

Preliminary Findings from the Oregon Poverty Measure Project

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Outline

- ▶ Why do we need another poverty measure?
- ▶ Prelim findings

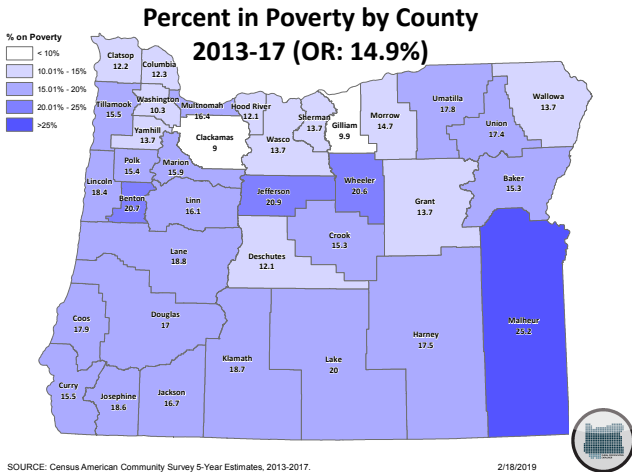
What is poverty?

- ▶ Insufficient **resources** to meet some **level of need** over a period of **time**.

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- ▶ $\text{Income to needs} = \text{income} / \text{threshold}$

Current poverty in Oregon



Problems with the Official Poverty Measure

1. threshold erosion
2. definition of family
3. major portions of safety net missing
4. geography

A new measure

The Census Bureau introduces the Supplemental Poverty Measure (SPM) in 2009

- ▶ **Definition of family** includes cohabiting and foster children, +
- ▶ **Geographic adjustment** for housing costs and tenure
- ▶ **Resources** include SNAP, EITC, and consider taxes and other expenses such as child care, child support, and Medical Out of Pocket Expenses
- ▶ **Thresholds** 3-year moving average of consumer spending, includes geographic adjustment

OPM and SPM over time national

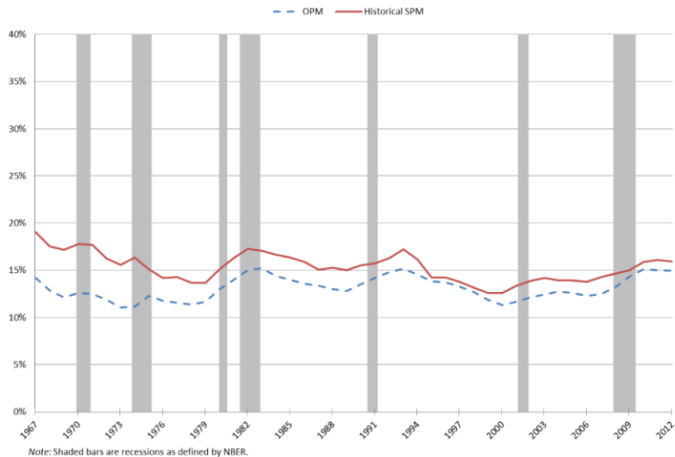


Figure 2.

Official vs Historical Supplemental Overall Poverty Rates, 1967–2012

Source: Fox et al 2015 Archived SPM

Challenges for understanding poverty in Oregon

▶ SPM

- ▶ Based on Census Current Population Survey, Annual Social and Economic Supplement (ASEC)
- ▶ Annual sample size in Oregon $\sim n=2,600$
- ▶ Recommended to combine at least 3 years of data to estimate **state level** poverty rates
- ▶ Major counties not identified (exception: Yamhill, Jackson, Lane, Linn)
- ▶ Measurement error in reporting income from social assistance programs (also problem for OPM, see Meyer & Wu, 2018)

The Oregon Poverty Measure Project

- ▶ Basic idea : create an SPM-like measure with ability to inform lower level geographic units
 - ▶ Based on American Community Survey (ACS) - much larger sample and geographies
 - ▶ Change family units and create SPM-like thresholds
 - ▶ Improve resources measurement and policy analysis
 - ▶ Imputation from administrative data (DHS, OED, OHCS) and other sources (Archived SPM, CPS, TRIM)
- ▶ Examples from Wisconsin and California



