959), p. 10. For reviews of standard budget studies during the early decades of the twentieth century, see National Industrial Conference Board (1921); Douglas (1923); and Bureau of Applied Economics (1932). The standard budget approach fell into disfavor in the United States during the 1960s, 1970s, and 1980s, but enjoyed a resurgence in popularity during the 1990s. For a review of recent American standard budget studies, see Bernstein, Brocht, and Spade-Aguilar (2000).

[12] Concisely defined by a later analyst as follows: "The minimum of subsistence level involves an income adequate to maintain physical existence but makes no allowance for social necessities or for the financing of a major emergency" (Wyand 1937, p. 458).

[13] This is why we excluded the Bureau of Labor Statistics's 1969 lower family budget and the Bureau's 1919 "Tentative Quantity-Cost Budget," both of which have sometimes been incorrectly assumed to be "poverty" or minimum subsistence budgets.

[14] Fisher (1999), pp. 25–6. For a discussion of the case that it is incorrect and anachronistic to apply the U.S. poverty standards of the 1960s to the 1930s, see Barrington (1997).

[15] For analyses that do project the current official poverty measure back over multiple decades on the basis of price changes only, see Ross, Danziger, and Smolensky (1987); and Plotnick, Smolensky, et al. (2000).

[16] Several otherwise similar measures developed by late twentieth-century scholars were not included because they were at levels higher than minimum subsistence.

[17] However, we did include in Table Be85–94 the minimum subsistence budget figures found by Ornati for the 1908–1960 period, and unofficial poverty/low-income lines under the 1940s definition of the Subcommittee on Low-Income Families and the 1950s definition of Robert Lampman.

TABLE Be-G Poverty lines: 1870–1962

Applies to	Study	Poverty line (with family size and the line as a percentage of the Orshansky threshold)	Description	Methodology	Comments
DEFINITIONS BY CONTEMPORARIES					
1870	Henry Oliver and George McNeill, Second Report of the Massachusetts Bureau of Statistics of Labor (1871).	$2 in earnings per workday: $526 annual equivalent allowing for unemployment. Family size: 4. Orshansky: 39 percent	"Poverty or want."	In connection with a table of prices of foods and other necessities, the study noted that "if a man is earning only $2 or less a day, as is the case with thousands of men...he must be very near the condition of poverty or want."	First known American use of the word "poverty" together with a specific dollar figure.
1890	James R. Sovereign, Iowa Bureau of Labor Statistics Biennial Report for 1890–91.	$549.84. Family size: 5. Orshansky: 50 percent	"Minimum cost" of "the necessary living expenses of laboring men with families."	Standard budget.	Items excluded from the budget included medical care, street car fares, carpets, and social amusements.
1892	Residents of Hull House (a Chicago settlement house), Hull House Maps and Papers (1895).	$10 per week ($520 a year). Family size: 5. Orshansky: 47 percent		None specified.	This poverty line was not stated explicitly. It was inferred by Fisher from a comparison of colors in a Hull House wage map with colors in Charles Booth's London poverty map.
1896	W. E. B. DuBois, The Philadelphia Negro: A Social Study (1967 [1899]).	$5 per week ($260 a year). Family size: 5. Orshansky: 26 percent	"Very poor" or "poor."	Essentially Charles Booth's British (London) poverty line converted into dollars.	Probably because it was a "direct translation" of a British poverty line, DuBois's poverty line was markedly lower than other contemporary American poverty lines. DuBois implied he might set a higher poverty line for Philadelphia whites, reflecting a belief at the time that a minimum acceptable standard of living would be different for different occupational or racial/ethnic groups.
1902	New York State Bureau of Labor Statistics, Annual Report for 1902 (1903).	$10 per week ($520 a year). Family size: 4.2 average. Orshansky: 59 percent (family of 4)	"About $10 a week...is hardly adequate for city dwellers according to American standards."	None specified.	The Bureau noted that its $10 figure was markedly higher than Charles Booth's British (London) poverty line. This investigation also included actual income figures for tenement families.
1903–1905	Louise Bolard More, Wage-Earners' Budgets: A Study of Standards and Cost of Living in New York City (1907).	$600. Family size: 4.8 average. Orshansky: 56 percent (family of 5)	"Poor."	Expenditure study of 200 families living in the neighborhood of a New York City settlement house where More worked.	Much more prominent in More's book than the poverty figure was her conclusion that a "fair living wage" for a New York City family should be at least $728, but that if one allowed for greater savings to provide for the future, the necessary income would be $800–$900.
1904	Robert Hunter, Poverty (1904). Also see Table Be-H for 1900.	$460 for industrial Northern states; $300 for the South. Family size: 5. Orshansky: 43 percent ($460 figure)	The poor were those who "are not able to obtain those necessaries which will permit them to maintain a state of physical efficiency" (emphasis in original).	The $460 figure was determined by considering an average actual family expenditure figure from a Massachusetts Bureau of Statistics of Labor survey and three informal estimates of a "necessary income" or "fair wage." These figures ranged from $520 to $754. Hunter chose a lower figure to meet the "physical efficiency" standard.	Hunter derived the "physical efficiency" concept from British poverty researcher Seebohm Rowntree; it was conceptually equivalent to Douglas's later "minimum subsistence" level.

(continued)

TABLE Be-G   Poverty lines: 1870–1962   Continued

Applies to	Study	Poverty line (with family size and the line as a percentage of the Orshansky threshold)	Description	Methodology	Comments
1905	John Spargo, *The Bitter Cry of the Children* (1906).	$10 per week ($520 a year). Family size: 5 Orshansky: 49 percent	"Primary poverty line."		In one section of his chapter on child labor, Spargo described an investigation of the reasons why children in 213 families were working; he chose this primary poverty line for use in this investigation.
1907–1912	The "Major Report" of the Commission on Industrial Relations, signed by four of the nine commissioners (written by Basil Manly, Director of Research and Investigation). U.S. Commission on Industrial Relations, *Industrial Relations: Final Report . . . to Congress . . . ,* volume 1 (1916). Also see Table Be-H for 1908.	$500. Family size: 5 Orshansky: 44 percent	"Abject poverty."	Review of standard budget studies using 1907–1912 prices.	More prominent in the report than the reference to "abject poverty" was the conclusion "that the very least that a family of five persons can live upon in anything approaching decency is $700." The source for the "Major Report" terminology is Allen F. Davis, "The Campaign for the Industrial Relations Commission, 1911–1913," *Mid-America: An Historical Review* 45 (4) (1963): 227 n. 57.
1908	Wood Worcester and Daisy Worthington Worcester, U.S. Bureau of Labor study of cotton mill workers, volume 16 of *Report on Condition of Woman and Child Wage-Earners in the United States* (1911). Also see Table Be-H, Parmelee for 1915.	Fall River, Massachusetts: $484.41 (minimum standard); $731.64 (fair standard). The South: $408.26 (minimum standard); $600.74 (fair standard). Family size: 5 Orshansky: 43 percent (Fall River, minimum); 65 percent (Fall River, fair)	"The minimum standard of living . . . the smallest amount upon which families were . . . apparently maintaining physical efficiency . . . exclud[ing] everything except the bare necessaries of life . . . if the family is not to suffer, the mother must be a woman of rare ability." "The fair standard of living . . . provides not only for physical efficiency but [also] . . . for the development and satisfaction of human attributes."	Standard budget study of cotton mill workers in Fall River, Massachusetts (North), and Atlanta, Georgia, and two North Carolina towns (South).	The minimum standard excluded such items as medical care, schoolbooks, newspapers, and recreation. Ornati classified it as "minimum subsistence" (poverty), and the fair standard as "minimum adequacy," one level above minimum subsistence. However, the Worcesters identified the fair standard as a poverty line, indicating that medical care was also a necessity, and that "[i]nability to buy school books for children, to furnish some simple form of recreation for the family, are unmistakably signs of poverty."
Feb. 1915	Mary Wadley (supervisor) and 5 district workers, Social Service Bureau, Bellevue Hospital (New York City). Included in a 1917 New York City agency report.	$824.356 (third digit due to a precisely calculated food budget). Family size: 5 Orshansky: 68 percent	"Conservative estimates of women who are daily meeting problems arising from poverty, and who have an exact knowledge of the needs of the typical worker's family."	Standard budget.	
1915–1916	Arthur Holder (American Federation of Labor), 1916 Congressional subcommittee hearing on minimum wage for federal workers.	$767.95. Family size: 5 Orshansky: 62 percent	"Estimated Minimum Cost of Bare Existence."	Standard budget for Washington, D.C.	The food portion of the budget was deliberately estimated unrealistically low. The budget excluded such items as a winter overcoat, street car fares, candy, schoolbooks, newspapers, recreation, postage and paper for correspondence, and medical care.
March 1917	Dallas Wage Commission, Report submitted to Dallas, Texas, mayor and Board of Commissioners to guide wage setting for city employees.	$747. Family size: 5 Orshansky: 52 percent	"Lowest 'Bare Existence'" budget allowed for "merely the bare necessities of life . . . nothing for education, recreation or savings."	Standard budget.	The report also included a "safe normal living cost" budget costing $1,081.72, which allowed a family to live in "frugal decency." Ornati classified this budget as "minimum adequacy," one level above minimum subsistence.

Applies to	Study	Poverty line (with family size and the line as a percentage of the Orshansky threshold)	Description	Methodology	Comments
June 1918	William F. Ogburn, Examiner for the National War Labor Board, part 1 of *Memorandum on the Minimum Wage and Increased Cost of Living* (1918).	$1,386. Family size: 5 Orshansky: 78 percent	"Minimum budget . . . American subsistence level."	Standard budget.	The National War Labor Board was established during World War I with the goal of ending labor unrest in war-related industries by arbitrating labor disputes. It requested the *Memorandum* during a 1918 debate on what its living wage principle meant and how (and whether) that principle should be implemented. In his analysis of budgets, Ogburn also included a minimum comfort budget (at $1,760.50), as well as the first known published version of the three-level budget classification scheme that Douglas was to revise into her four-level budget classification scheme. Douglas and Ornati later classified Ogburn's minimum subsistence budget at one level above minimum subsistence.
May 1, 1920	W. Jett Lauck (for United Mine Workers of America), Presentation before U.S. Anthracite Coal Commission (1920).	$1,772. Family size: 5 Orshansky: 71 percent	"Minimum of subsistence . . . subsistence level."	Lauck classified earlier standard budgets, updated them for price changes, and averaged the results.	In the presentation for the United Mine Workers of America, Lauck (a pro-labor economist who had been Secretary of the National War Labor Board) argued for higher wages for miners — "a minimum living wage rate." He also presented an average of "minimum comfort level" budgets at $2,242. Douglas and Ornati later classified some of Lauck's minimum subsistence budgets at one level above minimum subsistence.
1923	Dorothy Douglas, "A Description of Standards of Living," in Paul H. Douglas, Curtice N. Hitchcock, and Willard E. Atkins, editors, *The Worker in Modern Economic Society* (1923).	$1,100–$1,400. Family size: 5 Orshansky: 53–68 percent	"Minimum of subsistence level."	Review of earlier standard budgets.	Douglas's budget classification scheme included four levels: (1) the "comfort level," (2) the "subsistence-plus ('minimum health and decency') level," (3) the "minimum of subsistence level," and (4) the "poverty level," also called the "pauper level" in an earlier article. The poverty/pauper level related to receiving charitable assistance, and so was not analogous to Orshansky's thresholds, but to a 1960s Aid to Families with Dependent Children or General Assistance need standard or payment level.
1928–1929	Louis Reed (Committee on the Costs of Medical Care [a nongovernment group]), *The Ability to Pay for Medical Care*, Committee Publication number 25 (1933). Also see Table Be-H.	$1,200–$1,300. Family size: 5 Orshansky: 58–63 percent	"Minimum subsistence standard of living."	Review of earlier standard budgets.	Reed also estimated that it would take $1,800 to $2,100 to maintain a "minimum comfort" standard of living.
1929	Paul Nystrom, *Economic Principles of Consumption* (1929). Also see Table Be-H.	$1,500. Family size: 4 Orshansky: 86 percent	"Bare subsistence level."	Review of earlier standard budgets.	Nystrom described ten different grades or standards of living ranging from "public and semi-public charges"; "the work-shy, tramps, hobos and incompetents"; "poverty"; and "bare subsistence level" at the bottom to "liberal standards of living" at the top.

