The Oregon Poverty Measure

New Insights into Poverty and the Safety Net

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Motivation: What is poverty?

- Insufficient family resources to meet basic needs
- An individual is in poverty when: $\text{Resources} < \text{Threshold}$
- How we define the family, measure resources and identify the threshold matters
- Poverty measurement is controversial
Background: Official Poverty Measure (OPM)

Developed by the US Census in 1963

- **Family:** individuals related by birth, marriage, or adoption (traditional)

- **Resources:** pre-tax income (earnings, investments, and cash-based government transfer programs) (not inclusive of all resources)

- **Threshold:** = level of need, food cost * 3 and adjusted for inflation (no other costs included; not adjusted for variation in cost of living)
Motivation: Supplemental Poverty Measure (SPM)

Introduced by the US Census in 2009

- **Family:** also includes cohabiting partners and foster children
- **Resources:** also includes SNAP, EITC, taxes and other expenses like child care, child support, and Medical Out of Pocket Expenses
- **Thresholds:** based on current consumer spending on food, clothing, shelter, utilities. Adjusted for housing costs.
- BUT empirical problems hinder use of SPM for sub-state demographic and geographic estimates
Motivation: Oregon Poverty Measure Project

- Basic idea: create an SPM-like measure for Oregon
  - Based on American Community Survey - larger sample
  - Incorporate multiple other data sources (e.g., state admin data)
  - Change family unit definitions
  - Incorporate geographic adjustments for housing costs
- Use methods applied in California and Wisconsin
- Findings reflect 5-year period from 2014-18
Findings: Overall poverty

- **Market Income Poverty**: 19.8%
- **Official Poverty Measure**: 13.7%
- **Oregon Poverty Measure**: 12.8%

Source: Oregon Poverty Measure Project
Findings: Differences by age

Source: Oregon Poverty Measure Project
Findings: Differences by race/ethnicity

Source: Oregon Poverty Measure Project
Findings: Geographic variation

5-year ORPM Poverty Rate by PUMA

Source: Oregon Poverty Measure Project
Findings: Poverty and deep poverty over time

Source: Oregon Poverty Measure Project

Source: Oregon Poverty Measure Project
Oregon Poverty – Next Steps and Future Directions

- 5-year report to be released next week
- Webinar
- Policy briefs and journal articles:
  - More analysis into inequities - social and demographic
  - Deeper dive into Oregon policies (e.g., minimum wage changes, Oregon Earned Income Credit)
  - COVID and poverty in Oregon
- Continuing dialogue with policymakers
Thank you

Please contact us with feedback and questions:
https://health.oregonstate.edu/research/group/poverty

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And for a little fun, check out this related West Wing Video:

https://www.youtube.com/watch?v=q9EehZlw-zk
Extras
Extras: Poverty by County/PUMA

Source: Oregon Poverty Measure Project
Extras: Official Poverty by County/PUMA

5-year Official Poverty Rate by PUMA

Source: Oregon Poverty Measure Project
Extras: ORPM Poverty Thresholds by County/PUMA
Extras: Poverty over time by age group

Source: Oregon Poverty Measure Project
Findings: Deep poverty

Source: Oregon Poverty Measure Project
Extras: Deep poverty and age over time

Source: Oregon Poverty Measure Project
Extras: Poverty over time by racial group

Source: Oregon Poverty Measure Project
Extras: Deep poverty and race

Source: Oregon Poverty Measure Project
Extras: Poverty over time by ethnicity (Hispanic group)

Source: Oregon Poverty Measure Project
Extras: Deep poverty and ethnicity

Source: Oregon Poverty Measure Project