The Oregon Poverty Measure Project steps

1. Build ACS 5 year sample
2. Change family units to match SPM (college students)

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4. Generate thresholds

Why an Oregon Poverty Measure Matters

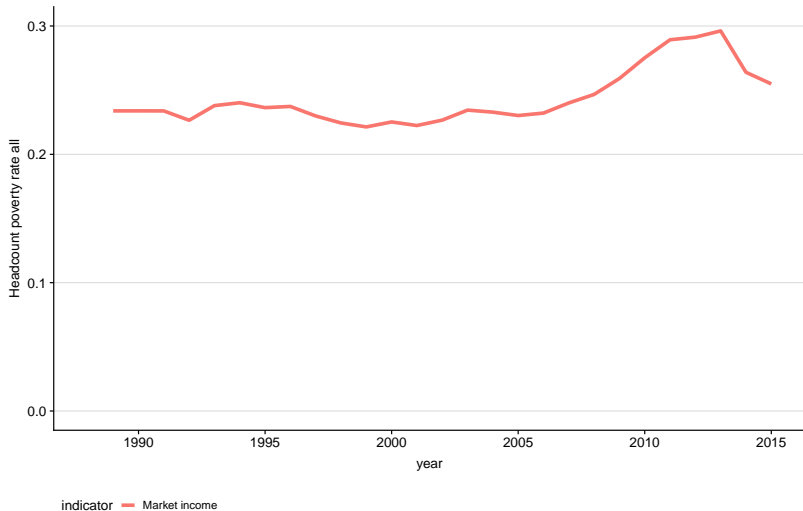


Welfare Utopia story in May 2016 Atlantic Monthly, Alana Semuels

Prelim findings - resources - safety net

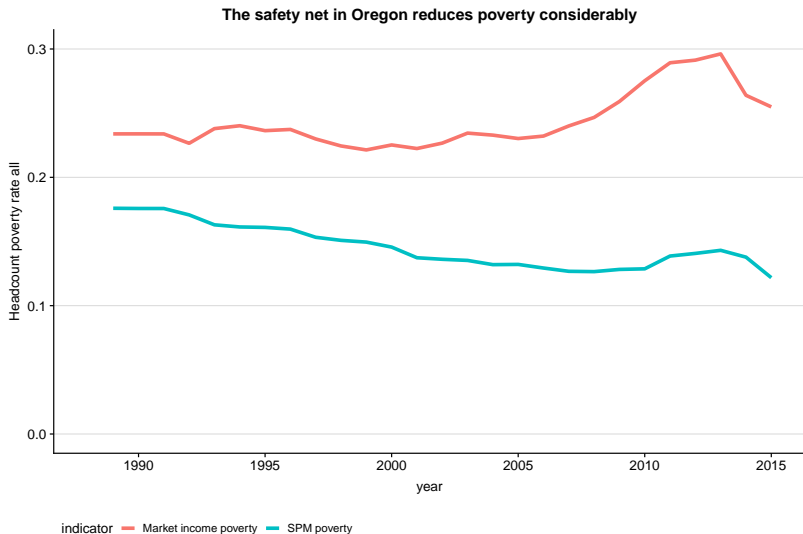
- ▶ Safety net policy **composition**
 - ▶ Income assistance (e.g., EITC, TANF, SSI)
 - ▶ Food assistance (e.g., SNAP, WIC)
 - ▶ Housing assistance (e.g., Section 8, LIHEAP)
 - ▶ Caregiving assistance (e.g., ERDC)
 - ▶ Health care (e.g., Medicaid)*
- ▶ Safety net policy **trends**
 - ▶ Decrease in cash assistance (TANF)
 - ▶ Increase in tax credits (EITC) and noncash benefits (SNAP)
 - ▶ Medicaid expansion
 - ▶ State/federal cooperation – state-level discretion