(continued)

TABLE Be-G Poverty lines: 1870–1962 *Continued*

Applies to	Study	Poverty line (with family size and the line as a percentage of the Orshansky threshold)	Description	Methodology	Comments
1929	Maurice Leven, Harold Moulton, and Clark Warburton (Brookings Institution), *America's Capacity to Consume* (1934). Also see Table Be-H.	$1,500 (families); $750 (unattached individuals).	"Subsistence and poverty."	The authors divided an estimated income distribution for families and unattached individuals into six economic classes, ranging from "subsistence and poverty" and "minimum comfort" at the bottom to "wealthy" at the top. The authors did not explain how they selected the income ranges associated with each economic class.	The authors' estimated income distribution was based on (nonnational) sample income figures for selected occupational groups, combined with federal income tax return data. One factor that they used as a cross check – the national distribution of residential rents and values of owned homes – was derived from the 1930 Census.
March 1935	Margaret Stecker (U.S. Works Progress Administration), *Intercity Differences in Costs of Living in March 1935, 59 Cities*, Research Monograph 12, Works Progress Administration (1937). Also see Table Be-H, National Resources Planning Board for July 1935–June 1936.	$903.27 (average for 59 cities). Family size: 4 Orshansky: 65 percent	"Emergency budget."	Standard budgets for married, unskilled manual worker's family of four living in 59 cities.	The emergency budget was "a direct concession to conditions produced by the depression, constructed . . . [for] circumstances under which families can and do cut costs temporarily without great physical discomfort" – yet "those forced to exist at the emergency level for an extended period may be subjected to serious health hazards." This budget's food component was an early predecessor of the economy food plan used by Orshansky to develop her poverty thresholds. Stecker also presented a "maintenance" budget with an average cost of $1,260.62.
1935	U.S. Public Health Service, "The National Health Survey: 1935–1936, The Relief and Income Status of the Urban Population of the United States, 1935," preliminary report (1938). Also see Table Be-H.	$1,000 or receiving relief.	"Low income."		"Families" included unrelated individuals.
July 1935–June 1936	President Franklin Delano Roosevelt, Second Inaugural Address (1937), implicitly operationalized in U.S. National Resources Committee, *Consumer Incomes in the United States: Their Distribution in 1935–36* (1938). Also see Table Be-H.	$780 (as implicitly operationalized by the U.S. National Resources Committee).	"One-third of a nation ill-housed, ill-clad, ill-nourished."	Roosevelt's "one-third" was not based on any socioeconomic statistics; it may be conceptualized as an informal estimate by a perceptive nonacademic observer of social conditions. The U.S. National Resources Committee's 1938 report did not refer to Roosevelt's 1937 address, but it did rank "consumer units" (families of all sizes and unrelated individuals) by income and divide the distribution into thirds. The $780 figure was the upper income limit of the lower "third of the Nation."	Roosevelt said, "I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day . . . . I see one-third of a nation ill-housed, ill-clad, ill-nourished." The $780 figure is unusual as an instance of a poverty line derived from a poverty rate estimate, rather than the reverse. Despite its derivation from an informal estimate, the $780 figure was surprisingly close to the WPA's emergency budget figure of $903.27, especially when one notes that the $780 figure applied to all "consumer units" (average size 3.19 persons), while the $903.27 figure applied specifically to a four-person family.
1950	President Eisenhower's Council of Economic Advisers, *Economic Report of the President* (1954).	$1,500.	"Low incomes . . . poverty."		This may have been an effort to gain public acceptance for a poverty/low-income line lower than the 1949 SLIF's $2,000 family low-income line.

Applies to	Study	Poverty line (with family size and the line as a percentage of the Orshansky threshold)	Description	Methodology	Comments
1951	Walter Reuther (President, Congress of Industrial Organizations [a labor union federation]), *1953 Proceedings of the Fifteenth Constitutional Convention of the Congress of Industrial Organizations, November . . . 1953 . . . .* Also see Table Be-H.	$3,000.	"American families lack[ing] even a bare, decent minimum standard of living . . . low income families."		
1952	President Eisenhower's Council of Economic Advisers. *Economic Report of the President* (1955). Also see Table Be-H.	$1,000.	"Low incomes . . . poverty stricken."		This may have been an effort to gain public acceptance for a poverty/low-income line lower than the 1949 SLIF's $2,000 family low-income line.
1955	John Kenneth Galbraith, *The Affluent Society* (1958). Also see Table Be-H.	$1,000.	"The hard core of the very poor."		In setting his unusually low poverty line, Galbraith may have been influenced by the $1,000 figure in the 1955 *Economic Report of the President.*
1957	American Federation of Labor–Congress of Industrial Organizations, Department of Research, *Labor's Economic Review* (February 1959). Also see Table Be-H.	$3,000 (families); $1,500 (unrelated individuals).	"Impoverished Americans . . . not maintaining even a minimum American standard of health and decency."		The $3,000 family poverty line was the same figure that CIO President Walter Reuther had used in his 1953 report, without any adjustment for the inflation that occurred between the reference years 1951 and 1957.
1957	Gabriel Kolko, *Wealth and Power in America: An Analysis of Social Class and Income Distribution* (1962). Also see Table Be-H.	$3,150. Family size: 4 Orshansky: 110 percent	"Emergency standard . . . poverty."	Kolko updated the Works Progress Administration 1930s maintenance and emergency budgets by equating the former with the Bureau of Labor Statistics's (BLS's) postwar City Worker's Family Budget for a family of four, and updating the resulting "maintenance" and "emergency" standards to 1957 roughly in line with price changes. He used a BLS equivalence scale to develop figures for families of other sizes.	Kolko's "maintenance" standard was $4,500 for a family of four. "Between the emergency and maintenance standards, there exists a shadowy area ranging from poverty to hard-pressed insecurity."
1958	Horst Brand, "Poverty in the United States," *Dissent* (Autumn 1960). Also see Table Be-H.	$3,000 (family of 4). The line increased in $500 increments, starting at $1,500 for 1 person and going to $4,500 for a family of 7 or more. Family size: 4 Orshansky: 102 percent	"Poor" – the $3,000 poverty line "covers the subsistence needs of a family of four."	Brand set his four-person poverty line "substantially below" the BLS's City Worker's Family Budget (price-adjusted from the late 1940s), but "well ahead" of public assistance needs standards. He used a BLS equivalence scale to develop poverty lines for other family sizes, rounding the results to the nearest $500.	
1959	Lenore Epstein (employee of the Social Security Administration; later Lenore Bixby), "Some Effects of Low Income on Children and Their Families," *Social Security Bulletin* (February 1961); and "Unmet Need in a Land of Abundance," *Social Security Bulletin* (May 1963). Also see Table Be-H.	$2,675 (married couple with 2 children). Family size: 4 Orshansky: 90 percent	"Low incomes" – a "very conservative definition of low income."	The levels at which families taking only the standard deduction would begin paying taxes – the "taxable limit"	Epstein was assistant director of the Social Security Administration division in which Mollie Orshansky worked. Epstein also presented lines for families of two and six.

TABLE Be-G   Poverty lines: 1870–1962   Continued

Applies to	Study	Poverty line (with family size and the line as a percentage of the Orshansky threshold)	Description	Methodology	Comments
1959	Michael Harrington, *The Other America: Poverty in the United States* (1966 [1962]). Also see Table Be-H.	$3,000–$3,500 (urban family). Family size: 4 Orshansky: 101–118 percent	"Poor...existing at levels beneath those necessary for human decency...hungry...without adequate housing and education and medical care."	After discussing several other poverty lines, Harrington set his poverty line for an urban family of four at roughly half the BLS's recently revised Interim City Worker's Family Budget, recommending (unspecified) adjustments for family size and for farm families.	While the statistical content of Harrington's definitional appendix was modest, few if any statistically detailed analyses of the poverty population have had as great an influence on public policy as his book did.
1959	James Morgan, Martin David, et al., *Income and Welfare in the United States* (1962). Also see Table Be-H.	$3,897. Family size: 4 Orshansky: Not comparable, since this line is applied to money plus nonmoney income, whereas Orshansky's thresholds are applied to money income only.	"Families with small and inadequate incomes...poor."	Families were classified as poor if their income (money plus some nonmoney income) was below 90 percent of the Community Council of Greater New York's standard family budget, *and* if they had less than $5,000 in liquid assets. Budget figures were available for all family sizes.	Data were obtained from a survey of 2,800 families conducted by the University of Michigan's Survey Research Center. The four-person family was composed of an employed husband, a wife not working outside the home, and two children aged 8 and 11.
1959	Victor Fuchs, "Toward a Theory of Poverty," in Task Force on Economic Growth and Opportunity, *The Concept of Poverty* (1965). Also see Table Be-H for 1947–1960.	$2,830 (based on family income data from the decennial census); $2,708 (based on family income data from the Current Population Survey).	"Millions of American families who, both in their own eyes and those of others, are poor."	After considering earlier poverty lines, Fuchs concluded that "a meaningful definition of poverty can best be found by setting relative standards." To implement this conclusion, he set a relative poverty line for all families (regardless of family size) at half of median family income.	Fuchs's relative poverty line concept is discussed in the appendix to the current essay; also see series Be110. However, the relative poverty-line figures presented in that series were calculated for a family of four, and thus differ from the figures Fuchs used in his analysis, which were calculated for all families without adjustment for family size. As noted in the essay, Fuchs was the first American to propose a relative (half-of-median-income) definition of poverty.
1960	Selma Goldsmith (employee of the U.S. Department of Commerce), "Low-Income Families and Measures of Income Inequality," *Review of Social Economy* (March 1962). Also see Table Be-H.	$3,000 (families); $2,000 (unrelated individuals).	"Low-income."	"I cannot claim to have made any progress whatsoever [toward defining 'poverty']. ...These income points [$3,000 and $2,000] were chosen arbitrarily."	The article was originally presented as a paper at the December 1961 meeting of the Catholic Economic Association.
1960	Conference on Economic Progress (a nonprofit research and advocacy group), *Poverty and Deprivation in the United States: The Plight of Two-Fifths of a Nation* (1962). Also see Table Be-H.	$4,000 (families); $2,000 (unrelated individuals).	"Poverty."	The poverty line for families of all sizes was set at roughly two thirds of the average cost of the BLS's Interim City Worker's Family Budget for a family of four. The study argued that overall poverty population figures would be about the same with a single-figure family poverty line as with a poverty line varying by family size. Roughly in line with the BLS equivalence scale for one-person and four-person units, the poverty line for unrelated individuals was set at half the family poverty line.	The study also set lines ($6,000 for families, $3,000 for unrelated individuals) to define "deprivation" – a "condition...quite distinguishable from...stark poverty, but [which] nonetheless means genuine denial of many of the goods and services which most Americans have come to regard as 'essentials,' and in most cases imposes a continuing sense of insecurity." The study also identified higher income levels ("deprivation-comfort," "comfort-affluence," "affluence or higher") covering the whole income distribution – one of the first studies since the 1930s to do that.

Applies to	Study	Poverty line (with family size and the line as a percentage of the Orshansky threshold)	Description	Methodology	Comments
1962	President Johnson's Council of Economic Advisers, *Economic Report of the President* (January 1964), Chapter 2. Also see Table Be-H.	$3,000 (families); $1,500 (unrelated individuals).	"By the poor we mean those who are not now maintaining a decent standard of living....Poverty is the inability to satisfy minimum needs."	The $3,000 figure was derived from consideration of the minimum wage level, the approximate level at which a family of four started paying federal income taxes, and the highest state Aid to Families with Dependent Children payment level for a family of four. Despite a reference in the CEA chapter to a 1963 Orshansky article, Orshansky's figures were not used in deriving the CEA's $3,000 figure.	The primary author of the chapter was Robert Lampman; see series Be88–94. The $3,000 figure was specified as applying to before-tax annual money income. If the same underlying poverty standard had been applied to money-plus-nonmoney-income data, consistency would have required the use of a dollar figure higher than $3,000.
1962	Walter Heller (Chairman, Council of Economic Advisers), March 1964 Congressional hearing. Also see Table Be-H.	$3,000 (family of 4). The line increased in $500 increments, starting at $1,500 for 1 person and going to $4,000 for a family of 6 or more. Family size: 4 Orshansky: 97 percent	"Poverty."	A refinement of the CEA's $3,000/$1,500 poverty line, varying it by family size.	
1962	Rose Friedman (American Enterprise Institute), *Poverty: Definition and Perspective* (1965). Also see Table Be-H.	$2,195. Family size: household of 4 Orshansky: 71 percent	"Poverty lines . . . the nutritive adequacy definition of poverty."	For each household size from two to seven or more persons, the poverty line was set at the income level at which three fourths of the households of that size met two thirds of the National Research Council's Recommended Daily Allowances. Friedman used data from the 1955 Household Food Consumption Survey, updating the results to 1962 prices.	Friedman criticized the CEA's poverty line and an early version of Orshansky's poverty line as being too high.

ANALYTIC RECONSTRUCTIONS

Applies to	Study	Poverty line (with family size and the line as a percentage of the Orshansky threshold)	Description	Methodology	Comments
1874	Frances Early, "The French-Canadian Family Economy and Standard-of-Living in Lowell, Massachusetts, 1870," in Michael Gordon, editor, *The American Family in Social-Historical Perspective* (3rd edition, 1983).	$585. Family size: 4-6 Orshansky: 42 percent (family of 5)	"Poverty-line annual income."	Early developed poverty lines for several family size ranges using data on 26 French-Canadian families from a family expenditure study in the Sixth Annual Report of the Massachusetts Bureau of Statistics of Labor. Early considered her own summarization of the original interviewers' comments on families' living conditions, as well as whether families' expenditures were more or less than their incomes.	
1880	Michael Haines, "Poverty, Economic Stress, and the Family in a Late Nineteenth-Century American City: Whites in Philadelphia, 1880," in Theodore Hershberg, editor, *Philadelphia: Work, Space, Family, and Group Experience in the Nineteenth Century* (1981).	$464. Family size: 5 Orshansky: 37 percent	"Poverty . . . economic stress . . . estimated 'minimum adequacy' expenditures."	Econometric estimation based on U.S. Commissioner of Labor Carroll Wright's 1889–1890 expenditure survey microdata for families with low income per capita	Haines's "minimum adequacy" is not the same as Ornati's category.

Discussion

Where indicated, poverty rates or counts using the definition given in the study appear in Table Be-H.

The poverty lines represent annual income unless otherwise noted; poverty lines for shorter time periods are also shown in annual terms to facilitate comparisons. Particularly during the earlier part of the period, analysts sometimes did not state the family size to which a measure applied and/or the reference period (for example, "This budget reflects prices as of February 1915," or "This poverty line should be applied to incomes for calendar year 1959.") In such cases, we have presented reasonable assumptions about the values of these variables. Except for poverty lines that were applicable to different family sizes, we converted the dollar values of these poverty lines to 1963 dollars so that they could be expressed as percentages of the corresponding-family-size Orshansky poverty thresholds (for which 1963 was the base year). To make these price adjustments, we used the price index in series Cc1.

Even though our review of pre-Orshansky poverty lines and minimum subsistence budgets was extensive, it was not feasible to include every such poverty line or budget developed during the 1870–1965 period.

Not all of the pre-Orshansky poverty lines and minimum subsistence budgets in Table Be-G were of equal prominence. Even though the four nineteenth-century figures are of great intrinsic historical interest, none of them were cited by later writers.[18] However, Robert Hunter's 1904 book *Poverty* had a significant impact on social reformers and others concerned with the problems of poverty; it was even commented on by Britain's H. G. Wells. Hunter's $460/$300 poverty line was the first known poverty line intended to apply to the nation as a whole rather than to a single city or state, and it was mentioned by a number of contemporary and later writers.

From 1906 into the 1920s, a number of standard budgets and other income inadequacy measures were developed. However, much of the public discussion focused on budgets and other figures that were above the minimum subsistence level. Accordingly, some of the most widely cited budgets and other figures during this period – for instance, those in a 1909 study by Robert Chapin – are not included in Table Be-G (Chapin 1909).

Within the limits of the minimum subsistence level, one of the more widely cited measures during the years before the United States entered World War I was the standard budget for a "minimum standard of living" developed by Wood Worcester and Daisy Worthington Worcester, Special Agents (investigators) working for the U.S. Bureau of Labor (later the Bureau of Labor Statistics). Furthermore, the Worcesters' minimum standard/fair standard distinction was adopted by two reviews of budget studies – one published in 1913 by Scott Nearing and the other in 1916 by Maurice Parmelee (see Table Be-H) (Nearing 1913; Parmelee 1916). Similarly, the U.S. Commission on Industrial Relations's "abject poverty" and "decency" standards were adaptations of the Worcesters' two standards (see Tables Be-G and Be-H).

Several minimum or "bare existence" budgets developed during the 1910s remained in almost total obscurity, but the minimum budget developed by William Ogburn for the National War Labor Board in 1918 was mentioned by several contemporary and later writers; it seems to have been the first budget with which the term "minimum of subsistence level" was used.

Dorothy Douglas's 1923 minimum of subsistence level was by far the most important standard of its type for over a decade. The level and her dollar figures were cited a number of times during the 1920s, while the concept continued to be cited as late as the early 1940s.

Margaret Stecker's emergency budget for the U.S. Works Progress Administration was a minimum subsistence budget cited by various contemporary analysts; in addition, the Textile Workers Union of America issued an upgraded version of this budget in 1944, which they hoped to get accepted as "the lowest conceivable budget . . . for active, patriotic, self-supporting, self-respecting American workers" in connection with the National War Labor

Board's directive to eliminate substandard living conditions among American workers during World War II.

Another New Deal–era figure – the National Resources Committee's $780 figure operationalizing President Roosevelt's "one-third of a nation" quotation – was cited by contemporary and later writers as having been an approximate measure of poverty for this period.

The Congressional Subcommittee on Low-Income Families (SLIF) issued a staff report in 1949 that included a low-income line of $2,000 for families of all sizes for 1948 (see Table Be85–94). During the 1950s, there were not large numbers of Americans writing about poverty and poverty lines. However, among those who did so during the 1949–1958 period (and who did not present poverty lines of their own), the large majority cited the SLIF's $2,000 figure.

In 1958, John Kenneth Galbraith published *The Affluent Society*. The book included a chapter on poverty. Galbraith's *conceptual* definition of poverty has often been quoted approvingly by both American and non-American writers.[19] However, his *operational* definition of poverty ($1,000 for families and unrelated individuals) was criticized as being too low, and was not used by other writers.

In 1958 and 1959, a number of people writing about poverty and poverty lines stopped using the SLIF's $2,000 family low-income line and began using higher figures, such as $3,000. The origin of the $3,000 figure used by some of these writers is not immediately clear.

Unofficial poverty lines were developed and published more frequently during the 1958–1963 period than during the 1949–1958 period. Accordingly, no one poverty line dominated the poverty writings of the early 1960s in the same way that the SLIF's $2,000 figure had dominated the writings of the 1949–1958 period. Robert Lampman published low-income lines for 1947 and 1957 ($2,516 for a family of four in 1957) in a 1959 report done for the Congressional Joint Economic Committee (see Table Be85–94). A number of other writers cited Lampman's low-income line, particularly during 1960. Over the next several years, writers either cited other poverty lines or else cited Lampman's low-income line in conjunction with another – generally a higher – poverty line; the higher poverty lines that were cited included the American Federation of Labor–Congress of Industrial Organizations' $3,000/$1,500 poverty line and the Conference on Economic Progress' $4,000/$2,000 poverty line.

In January 1964, when the War on Poverty was announced, President Johnson's Council of Economic Advisers (CEA) set a poverty line of $3,000 for families and $1,500 for unrelated individuals. This became the United States' first quasi-official poverty line and continued to be so for a little over a year.

In January 1965, Mollie Orshansky published a *Social Security Bulletin* article presenting her poverty thresholds. In May 1965, as noted earlier, the Office of Economic Opportunity adopted

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[18] We did not include in Table Be-G the $600 figure cited by Carroll Wright in the 1875 report of the Massachusetts Bureau of Statistics of Labor. Seeing a reference to families below this level being "in debt and poverty," some twentieth-century analysts have taken the $600 figure to be a poverty line. However, an examination of the broader context of the report shows that the figure is related to the concepts of debt, family deficit (having family expenditure greater than family income), and pauperism, and not to the concept of income inadequacy (poverty).