Oregon safety net and poverty



Source: Archived SPM Columbia U. & CPS

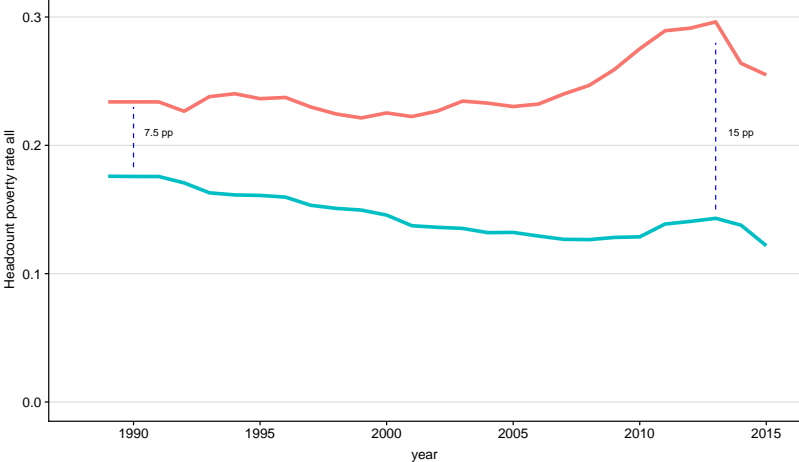
Oregon safety net and poverty



Source: Archived SPM Columbia U. & CPS

Oregon safety net and poverty

The safety net in Oregon reduces poverty considerably



indicator — Market income poverty — SPM poverty

Source: Archived SPM Columbia U. & CPS

Prelim findings adjustments on participation

Program Participation	SNAP		TANF		SSI	
	Pre-TRIM	Post-TRIM	Pre-TRIM	Post-TRIM	Pre-TRIM	Post-TRIM
% Overall	14.7	26.5				
% in SPM Poverty	30.1	73.7				
% Children in SPM Poverty	40.7	92.3				
Source: CPS 2013-17 pooled sample; Urban Institute TRIM- All differences All differences statistically significant at 5% level						

TRIM adjusts for under-reporting (Parolin, 2019)

Prelim findings adjustments on participation

Program Participation	SNAP		TANF		SSI	
	Pre-TRIM	Post-TRIM	Pre-TRIM	Post-TRIM	Pre-TRIM	Post-TRIM
% Overall	14.7	26.5	2.0	3.5		
% in SPM Poverty	30.1	73.7	5.3	14.4		
% Children in SPM Poverty	40.7	92.3	11.5	32.0		
Source: CPS 2013-17 pooled sample; Urban Institute TRIM- All differences All differences statistically significant at 5% level						

TRIM adjusts for under-reporting (Parolin, 2019)

Prelim findings adjustments on participation

Program Participation	SNAP		TANF		SSI	
	Pre-TRIM	Post-TRIM	Pre-TRIM	Post-TRIM	Pre-TRIM	Post-TRIM
% Overall	14.7	26.5	2.0	3.5	4.2	5.2
% in SPM Poverty	30.1	73.7	5.3	14.4	8.5	13.3
% Children in SPM Poverty	40.7	92.3	11.5	32.0	6.1	15.5
Source: CPS 2013-17 pooled sample; Urban Institute TRIM- All differences All differences statistically significant at 5% level						

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Prelim findings - thresholds

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$$Threshold_{ijt} = \left(HousingShare_t \times \frac{MGRD2B_{ij}}{MGRD2B_n} + (1 - HousingShare_t) \right) \times Threshold_t$$

i = state j=specific metro area, other metro or nonmetro

t= tenure: owner with mortgage, owner without a mortgage, renter

n = national

MGRD2B = Median gross rent for a "decent" two bedroom unit

Threshold = CE-based estimate of threshold

HousingShare = percent of threshold represented by housing and utility expenditures

Prelim findings - adjust thresholds at the PUMA level

2 adult 2 children reference family

Area	Home w/ mortgage	Home w/o mortgage	Renter
Portland MSA	28106	23995	28021
PDX East			
PDX S.E.			
PDX North NE			
PDX Central E			
PDX NW SW			