[19] "In part [poverty] is a physical matter. . . . But . . . it is wrong to rest everything on absolutes. People are poverty-stricken when their income, even if adequate for survival, falls markedly behind that of the community. Then they cannot have what the larger community regards as the minimum necessary for decency; and they cannot wholly escape, therefore, the judgment of the larger community that they are indecent. They are degraded for, in the literal sense, they live outside the grades or categories which the community regards as acceptable" (Galbraith 1964 [1958], Chapter 23, p. 251).

her thresholds as a working definition of poverty; they thus succeeded the CEA's poverty line as the United States' quasi-official poverty line (they were given fully official status as the federal government's statistical definition of poverty in August 1969). The 1965 adoption of Orshansky's thresholds marked the end of the pre-Orshansky period of unofficial poverty lines.

Poverty Population Estimates

Several estimates of the number of Americans in poverty were done by advocates and analysts before Orshansky; these estimates are presented in Table Be-H because they are of interest to historical scholars and social policy historians. These estimates are too scattered – and were done on too many different bases – to be included among the chapter's data series (if one is looking for a single series of pre-1959 poverty estimates, one will be disappointed.) Table Be-H includes estimates of the total number of Americans in poverty, as well as a few estimates of the proportion of major segments of the population (for example, the urban population, or working families) who were in poverty; it does not include poverty rates for small groups of families in a single city.[20] Most of the poverty population estimates in this table were associated with poverty lines or similar measures shown in Table Be-G, although not all of those poverty lines had poverty population estimates associated with them.

As in the case of pre-Orshansky poverty lines, it may be helpful to give a brief assessment of the various pre-Orshansky poverty population estimates and what they can tell us about the incidence of poverty under contemporary definitions.

We found four poverty population estimates for years during the Progressive era and five such estimates for the years 1928–1929. Although each of these two sets of estimates was for years during the same time period, they varied greatly, from about 10 percent to about 50 percent for each set of estimates. The analysts who prepared the individual estimates did the best job that they could to make estimates on the basis of available information, but that information was just too limited. We conclude that their estimates are too weak a basis for us today to make any specific estimate of the poverty rate in the United States (by contemporary standards) during either the Progressive era or the 1928–1929 period. For the period before the mid-1930s, the state of knowledge about the number of Americans in poverty can perhaps best be summed up not in figures but in the words of social insurance theorist and advocate Isaac M. Rubinow:

> How much poverty is there in this, the richest country in the world? . . . Of course, there are no accurate data. We probably know more about the number of poor hogs in this country than the number of poor people. At least, one may have estimates about the hogs. There is a public department to prepare these regularly. There is none to account for the number of poor and dependent. (Rubinow 1929, p. 366)

Only when reasonably good national family income data become available do credible estimates of poverty under contemporary definitions appear. Among the many actions taken by the federal government in response to the Depression were efforts to gather information on the social problems that the New Deal sought to remedy – including low income as well as unemployment. As one government report put it, "Any attempt on the part of Government or business to grapple with basic economic problems must rely heavily on what can be learned of the distribution of income among the various groups of the Nation's consumers" (U.S. National Resources Committee 1938, p. 1). During the mid-1930s, federal agencies conducted two national sample surveys – the Study of Consumer Purchases and the National Health Survey – which collected information on family income as well as other subjects. The addition of limited income questions to the 1940 Decennial Census was presumably motivated by similar concerns. And in March 1940, the U.S. Work Projects Administration (WPA, formerly the Works Progress Administration) initiated the Sample Survey of Unemployment (later the Current Population Survey); when an income supplement was added to this survey in the mid-1940s, it became the principal source of annual national family income data.

One of the earliest survey-based reports with data on the poverty population under a contemporary definition was the preliminary report on the National Health Survey published in 1938 by the U.S. Public Health Service, including data on income in 1935. This report's low-income line was crude, without any adjustment for family size. While it did not aggregate its regional low-income rates into a national rate for all of the 80-plus cities that it covered, it appears that such a national rate would probably have been somewhere in the neighborhood of 45 percent. Including other cities would probably not have changed the national rate greatly, but if the Survey had also included the rural population, the overall national low-income rate for 1935 would probably have been higher – perhaps somewhere between 50 and 60 percent.

A 1942 National Resources Planning Board report included another poverty population estimate based on mid-1930s survey data. The estimate was based on July 1935–June 1936 income data from the Study of Consumer Purchases, combined with some income information from the National Health Survey. This estimate was for urban families only; it thus excluded urban unrelated individuals and rural families and unrelated individuals. It used a poverty line adjusted for family size. It found that 40.0 percent of persons in urban families were either below the WPA emergency budget or in families that had received relief of some kind at some time during 1935–1936. If comparable poverty lines for urban unrelated individuals and the rural population had been available, the overall national poverty rate for 1935–1936 would probably have been higher – perhaps somewhere between 50 and 60 percent.

Intriguingly, we find that extrapolations from these two estimates – using different surveys and different contemporary poverty lines – both suggest that the overall national poverty rate during 1935 or 1935–1936 may perhaps have been in the range of 50 to 60 percent. Even though this estimate is an imprecise range rather than a precise figure, it represents the earliest point at which we can make a statement about the national poverty rate with any confidence.

During the 1990s, Linda Barrington developed an "analytical reconstruction" set of poverty lines for 1939 based on a 1930s Agriculture Department food plan and a multiplier developed from the 1935–1936 Study of Consumer Purchases. She applied these poverty lines to the 1939 earnings (wage and salary) income data collected in the 1940 Decennial Census. As noted in Table Be-H, she came up with an earnings poverty rate of 45.3 percent for

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[20] Thus we did not include the estimate of the number of blacks in poverty in Philadelphia found in DuBois (1967 [1899]).

TABLE Be-H　Poverty estimates, counts, and rates: 1900–1962

Applies to	Study	Poverty count or rate (with population covered, where necessary)	Measure of poverty and methodology	Comments
COUNTS AND RATES BY CONTEMPORARIES				
1900	Robert Hunter, *Poverty* (1904). Also see Table Be-G for 1904.	Not fewer than 10 million persons (13 percent of the U.S. population); perhaps as many as 15 or 20 million persons (26 percent).	Hunter based this estimate "upon my own observation in various cities . . . , upon the figures of the U.S. Census for 1900 concerning unemployment, upon the reports of the State Boards of Charity, the *Bulletin* of [the] Statistics Department of the city of Boston for 1903[,] the records of the Municipal Court of New York concerning the number of evictions, and the report of the Department of Corrections, concerning the number of pauper burials in New York City." Although Hunter specified poverty lines at $460 for industrial Northern states and $300 for the South, he did not develop his poverty population estimate by applying these lines to estimated national income distribution data.	As indicated in Table Be-G, Hunter's poverty line was assumed to be for 1904. However, in one discussion on estimating the number of persons in poverty, Hunter cited state and national population totals from the 1900 decennial census without attempting to update them to 1904. Accordingly, his poverty population estimate was assumed to be applicable to 1900.
1908	The "Major Report" of the Commission on Industrial Relations, signed by four of the nine commissioners (written by Basil Manly, Director of Research and Investigation). U.S. Commission on Industrial Relations, *Industrial Relations: Final Report . . . to Congress . . .* , volume 1 (1916). Also see Table Be-G for 1907–1912.	"About one-third" of the families of wage earners employed in manufacturing and mining.	"Abject poverty" was defined as having an annual income of $500 or less; the proportion of one third was based on income data on 15,726 immigrant families in a 1909 U.S. Immigration Commission report.	As noted in Table Be-G, the budget studies underlying the Report's "abject poverty" line reflected 1907–1912 prices. However, the income data came from a report published in 1909, so it was assumed to be applicable to 1908.
1910	Newel Howland Comish, *The Standard of Living: Elements of Consumption* (1923).	52 percent of American families were on or below the minimum of subsistence standard or the pauper standard.	On or below pauper the standard (less than $500 a year) or the minimum subsistence standard ($500–799). Comish attributed dollar values to these standards by adapting results from Robert Chapin's study of New York City working-class families in 1907, which did not use the terms "minimum of subsistence" and "pauper." These dollar figures were applied to an estimated family income distribution for 1910, which was not based on a national sample survey or the decennial census.	
1915	Maurice Parmelee, *Poverty and Social Progress* (1916). Also see Table Be-G, Worcester and Worcester for 1908.	Probably higher than 10 percent of the U.S. population (not specified whether persons or families).	$600 a year, presumably for 1915 – an adaptation of the Worcesters' "minimum standard." Parmelee reviewed wages for various occupations and some figures on paupers but did not describe a specific methodology.	
1928–1929	Rexford Tugwell, Thomas Munro, and Roy Stryker, *American Economic Life and the Means of Its Improvement* (3rd edition, 1930).	5 or 6 million families (3 million urban, and 2 or 3 million rural). Population covered: 26 million families.	"Roughly, we shall mean by poverty the whole range below health and decency" (that is, at and below Douglas's minimum of subsistence). They did not give a specific dollar figure for their definition of poverty.	"This . . . is an estimate for normal [non-depression] times . . . . In times of general depression there must be many more." The poverty rate for families would have been between 19 and 23 percent.
1928–1929	Louis Reed (Committee on the Costs of Medical Care [a nongovernment group]), *The Ability to Pay for Medical Care*, Committee Publication number 25 (1933). Also see Table Be-G.	Not less than 10 percent of U.S. families below minimum subsistence.	Reed estimated minimum subsistence for an urban family of five at $1,200 to $1,300 in 1928–1929. He may have applied these figures to an estimated family income distribution for 1928. He did make allowances for an average family size smaller than five and for lower living costs in rural areas.	
1929	Paul Nystrom, *Economic Principles of Consumption* (1929). Also see Table Be-G.	22 million to 23 million persons, comprising 5 million families plus 3 million persons in the lowest two classifications. Population covered: 119 million to 120 million persons.	The estimate given is for persons at or below minimum subsistence – that is, in Nystrom's "public and semi-public charges," "the work-shy, tramps, hoboes and incompetents," "poverty" (pauper level), and "bare subsistence level" groups. Nystrom himself did not total up these four specific groups. Nystrom's "bare subsistence level" dollar figure for a family of four was $1,500. He did not explain how he developed population figures for his various groups.	The poverty/subsistence rate for persons, which Nystrom did not calculate, would have been 18–19 percent.