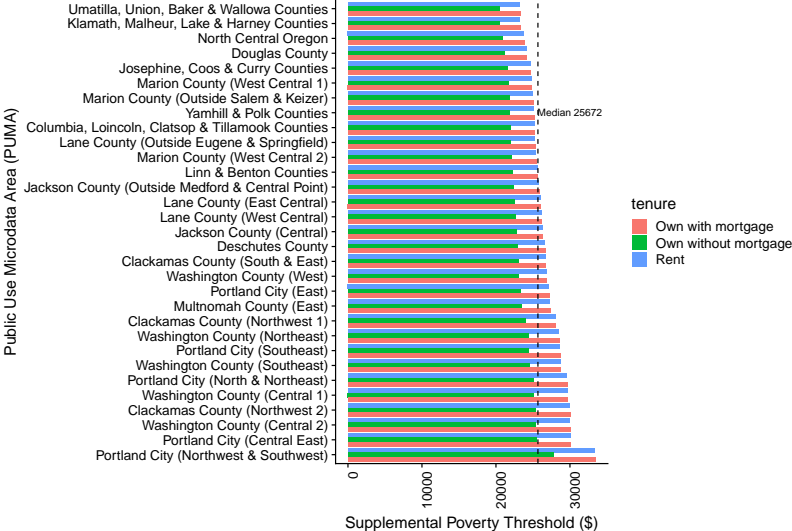
Prelim findings - adjust thresholds at the PUMA level

2 adult 2 children reference family

Area	Home w/ mortgage	Home w/o mortgage	Renter
Portland MSA	28106	23995	28021
PDX East	27245	23376	27164
PDX S.E.	28716	24432	28626
PDX North NE	29677	25122	29582
PDX Central E	30114	25436	30016
PDX NW SW	33449	27831	3331

Prelim findings - adjust thresholds at the PUMA level

OR Poverty Measure: Base Thresholds by PUMA



Oregon Poverty – What we are working on

- ▶ Demographic variation (e.g., age*geography; migration)

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- ▶ Oregon policies (e.g., minimum wage changes, Medicaid expansion, Oregon Earned Income Credit)
- ▶ Impacts of Oregon conditions (e.g., labor markets, childcare, housing)

Wrap up

- ▶ The Oregon Poverty Measure will be a more valid measure than OPM or SPM and provide more detail
- ▶ With a new measure we can have more confidence in rate and better explanations
- ▶ Study compositional changes; poverty depth and severity; target resources

Thank you

Web space in progress

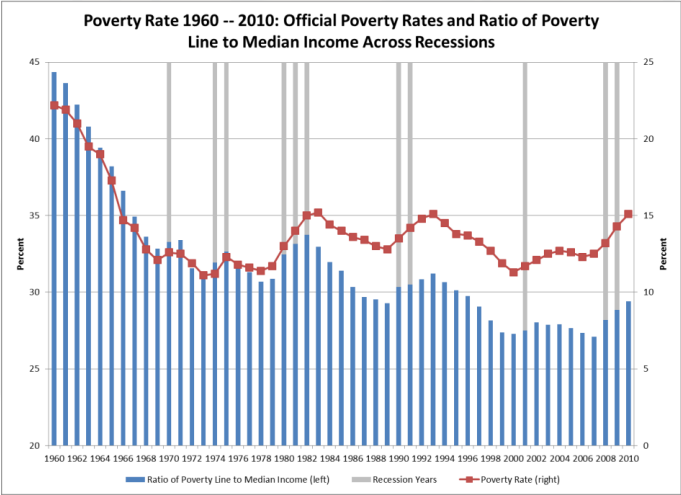
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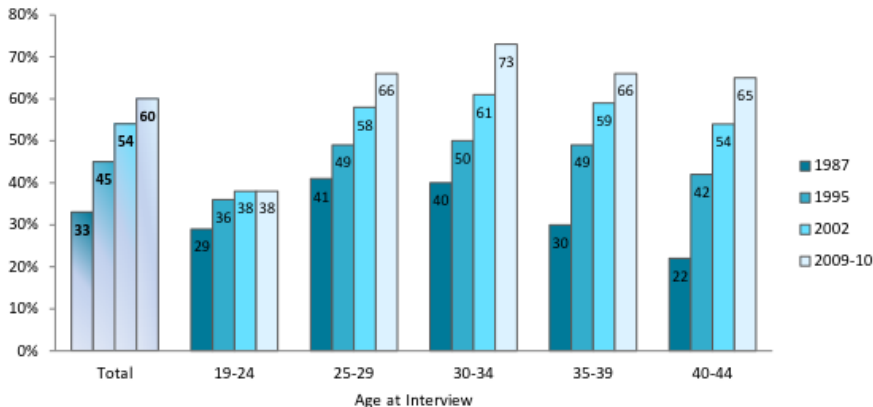
Appendices