TABLE Be-H   Poverty estimates, counts, and rates: 1900–1962   *Continued*

Applies to	Study	Poverty count or rate (with population covered, where necessary)	Measure of poverty and methodology	Comments
1929	Maurice Leven, Harold Moulton, and Clark Warburton (Brookings Institution), *America's Capacity to Consume* (1934). Also see Table Be-G.	11.7 million families (42 percent of all families) and 2.5 million "unattached" individuals (28 percent of all such individuals) in "subsistence and poverty." Population covered: 27.5 million families and 9 million "unattached" individuals.	The "subsistence and poverty" class comprised families with annual incomes below $1,500 and unattached individuals below $750. The authors presented an estimated income distribution for families and unattached individuals divided into six economic classes, ranging from "subsistence and poverty" at the bottom to "wealthy" at the top. The authors did not explain how they selected the income ranges associated with each economic class.	Their estimated income distribution was based on (nonnational) sample income figures for selected occupational groups, combined with federal income tax return data. One factor that they used as a cross check – the national distribution of residential rents and values of owned homes – was derived from the 1930 Census.
1929 and 1932	Carroll Daugherty, *Labor Problems in American Industry* (4th edition, 1938).	Poverty rate (percent of U.S. families). 1929: 55 percent 1932: 75 percent	Daugherty defined families with "sub-standard incomes" as those living at either the "subsistence plane" or the "poverty [pauper] plane" but did not publish dollar figures defining the subsistence plane. He seems to have applied dollar figures (including unpublished figures for the subsistence plane) to estimated family income distributions for 1929 (Brookings Institution 1934 study – see earlier) and 1932.	Since his dollar figures for 1910 and 1918 were calculated by adjusting 1929 standards for price changes only, they would not have reflected standards contemporary to 1910 and 1918; accordingly, his population estimates for those years are not included here. Because Daugherty only published dollar values for his "poverty [pauper] plane," he was not included in Table Be-G, which was limited to "minimum subsistence" standards.
1935	U.S. Public Health Service, "The National Health Survey: 1935–1936 – The Relief and Income Status of the Urban Population of the United States, 1935," preliminary report (1938). Also see Table Be-G.	Poverty rates (%) Region | Total | White | "Colored" NE | 37.5 | 35.4 | 73.4 NC | 40.5 | 37.9 | 76.4 S | 52.2 | 36.8 | 90.1 W | 37.5 | 35.7 | 66.7 Regions: Northeast, North Central (Midwest), South, and West. No national totals were shown. Population covered: urban population of persons in families (including unrelated individuals) in more than eighty cities.	Informal "measure of low income," combining families receiving relief with nonrelief families with incomes less than $1,000.	In the terminology of the report, "colored" families included Negro, Mexican, Chinese, and Japanese families. For white families, note that if rural families had been included, the Southern white low-income rate might have diverged more from other regions' white low-income rates.
July 1935– June 1936	President Franklin Delano Roosevelt, Second Inaugural Address (1937), implicitly operationalized in U.S. National Resources Committee, *Consumer Incomes in the United States: Their Distribution in 1935–36* (1938). Also see Table Be-G.	"Millions of families . . . one-third of a nation." 13.2 million consumer units, comprised of 8.5 million families and 4.7 million "single" [unrelated] individuals. Population covered: the "Nation" – 29.4 million families and 10.1 million "single" individuals.	Roosevelt's "one-third" was not based on any socioeconomic statistics; it may be conceptualized as an informal estimate by a perceptive nonacademic observer of social conditions. The Committee operationalized Roosevelt's informal "one-third of a nation" estimate by determining the dollar figure ($780) that was the upper income boundary of the one third of the nation's consumer units with the lowest incomes in the Study of Consumer Purchases.	"I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day . . . . I see one-third of a nation ill-housed, ill-clad, ill-nourished." If the Committee had made some adjustment for the differing needs of "single" [unrelated] individuals and families of different sizes, its total would presumably have included fewer "single" individuals and more families.
July 1935– June 1936	U.S. National Resources Planning Board (NRPB), *Security, Work, and Relief Policies* (1942). Also see Table Be-G, Margaret Stecker (U.S. Works Progress Administration) for March 1935.	40.0 percent of persons; 51.8 percent of children younger than 16. Population covered: urban families and children in such families.	The NRPB report estimated the number of urban families with incomes below a family-size-adjusted version of the WPA's emergency budget, applying the dollar figures to income data for urban families from the 1935–1936 Study of Consumer Purchases, combined with some income information from the 1935 National Health Survey. Adjusted emergency budget figures were $740 for a family of three, $860 for a family of four, and so on. Note that while these budget figures reflected March 1935 prices, they were applied to income data for July 1935–June 1936.	The Study of Consumer Purchases did not collect income data for consumer units receiving "relief" of some kind (including cash relief, relief vouchers for food and clothing, and work relief) at any time during the twelve-month period. The NRPB report assumed that (urban) families receiving relief generally had incomes below the emergency budget. Families receiving relief accounted for about half its total estimate. These figures were developed to provide one estimate of unmet need for "public aid" (cash transfers – for example, general relief). The NRPB report estimated that 20.8 percent of persons and 25.3 percent of children younger than age 16 in urban families were members of families that had not received some form of relief, yet had incomes below the WPA's emergency budget level. Because the emergency budget was for urban families, the NRPB estimate excluded urban unrelated individuals and rural families and unrelated individuals. If versions of the emergency budget had been available for urban unrelated individuals and rural families and unrelated individuals, presumably even higher proportions of those groups would have been found to have incomes below the budget.

(continued)

TABLE Be-H   Poverty estimates, counts, and rates: 1900–1962   *Continued*

Applies to	Study	Poverty count or rate (with population covered, where necessary)	Measure of poverty and methodology	Comments
1947, 1957, 1961, and 1963	Robert Lampman, "The Low Income Population and Economic Growth" (1959 paper for Joint Economic Committee). See series Be88–94 for accompanying poverty lines.	<table><tr><th>Year</th><th>Count (million)</th><th>Rate (%)</th></tr><tr><td>1947</td><td>36.6</td><td>26.0</td></tr><tr><td>1957</td><td>32.2</td><td>19.1</td></tr><tr><td>1961</td><td>33.0</td><td>18.2</td></tr><tr><td>1963</td><td>31.5</td><td>16.8</td></tr></table> Population covered: U.S. persons.	For the low-income definition, see the text for series Be88–94. Low-income population figures were calculated from Current Population Survey income data.	Person counts and rates correcting Lampman's family size assumption and for other years, as calculated by Gordon Fisher (1999): <table><tr><th>Year</th><th>Count (000s)</th><th>Rate (%)</th><th>Year</th><th>Count (000s)</th><th>Rate (%)</th></tr><tr><td>1947</td><td>39,229</td><td>27.3</td><td>1955</td><td>36,078</td><td>22.1</td></tr><tr><td>1948</td><td>41,329</td><td>28.3</td><td>1956</td><td>32,804</td><td>19.7</td></tr><tr><td>1949</td><td>43,643</td><td>29.4</td><td>1957</td><td>33,706</td><td>19.9</td></tr><tr><td>1950</td><td>41,397</td><td>27.6</td><td>1958</td><td>34,773</td><td>20.1</td></tr><tr><td>1951</td><td>39,027</td><td>25.6</td><td>1959</td><td>32,853</td><td>18.6</td></tr><tr><td>1952</td><td>38,395</td><td>24.8</td><td>1960</td><td>33,137</td><td>18.5</td></tr><tr><td>1953</td><td>–</td><td>–</td><td>1961</td><td>32,503</td><td>17.9</td></tr><tr><td>1954</td><td>–</td><td>–</td><td>1962</td><td>31,588</td><td>17.1</td></tr><tr><td></td><td></td><td></td><td>1963</td><td>30,342</td><td>16.2</td></tr></table>
1948 and 1954	SLIF of the U.S. Congress, Joint Committee on the Economic Report, 1949 and 1955 Subcommittee staff reports. See series Be86–87 for accompanying poverty lines.	<table><tr><th>Year</th><th>Count (million)</th><th>Rate (%)</th></tr><tr><td>1948</td><td>9.6</td><td>25</td></tr><tr><td>1954</td><td>9.4</td><td>22</td></tr></table> Population covered: U.S. families.	Low-income definition of subcommittee. See series Be86–87 and accompanying text. Low-income population figures calculated from Current Population Survey income data.	Counts and rates for persons, as calculated by Gordon Fisher (1999): <table><tr><th>Year</th><th>Count (000s)</th><th>Rate (%)</th><th>Year</th><th>Count (000s)</th><th>Rate (%)</th></tr><tr><td>1947</td><td>34,501</td><td>24.0</td><td>1955</td><td>32,538</td><td>19.9</td></tr><tr><td>1948</td><td>36,148</td><td>24.8</td><td>1956</td><td>29,756</td><td>17.9</td></tr><tr><td>1949</td><td>39,141</td><td>26.3</td><td>1957</td><td>30,661</td><td>18.1</td></tr><tr><td>1950</td><td>37,002</td><td>24.6</td><td>1958</td><td>31,650</td><td>18.3</td></tr><tr><td>1951</td><td>34,216</td><td>22.4</td><td>1959</td><td>29,702</td><td>16.8</td></tr><tr><td>1952</td><td>33,340</td><td>21.6</td><td>1960</td><td>29,938</td><td>16.7</td></tr><tr><td>1953</td><td>–</td><td>–</td><td>1961</td><td>29,855</td><td>16.5</td></tr><tr><td>1954</td><td>–</td><td>–</td><td>1962</td><td>28,129</td><td>15.3</td></tr><tr><td></td><td></td><td></td><td>1963</td><td>27,119</td><td>14.5</td></tr></table>
1951	Walter Reuther (President, Congress of Industrial Organizations [a labor union federation]), *1953 Proceedings of the Fifteenth Constitutional Convention of the Congress of Industrial Organizations, November . . . 1953 . . . .* Also see Table Be-G.	14 million families. Population covered: United States.	Reuther's low-income line for families was $3,000; he applied it to Current Population Survey income data.	Based on Current Population Survey income data not rounded to the nearest million, the figure would have been 14.5 million families – 35.9 percent of all families.
1955	John Kenneth Galbraith, *The Affluent Society* (1964 [1958]). Also see Table Be-G.	7.7 percent of U.S. families.	Galbraith's poverty line was $1,000; he applied it to Current Population Survey income data.	Based on Current Population Survey income data, the number of families involved was 3.3 million.
1957	American Federation of Labor–Congress of Industrial Organizations, Department of Research, *Labor's Economic Review* (February 1959). Also see Table Be-G.	40 million persons. Population covered: United States.	The poverty line was $3,000 for families and $1,500 for unrelated individuals; they applied it to Current Population Survey income data.	Based on Current Population Survey data, the corresponding poverty rate would have been 24 percent.
1957	Gabriel Kolko, *Wealth and Power in America: An Analysis of Social Class and Income Distribution* (1962). Also see Table Be-G.	27.5 percent of all U.S. "spending units" (families and unrelated individuals).	Kolko's "emergency" standard varied by family size (for example, $3,150 for a family of four); he applied it to Current Population Survey income data.	An additional 16.5 percent of "spending units" were above Kolko's "emergency" standard but below his "maintenance" standard (e.g., $4,500 for a family of four).
1958	Horst Brand, "Poverty in the United States," *Dissent* (Autumn 1960). Also see Table Be-G.	42.2 million persons – "close to 25%" of all persons in the United States.	Brand's poverty line varied by family size (for example, $1,500 for one person; $3,000 for a family of four); he applied it to Current Population Survey income data.	Based on Current Population Survey data, a more precise poverty rate would have been 24.4 percent.
1959	Lenore Epstein (employee of the Social Security Administration; later Lenore Bixby), "Some Effects of Low Income on Children and Their Families," *Social Security Bulletin* (February 1961); and "Unmet Need in a Land of Abundance," *Social Security Bulletin* (May 1963). Also see Table Be-G.	16 million children, nearly one fourth of all American children; almost one fifth of all families; 33 million persons. Population covered: United States.	For her low-income lines Epstein used "taxable limits" – the levels at which families taking only the standard deduction would begin paying federal income taxes (for example, $1,325 for a married couple or a mother and child; $2,675 for a married couple with two children). Her figures for families and persons were based on income data for 1959 from the 1960 Decennial Census; the figure for children was based on Current Population Survey data.	