1. Threshold erosion



2. Definition of family

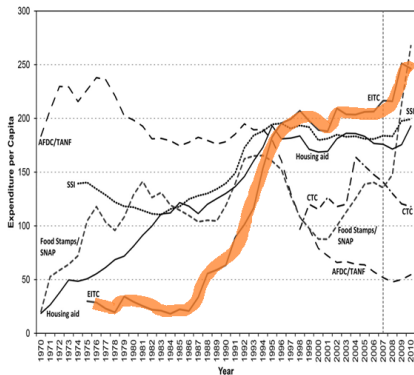
Figure 1. Two Decades of Trends in Percentage of Women (ages 19-44) Ever Cohabited by Age



Sources: Bumpass and Sweet, 1989; Bumpass and Lu, 2000; Kennedy and Bumpass, 2008

Manning, W. (2013). Trends in Cohabitation over Twenty Years of Change, 1987-2010

3. Policies are missing

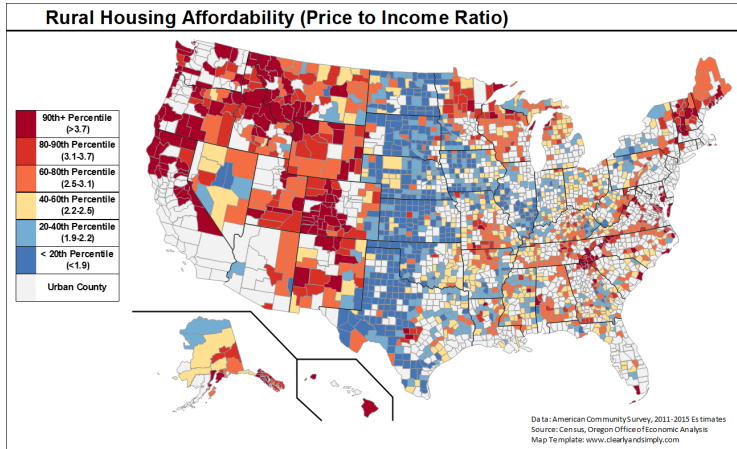


Sources: Various governmental and administrative data series available from the authors upon request.
Note: The U.S. population data are from the "Civilian noninstitutional population" column of the U.S. Bureau of Labor Statistics "Labor Force Statistics from the Current Population Survey" table (see <http://www.bls.gov/cps/cpsaat01.htm>), and they include everyone in that population, including children.

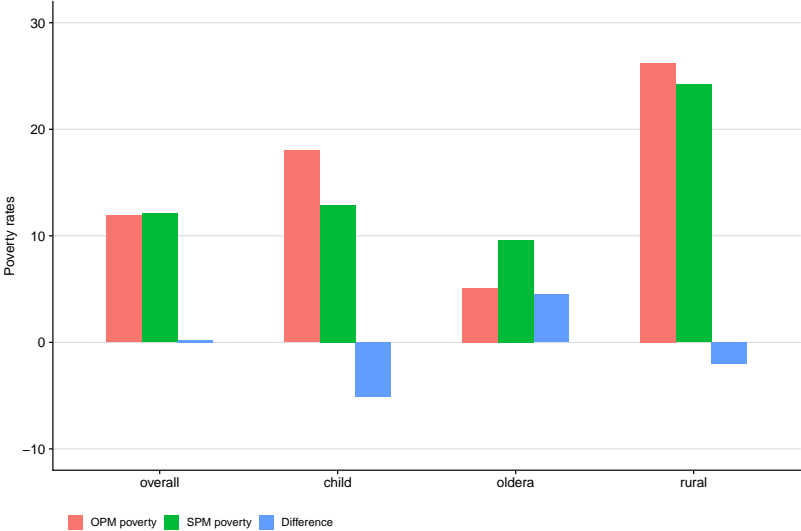
Figure 3. Expenditure per Capita, Non-Medicaid Means-Tested Programs, 1970 to 2010 (Real 2009 Dollars).