TABLE Be-H   Poverty estimates, counts, and rates: 1900–1962   *Continued*

Applies to	Study	Poverty count or rate (with population covered, where necessary)	Measure of poverty and methodology	Comments
1959	Michael Harrington, *The Other America: Poverty in the United States* (1966 [1962]). Also see Table Be-G.	"Around 50,000,000" persons. Population covered: United States.	Harrington's poverty line was set at $3,000 to $3,500 for an urban family of four. He recommended (unspecified) adjustments for family size and for farm families. One assumes that he applied this poverty line to Current Population Survey income data, but he does not state explicitly what he did.	Based on Current Population Survey data, the corresponding poverty rate would have been about 28 percent.
1959	James Morgan, Martin David, et al., *Income and Welfare in the United States* (1962). Also see Table Be-G.	10.4 million families – "one-fifth of the nation's families." Population covered: United States.	The poverty line varied by family size (for example, $3,897 for a family of four); in addition, the poverty definition included only families with less than $5,000 in liquid assets. This poverty definition was applied to income data from a nationally representative sample survey of 2,800 families by the University of Michigan's Survey Research Center.	This appears to have been the first American study to include an estimate of what was later called the "poverty gap" – the amount that would be required to raise the annual income of every poor individual and family to equal their poverty line (about $10 billion in 1959).
1960	Selma Goldsmith (employee of the U.S. Department of Commerce), "Low-Income Families and Measures of Income Inequality," *Review of Social Economy* (March 1962). Also see Table Be-G.	9.9 million families (21.7 percent) and 5.9 million unrelated individuals (54 percent). Population covered: U.S. families and unrelated individuals.	Goldsmith's low-income line was $3,000 for families and $2,000 for unrelated individuals; she applied it to Current Population Survey income data.	
1960	Conference on Economic Progress (CEP, a nonprofit research and advocacy group), *Poverty and Deprivation in the United States: The Plight of Two-Fifths of a Nation* (1962). Also see Table Be-G.	38.3 million persons – just over one fifth of all persons in the United States.	The poverty line was $4,000 for families and $2,000 for unrelated individuals; it was applied to Office of Business Economics income estimates, which were not based on survey microdata.	An additional 39.1 million persons – just over one fifth of all persons – lived above poverty but in "deprivation." CEP defined deprivation as below $6,000 for families and $3,000 for unrelated individuals.
1962	President Johnson's Council of Economic Advisers, *Economic Report of the President* (January 1964), Chapter 2. Also see Table Be-G.	35 million persons – "nearly a fifth of our fellow citizens." Population covered: U.S. families and persons.	The poverty line was $3,000 for families and $1,500 for unrelated individuals; it was applied to Current Population Survey income data.	An unpublished 1999 recalculation by Gordon Fisher from published Current Population Survey data yielded a figure of 35.1 million persons, or 19.1 percent of all persons, using the CEA definition. The CEA's chapter (like the Morgan, David, et al. 1962 book and Orshansky's January 1965 article) included an estimate of what was later called the "poverty gap." According to the text, this was about $11 billion in 1962 for families only.
1962	Walter Heller (Chairman, Council of Economic Advisers), March 1964 Congressional hearing. Also see Table Be-G.	35.9 million persons (20 percent). Population covered: United States.	Heller refined the CEA's $3,000/$1,500 poverty line, varying it by family size by adding $500 per additional person to the $1,500 one-person figure, up to $6,000 for a family of six or more. He applied this poverty line to Current Population Survey income data.	An unpublished 1999 recalculation by Gordon Fisher from published Current Population Survey data yielded a figure of 36.0 million persons, or 19.5 percent of all persons, using Heller's definition.
1962	Rose Friedman (American Enterprise Institute), *Poverty: Definition and Perspective* (1965). Also see Table Be-G.	4.8 million families – roughly 10 percent of all families in the United States.	Friedman's poverty line varied by family size ($2,195 for four persons); it was set at the income level at which three fourths of the households of that size met two thirds of the National Research Council's Recommended Daily Allowances. Presumably Friedman applied this poverty line to Current Population Survey income data.	Friedman wrote, "further correction for other factors like regional differences, non-money income, and a more realistic estimate of funds available for current consumption would further reduce this estimate" (of 10 percent of all families).

ANALYTIC RECONSTRUCTIONS

Applies to	Study	Poverty count or rate (with population covered, where necessary)	Measure of poverty and methodology	Comments
1939	Linda Barrington, "Estimating Earnings Poverty in 1939 . . . ," *Review of Economics and Statistics* (August 1997). Also see Table Be145–176.	45.3 percent of persons in the United States.	Based on wage and salary earnings only (Integrated Public Use Microdata Series, 1940 Census data). "Orshansky-method" poverty line.	Composition of poverty: 14.5 percent of earnings-poor persons lived in female-headed households in 1939. Poverty rates were also presented broken down by age, race, and gender of household head.
1947–1960	Victor Fuchs, "Toward a Theory of Poverty," in Task Force on Economic Growth and Opportunity, *The Concept of Poverty* (1965). Also see Table Be-G for 1959.	(see table below)	Fuchs set his poverty line for families at one half of the median family income without adjusting for family size. Fuchs applied this poverty line to Current Population Survey income data.	Fuchs's poverty rate figures for all years during the 1947–1960 period are included in this table because a relative poverty line by definition reflects contemporary standards for every year for which it is calculated. Fuchs's figures are included here as an "analytical reconstruction" because he calculated them back almost two decades.

Year	Rate (%)	Year	Rate (%)
1947	19.0	1955	19.9
1948	19.4	1956	19.5
1949	20.1	1957	20.0
1950	20.0	1958	19.9
1951	19.0	1959	19.9
1952	19.0	1960	20.2
1953	19.9		
1954	20.7		

Population covered: U.S. families.

TABLE Be-H   Poverty estimates, counts, and rates: 1900–1962   *Continued*

Applies to	Study	Poverty count or rate (with population covered, where necessary)			Measure of poverty and methodology	Comments
1929–1960, selected years	Oscar Ornati, *Poverty amid Affluence: A Report on a Research Project Carried Out at the New School for Social Research* (1966).	**Year**	**Persons (million)**	**Households (%)**	From his minimum subsistence figures for a family of four, Ornati calculated needs figures for unrelated individuals. Instead of calculating separate needs figures for families of different sizes, he calculated a single average family needs figure based on the average family size during the year in question. For most years, he applied these needs figures for unrelated individuals and families to income estimates from the U.S. Office of Business Economics.	Ornati's use of a single family poverty line rather than separate lines for different family sizes probably resulted in more poor families but fewer poor persons in families. His use of Office of Business Economics income estimates (which included some private nonmoney income) resulted in lower poverty rates than if he had used Current Population Survey income data (which include money income only) for years for which they were available.
		1929	31.8	26		
		1935–6	33.9	27		
		1941	21.6	17		
		1944	12.1	10		
		1947	21.3	15		
		1950	20.1	14		
		1951	18.9	12		
		1952	17.8	12		
		1953	22.7	14		
		1954	23.0	14		
		1955	19.9	12		
		1956	18.1	11		
		1957	17.7	10		
		1958	22.7	13		
		1959	21.3	12		
		1960	19.9	11		

Ornati did not publish minimum subsistence (poverty) rates for persons, nor did he publish minimum subsistence (poverty) counts for households.

Population covered: United States.

persons in 1939. Because the 1940 Census did not collect detailed information on nonearnings money income, this poverty rate is biased upward compared with an unobtainable total-money-income poverty rate for 1939. On the other hand, later analysis showed that Barrington's poverty lines were noticeably lower than contemporary (1930s) minimum subsistence level figures;[21] in this respect, her poverty rate is biased downward compared with a poverty estimate based on contemporary minimum subsistence figures. All of this suggests that an unobtainable poverty rate for 1939 calculated from total money income using a contemporary minimum subsistence measure might have been somewhere between 45 and 50 percent. On an a priori basis, it seems reasonable to assume that the "actual" poverty rate for 1939 was probably at least a little lower than that for 1935–1936; however, because of differing income definitions in the Study of Consumer Purchases and the 1940 Decennial Census, as well as other data problems, it will probably never be possible to validate that assumption empirically.

Relatively little public attention was paid to the problem of U.S. poverty during World War II. However, in 1949, the SLIF issued a staff report that included a low-income line of $2,000 for families of all sizes for 1948; this $2,000 figure was cited by the majority of those Americans who wrote about poverty and the poverty line during the 1949–1958 period. The SLIF reported that 25 percent of all families were below this line in 1948 and 22 percent of all families were below it in 1954 (after adjustment for inflation). The corresponding poverty rate for persons for 1948 would also have been 25 percent. If poverty rates for persons under this definition had been calculated for other years during the early postwar period,

they would have been between 21.6 and 26.3 percent for the years between 1947 and 1952, and between 17.9 and 19.9 percent for the years between 1955 and 1958.

The near-consensus on the $2,000 figure dissolved beginning in 1958. Some writers in that and immediately following years were using poverty lines of $3,000 or even higher (either for all families or for four-person families). Late in 1959, Robert Lampman published a report using $2,516 for a family of four for 1957. For the years between 1957 and 1961, poverty rates were between 17.9 and 20.1 percent under Lampman's definition (as recalculated by Fisher after correcting for minor errors) and in the 20 to 28 percent range under other definitions (under the no-longer-accepted SLIF definition, the poverty rates for those years would have been between 16.5 and 18.3 percent).

In January 1964, when the War on Poverty was announced, President Johnson's Council of Economic Advisers reported that 35 million persons had been below its $3,000/$1,500 poverty line in 1962. The corresponding poverty rate was 19 percent. Under Lampman's definition as recalculated by Fisher, the poverty rate for that year would have been 17.1 percent. Under the official poverty definition used today, the poverty rate for that year – one year before the base year for Orshansky's thresholds – was 21.0 percent.

Estimates and "guesstimates" of the number of Americans in poverty were done as early as 1904. However, it wasn't until after the mid-1930s, when the Great Depression pushed putting people back to work to the top of the national agenda, that income distribution data from surveys and the decennial census became available, making it possible to prepare reliable estimates of the number of persons or families below a specified poverty line. Furthermore, it was not until the 1960s that, taking thresholds originally developed by Mollie Orshansky for her study of children in poverty, the U.S. government adopted an official poverty definition and began measuring poverty systematically. In 1990, during her tenure as U.S. Commissioner of Labor Statistics, Janet Norwood described the poverty rate estimates for the United States as "a data

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[21] Barrington's poverty lines turned out to be quite close to a set of contemporary "poverty" (pauper) level figures published by Carroll Daugherty (1938). However, Daugherty was using Dorothy Douglas's classification of living standards, in which the "poverty" or "pauper" level was one level lower than the minimum of subsistence level – the level that corresponds most closely to Orshansky's poverty concept.

series as sensitive and important as any of the public policy series produced by the federal government" (Norwood 1990, p. 7). Yet, despite this importance, no major overhaul of the poverty measure has been implemented. Embedded still in today's official poverty measurement are American consumption patterns that are almost five decades old. Whether the poverty line in official use today continues in place or is replaced by another poverty line, the way in which poverty is measured will continue both to affect and to be affected by how we view and address the problem of poverty.

Appendix A: Alternative Measures

Minimum Subsistence Budgets

Oscar Ornati found a number of standard budgets from the 1905–1960 period (Ornati 1966). Those budgets that he classified as "minimum subsistence" are included in Table Be85–94. Budgets developed for five-person families were recalculated by Ornati for four-person families. Some of these budgets are also listed in Table Be-G. Ornati's budgets are among the best available evidence for what poverty was by contemporary social standards during different years of the pre-1960 period; however, they should not be viewed as a set of national poverty thresholds for that period. They were not promulgated by a single national authority; many of them were for individual cities, not for the nation as a whole; and the figures were never gathered together and presented in one place until Ornati published his book in 1966.

Lampman Low-Income Lines

The Subcommittee on Low-Income Families (SLIF) – a specially appointed Congressional subcommittee in 1949–1950 and 1955–1956 – published a low-income line for 1948 in a 1949 staff report and used an unpublished low-income line for 1954 in a 1955 staff report (U.S. Congress 1949, 1955). Robert Lampman published low-income lines for 1947 and 1957 in a 1959 report done for the Joint Economic Committee of Congress, and published low-income lines for 1963 in a 1966 book (Lampman 1959, 1966). Because both the SLIF and Lampman used the CPI to adjust their low-income lines over time, Gordon Fisher was able to calculate figures for both low-income lines for other years during the 1947–1963 period using that index; both original and subsequently calculated figures are shown in Table Be-G (Fisher 1999).

The SLIF's low-income line for 1948 and Lampman's low-income lines for 1957 are generally accepted as analogs for the 1940s and 1950s of Orshansky's poverty thresholds. As can be seen in Table Be-G, Ornati's minimum subsistence budget figures for 1948 and 1957 were (respectively) quite close to the SLIF's 1948 figure and Lampman's 1957 figure; this is the major reason for the conclusion that Ornati's "minimum subsistence" level (rather than one of his higher levels) was the conceptual equivalent of Orshansky's poverty concept.

Figure Be-I shows the constant-dollar equivalents of Ornati's minimum subsistence figures, Lampman's low-income lines, the official poverty thresholds, and three alternative poverty lines. Lampman's low-income lines and the official thresholds are adjusted for price changes only, while the budget figures found by Ornati exhibit the income elasticity of the poverty line – the tendency to rise in real terms as the real income of the general population increases. The constant-dollar decrease in the Ornati budget
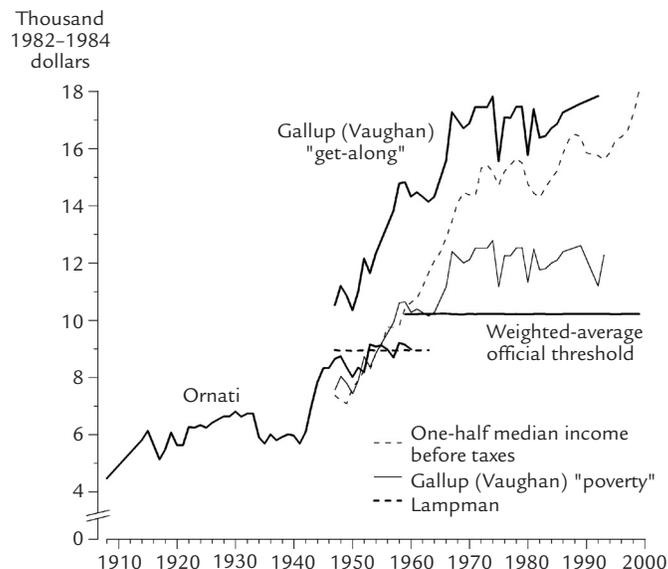

FIGURE Be-I   Poverty lines for a family of four: 1908–1999

Sources
Series Be85, Be91, Be102, and Be110–112, converted to constant dollars using the consumer price index in series Cc1.

figures during the 1930s reflects the decrease in the real income of the general population during the Great Depression.

Near-Poverty Lines

One alternative poverty line presented in Table Be95–112 is the near-poverty threshold for a family of four (125 percent of the weighted-average poverty threshold for a family of four). The Census Bureau began publishing statistics on the number of persons below the near-poverty thresholds in 1970, in response to a recommendation of the interagency Poverty Level Review Committee. These near-poverty thresholds were essentially a successor of a higher set of thresholds that Orshansky developed from the Agriculture Department's low-cost food plan (although they were not calculated in the same way). Some analysts concerned about the level of the official thresholds have cited figures on the number of persons below the near-poverty thresholds. Eligibility for a few federal assistance programs has been set at 125 percent of the poverty guidelines.[22]

Another alternative poverty line presented here is the half-of-median-income (relative) poverty line. This definition of poverty was first proposed in the United States by Victor Fuchs.[23] A relative poverty line (unlike a poverty line adjusted only for price changes) changes in real terms as the real standard of living of the society changes, thus reflecting the income elasticity of the poverty line. Although the half-of-the-median income (relative) poverty definition is not used widely in the United States, it has probably been more commonly used than any other non-Orshansky poverty definition.

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[22] Eligibility standards for some other federal programs range up to 185 percent of the poverty guidelines.

[23] Fuchs (1965). However, note that Peter Townsend (the dean of post–World War II British poverty studies) had proposed this relative poverty definition in an article published in a British journal three years earlier; see Townsend (1962), pp. 221, 223.

Opinion Polls

In almost every year from 1946 through 1992, the American Institute of Public Opinion's Gallup Poll asked 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 response to this question is known as the "get-along" amount. This amount is one of the major American sources of evidence for the income elasticity of the poverty line, demonstrating that the general population's assessment of a socially acceptable minimum standard of living depends upon the standard of living of the society as a whole. This evidence from the general population complements the evidence from experts in living standards in the form of the standard budgets found by Ornati (Table Be85–94) and shown in Table Be-G.

In contrast to more than 40 years of the get-along question, the Gallup Poll only asked a "poverty" question in one year (1989) using the following wording: "People who have income below a certain level can be considered poor. That level is called the 'poverty line.' What amount of weekly income would you use as a poverty line for a family of four (husband, wife and two children) in this community?" Vaughan used the get-along amounts for the period 1947–1989 plus the answer to the 1989 Gallup Poll poverty question to construct a social or "subjective" poverty-line series covering that period.[24] That series is presented in Table Be95–112. Vaughan found that his subjective poverty-line series and a relative (half-of-median) poverty-line series were quite close to each other over the whole 1947–1989 period; Vaughan's work and this finding played a significant role in the recommendations for creating a new poverty threshold issued by the National Research Council's Panel on Poverty and Family Assistance (Citro and Michael 1995).

Decennial Measures

For the "decennial" years 1919, 1939, and 1959–1999, detailed matrices of poverty thresholds are provided in Tables Be113–259.[25] The poverty thresholds included in the matrices allow one to determine precisely the official poverty status of an individual or family, given specific family unit characteristics. The matrices for the "decennial" years 1959–1999 present the official poverty thresholds for the United States, adjusted annually for price changes (Tables Be177–259). The matrices for 1919 and 1939 were created by Linda Barrington, duplicating Orshansky's original methodology as closely as possible, but using food plans and multipliers appropriate to the time period of interest (Tables Be113–176) (Barrington 1997, 1999). Because the Orshansky approach underpins these thresholds, they are comparable in *methodology* with the official U.S. poverty thresholds. In other words, the 1919 and 1939 matrices are presumably quite close to poverty thresholds that Orshansky would have developed if she had done for the 1910s and the 1930s what she did in the 1960s. Barrington's poverty thresholds take account of householder gender and the farm status of the

family, as Orshansky's did, but not whether the householder was 65 years or older. Note that because of the income elasticity of the poverty line, the 1919 and 1939 poverty thresholds so defined are not comparable in *level* with the official CPI-indexed poverty thresholds of later years.

Regional Variation

Concern over central-city/suburban/nonmetropolitan and regional variation in poverty rates makes the figures in Tables Be343–370 useful time series. It must be remembered, however, that the underlying official definition of poverty does not adjust for geographic variation in the cost of living. The national poverty thresholds are applied uniformly from El Paso, Texas, to New York City.

Working Poor, Severely Poor, and the Aged Poor

The opportunity and the ability of low-income persons to "work their way out of poverty" is an inseparable component of public policy debates over poverty programs and wages. Table Be371–398 provides data on the prevalence of the "working poor" by race. Data are provided for full-time, year-round workers and persons who worked for pay at all during the year. (Note that there is no single official definition of "working poor.") To be classified as a full-time, year-round worker, one had to be employed at least 35 hours per week and at least 50 weeks a year. While some of the data presented in this table can be found in published U.S. Census Bureau documents, the data necessary to calculate the percentage of full-time, year-round workers in poverty back to 1966 were not available. Custom tabulations were produced by the U.S. Census Bureau from the CPS, March 1967 through March 1999 Supplements, to provide these data (see also Barrington 2000).

Table Be399–411 includes figures on persons below the "near-poverty" threshold (125 percent of the poverty threshold) and those who are "severely poor" (below 50 percent of the poverty threshold). These data are presented by race, Hispanic origin, and age. The aged are highlighted in this table, since comparisons between the aged and the general population give somewhat different results depending on whether one uses the poverty threshold or the near-poverty threshold.

Appendix B: Technical Definitions

Units of Analysis – Families and Unrelated Individuals

The "unit of analysis" used by the Census Bureau in the process of determining who is in poverty is actually two "units" – families and unrelated individuals. A *family* is a group of two or more persons related by birth, marriage, or adoption who reside together; all such related persons are considered as members of one family. An *unrelated individual* is a person 15 years old or older (other than an inmate of an institution) who is not living with any relatives. An unrelated individual may be the only person either living in a housing unit or living in a housing unit in which one or more persons who are not related to the individual in question by birth, marriage, or adoption also live. Poverty thresholds for what have been referred to earlier as one-person units are applied to unrelated individuals. Poverty thresholds for two-person units are applied to two-person families, and so on. The Census Bureau has no short term for the concept "families and/or unrelated individuals." However, the term "family unit" has been used unofficially to refer to that concept by

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[24] Vaughan (1993). While recognizing that the get-along amount represents a higher living standard than poverty, Vaughan adopted the assumption that the way the get-along amount varies over time in relation to family income would be a good indicator of the way that the public's perception of the poverty line would vary over time in relation to family income (if a poverty question had been asked over an extended period).