Source Haveman et al 2015

4. Geography

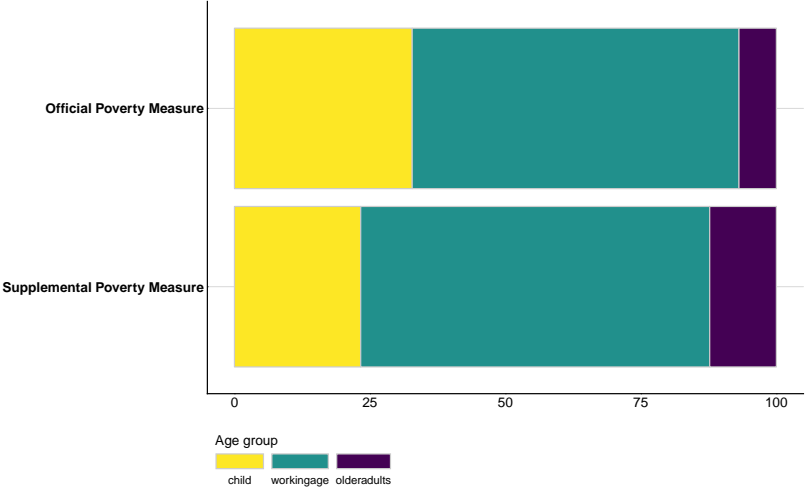


Differences in rates 2015



Source: Archived SPM Columbia U. & CPS

Differences in composition 2015



Source: Archived SPM Columbia U. & CPS

Child care costs

Child Care Costs as % of Income	Center	Home
Married, 2 children	28.4	21.2
Married, 2 children, poverty	94.0	70.0

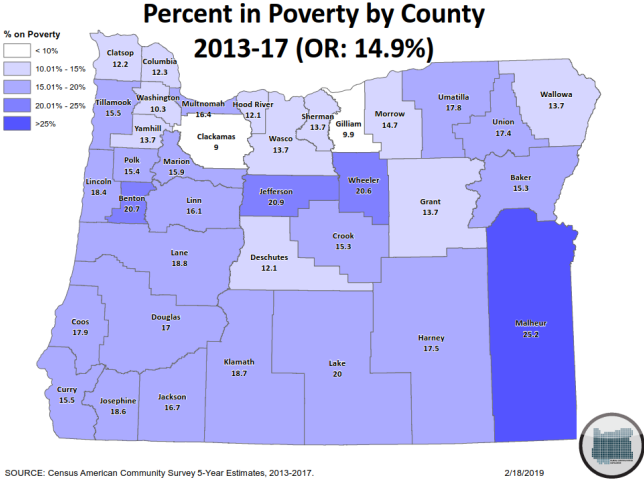
Source: Child Care Aware

-Plus child care deserts in 36 counties (Pratt et al., 2019)

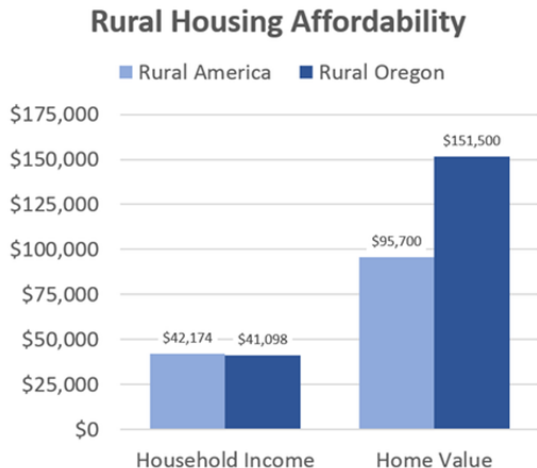
Oregon health insurance access

- ▶ Health insurance access (ACS 2016)
 - ▶ Oregon 93.8% (US 91.4%)
 - ▶ Medicaid expansion
- ▶ Health Inclusive Poverty Measure (Korenman and Remler, 2016; Remler and Korenman, 2017)
- ▶ 1 pp impact of MA Medicaid expansion on poverty using HIPM (Zewde, 2019)

Geography matters



Housing affordability



Data: 2011-15 ACS | Source: Census, USDA, Oregon Office of Economic Analysis