[25] The decennial census for a given year (for example, 1990) collects income data for the previous year (in this case 1989). Poverty thresholds for the previous year are applied to those income data to yield poverty population figures.

the poverty guidelines *Federal Register* notice (since 1978) and by some analysts. "Families and/or unrelated individuals" should *not* be referred to as "households" because "household" is a separate and distinct concept; as defined by the Census Bureau, a household consists of all the persons who occupy a housing unit, whether they are related to each other or not. A household may thus contain one or more families and/or one or more unrelated individuals; poverty status for each such family and/or unrelated individual is determined separately.

Persons versus Families

Poverty population figures and poverty rates for persons are presented in most of Tables Be260–411, while poverty population figures and poverty rates for families are limited to Table Be283–309. While correlated, poverty rates for persons and poverty rates for families are distinct statistics and do not always follow the same trend. Trends for the two can vary because of changes in the distribution of families by size, and also because unrelated individuals are included in statistics for all persons but not in statistics for families.

Measuring Poverty

Measuring poverty requires a definition of poverty – a set of poverty thresholds (or lines) and a definition of income that can be compared with those thresholds (see later for the official definition of income). As noted previously, the official poverty thresholds are applied to families and unrelated individuals. The poverty status of a family (or unrelated individual) is determined by comparing the income of the family (or unrelated individual) with the appropriate poverty threshold. If an unrelated individual's income is below the appropriate poverty threshold, he or she is identified as poor. If a family's income (the income of all persons in the family) is below the appropriate poverty threshold, the family and all persons in it are identified as poor. A poverty statistic, such as a poverty count, aggregates the count of poor families or poor persons into a single number. The poverty rate among *persons* is the percentage of all persons (either unrelated individuals or members of families) within a group who are identified as poor. The poverty rate among *families* is the percentage of families within a group who are identified as poor. The Census Bureau also prepares poverty statistics for unrelated individuals, but we have not included such statistics here. It should be noted that the poverty rate is a head-count measure – it is calculated simply by dividing the count of the poor by the size of the relevant total population (for example, the total black population in the case of the black poverty rate). The poverty rate thus reflects the prevalence of poverty – how widespread poverty is – but not the severity of poverty.

The severity of poverty is measured by the poverty gap. For a poor family or unrelated individual, the poverty gap is the difference between their actual income and the applicable poverty threshold. The poverty gap is not defined for individual persons within families, although per capita poverty gaps can be calculated for families. Poverty gaps for individual families and unrelated individuals can be aggregated for the whole poverty population and for segments of the total poverty population. The severity of poverty (measured by the aggregate poverty gap) is not reflected in the poverty rate. The Census Bureau dropped the term "poverty gap" from its poverty reports in 1971 and uses the term "income deficit" instead. However, the term "poverty gap" is still understood and used by other analysts.

Poverty Universe

Poverty statistics for the United States are calculated annually from the CPS. The universe for the CPS includes the civilian noninstitutional population of the United States and members of the armed forces in the United States living off post or with their families on post, but it excludes all other members of the armed forces.[26] The "total CPS population" (or "CPS universe") is derived by subtracting the "civilian institutional population" and "[members of] Armed Forces living without families on post in the United States" from the "total resident (United States) population."

The category "persons for whom poverty status is determined" – sometimes termed the "poverty universe" – is derived by subtracting "unrelated individuals under age 15" (younger than age 14 before income year 1979) from the "total CPS population."[27] In other words, the poverty universe excludes persons in institutional group quarters, persons in military barracks (members of the armed forces living without families on post in the United States), and unrelated individuals age 15/14.

Because of differences in the questionnaires and data collection procedures (including definition of the poverty universe), estimates of the number of persons below the poverty threshold from the decennial censuses will differ slightly from those derived from the CPS. For example, the number of poor persons in 1979 according to the 1980 Decennial Census was 27.4 million, compared with 26.1 million according to the March 1980 CPS. The comparable figures for families in poverty were 5.7 million and 5.5 million, respectively.[28]

Survey Date Inconsistencies

Under the procedure for measuring poverty by the CPS, persons are surveyed in March of a given year – for instance, in March 1999. At that time, they are asked to report their income from various sources during the preceding calendar year – 1998, in this case. The current year and month's population characteristics are recorded, but the previous year's income is used to determine poverty status for that previous year. Assume, for instance, that a surveyed couple had had a child in February 1999. Their family income in 1998 would be compared with the 1998 poverty threshold for a three-person family (specifically, for a two-adult/one-child family) to determine their 1998 poverty status – even though they were only a two-person family in the year in which the income was received. If it were determined that their 1998 income was below the 1998 poverty threshold for a family of three, their child would be included in the count of poor children in 1998, even though she had not been born yet. In other words, poverty in 1998 is determined on the basis of "income-in-1998-of-persons-as-of-March-1999." Accordingly, population counts and demographic characteristics associated with poverty statistics for a given year relate to persons as of March of the following year.

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26 See Current Population Report, series P-60, number 105, Table B, p. 4.

27 See Current Population Report, series P-60, number 207, pp. v, A-2, and series P-60, number 106, p. 191.

28 1980 Census of Population, volume 1, Characteristics of the Population, Chapter C, *General Social and Economic Characteristics*, part 1, United States Summary, PC80-1-C1, December 1983, Table "Thresholds at the Poverty Level in 1979 by Size of Family and Number of Related Children Under 18 Years," p. B-23. For discussion of the differing poverty universe see, for instance, Current Population Report, series P-60, number 95, pp. 2–3.

Poverty Rate versus the Composition of Poverty

The poverty rate indicates what percentage of a demographic group is poor. The composition of poverty indicates what percentage of the poverty population belongs to a certain demographic group. For example, the poverty rate for female-headed families is the percentage of all female-headed families that are poor. The female composition of family poverty is the percentage of all poor families that are female-headed.

The distinction between the poverty rate and the composition of poverty is important. Using a statistical analogy, the poverty rate and the composition of poverty are the opposite conditional probabilities. The impression left by one of these statistics is often quite different from that left by the other. For example, in 1959 the poverty rate among African Americans was 55 percent, but only 25 percent of all poor persons were African Americans. In other words, the majority of African Americans were poor in this year, but the majority of the poor were whites. Time series of both poverty rates and the composition of poverty are included throughout Tables Be260–411.

Income Definition

Definitions of poverty contain two components – the income-based poverty threshold and a definition of income. The definition of income used in the official definition of poverty is before-tax money income. (This definition has been used by the Census Bureau in its annual family income reports since the late 1940s; see the following definition for details.) Accordingly, such statements as "the poverty thresholds do not count noncash benefits" are incorrect; it is the Census Bureau's *income* definition that does not count noncash benefits.

A family's money income is the sum of the incomes received by all family members ages 15 or older.[29] The family's money income is compared with the appropriate poverty threshold to determine the family's poverty status (and thus the poverty status of all persons in the family).

The income definition used to determine poverty status is money income before taxes. In addition to not reflecting personal income taxes that people pay, before-tax money income does not reflect payments for Social Security taxes, union dues, Medicare deductions, and so on, or Earned Income Tax Credit payments that people receive. This income definition also excludes capital gains and noncash benefits from both private and public sources. In other words, money income used to determine poverty status does not reflect the fact that some persons receive such noncash benefits as food stamps, health benefits, rent-free or subsidized housing, goods produced and consumed on the farm, the use of business

transportation and facilities, and full or partial payments by business for retirement programs, medical and educational expenses, and so on.

The definition of income that should be used with the poverty thresholds has been a controversial issue for decades. The National Research Council's Panel on Poverty and Family Assistance thoroughly examined this issue in the course of its work. As a result of its examination of the issue, the Panel put great emphasis on the principle that, in poverty measurement, the definition of income used should be consistent with the concept underlying the poverty thresholds. The Panel made a specific recommendation that in developing poverty statistics, any significant change in the definition of income should be accompanied by a consistent adjustment of the poverty thresholds; in particular, the Panel criticized tabulations that add the value of public and private health insurance to families' incomes without adjusting the thresholds to account for medical care needs (Citro and Michael, 1995, pp. 4, 9–10, 37–40, 65–66, 98, 203–206, and 227–231). Because of the Panel's conclusions, we decided not to include figures that made significant changes in the definition of income without making any change in the poverty thresholds.

Revisions in the Poverty Definition and the Underlying Income Series

There have been two revisions in the poverty definition, in 1969 and in 1981. At the time of the 1969 revision, poverty figures for all earlier years back to 1959 were retabulated on the revised basis; accordingly, poverty statistics published since then do not contain any earlier-year figures on the unrevised basis.[30] At the time of the 1981 revision, however, the (by now much longer) series for all earlier years was not retabulated; instead, some figures for income year 1980 were retabulated on the revised basis.

Much more frequent than poverty definition revisions have been revisions in the underlying income data series from the CPS. Every decade the Census Bureau introduces statistical controls from the latest decennial census, thus changing the income series. In addition, about once every decade the Census Bureau implements a new computer processing system for the March supplement to the CPS; this also changes the income series. There have been a few other revisions or corrections in the series for other reasons. Information on all these revisions has been gathered from poverty reports in the Current Population Reports series and summarized in the text for Tables Be260–411.

Each time there is a revision in either the income series or poverty definition, the Census Bureau retabulates some figures for the previous income year on the revised basis, so that people can see how the revision affects the poverty population series. Each revision results in greater or lesser changes in poverty population figures and poverty rate figures. In addition, each revision (except the 1981 poverty redefinition) results in changes in total population figures (the numbers of persons and families at all income levels).

Ideally, a presentation of historical poverty statistics would include both unrevised and revised figures for every year for which they are available. In practice, however, we were only able to include one figure for each year for each statistical series. In general,

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[29] For each person 15 years old and older in the March CPS sample, the amount of money income received in the preceding calendar year from each of the following 18 sources is recorded: earnings; unemployment compensation; workers' compensation; Social Security; Supplemental Security Income; public assistance; veterans' payments; survivor benefits; disability benefits; pension or retirement income; interest; dividends; rents, royalties, and estates and trusts; educational assistance; alimony; child support; financial assistance from outside of the household; and other income. The following receipts are not counted as income by the Census Bureau: capital gains people receive (or losses they incur) from the sale of property, including stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property, in which case the CPS counts the net proceeds as income from self-employment); withdrawals of bank deposits; money borrowed; tax refunds; gifts; and lump-sum inheritances or insurance payments.

[30] Because of the 1969 revision, poverty statistics from documents published before August 1969 should not be used, since they are not comparable with subsequent poverty statistics.

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we included the revised figure whenever it was available. In a few cases, however, where both revised and unrevised figures were available for a group but only unrevised figures were available for its components (for example, the child population and its white, black, and Hispanic components), we included the unrevised figure for the whole group as well as for its components.

For any year for which revised figures are available for some statistical series and unrevised figures are available for other statistical series, unrevised figures should not be added to, subtracted from, or divided by revised figures because unrevised figures and revised figures are not strictly comparable with each other.

For some statistical series in these tables, we were able to include poverty figures for 1959 or 1969 from the relevant decennial census when figures were not available for those series for those years from the CPS. For those years, figures from the decennial census should not be added to, subtracted from, or divided by figures from the CPS because the two sets of figures are not strictly comparable with each other.

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