New state-specific poverty measure offers more accurate counting of Oregon's poor

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Oregon State University researchers have developed a new state-specific measure of poverty in Oregon that aims to give policymakers a clearer understanding of who is most at risk of falling below the poverty line and highlights the contribution of public safety net programs.

The Oregon Poverty Measure is meant to supplement the federal Official Poverty Measure, which tracks how many people fall below the federal poverty level. In 2020, that means an annual income of $26,200 or less for a family of four, or $12,760 for an individual.

Tallying the nation's poor impacts how much funding is allocated for social service and safety net programs, but the methods on which the federal measure is based haven't been significantly updated since the measure was developed in 1963, other than adjusting for inflation.

A federal Supplemental Poverty Measure came out in 2009 with updated elements like a broadened definition of "family" and inclusion of policy-based resources like the earned income tax credit that

help people meet basic needs, but it relies on a Census Bureau survey whose sample size is not large enough to offer detailed state-level analysis.

Enter the Oregon Poverty Measure.

"It really is revisiting the question of: 'Are basic food needs that we acknowledged in 1963 the best way to think about what a minimum income looks like?' Probably not," said Leanne Giordono, who led the analysis for the Oregon Poverty Measure as her post-doctoral research project at OSU. "We know that life has changed. We're thinking about: 'What does that poverty line look like and what should be informing it?'"

The OSU researchers were inspired by California and Wisconsin, which have both developed state-specific measures. These state measures are largely based on the Supplemental Poverty Measure but use state agency data and other data adjustments to gain a more specific understanding of their populations.

A major gap in the federal measure is that it doesn't account for geography, instead presuming that a family's basic income needs are the same in New York City as they are in a rural small town.

The Oregon Poverty Measure adjusts the poverty threshold for geographical differences in housing costs, and shows that poverty in Oregon is concentrated in rural Southern Oregon along with a few pockets of large metro areas, including North Salem and Northeast and East Portland.

One of the big improvements with the Oregon Poverty Measure is the use of administrative data from the Oregon Department of Human Services, which administers federal assistance programs like SNAP (Supplemental Nutrition Assistance Program, formerly food stamps) and TANF (Temporary Assistance for Needy Families).

"If you think about how people measure income, one way is to knock on people's doors or send an online survey, then they enter what they think they got last year in income, food stamps, whatever. The problem is—and it's not malicious—it's just very difficult to remember those precise numbers," said David Rothwell, principal investigator on the project and an associate professor in the College of Public Health and Human Sciences.

With the administrative data, "We're using the dollars that actually went out (to families) in Oregon to adjust the self-reported survey," he said. "We're cross-validating a bunch of different sources to get what we think is a more true measure."

The researchers' initial report compares the Oregon Poverty Measure's findings to the Official Poverty Measure from 2014 through 2018.

While the two measures are fairly close in their counts of total population below the poverty threshold, they vary widely on rates of poverty within specific groups.

For example, according to the federal Official Poverty Measure, 19% of children and 7.8% of adults older than 64 fell below the poverty line in Oregon. By the Oregon Poverty Measure, children were relatively less likely to be in poverty at 13.3%, and older adults were more likely at 11.9%.

While the Oregon Poverty Measure shows that Black, Indigenous and Hispanic people had higher rates of poverty than whites, the disparities are not as pronounced as they were under the federal measure.

To show the real-world applications of accurate poverty data, the OSU report also analyzed how various safety net programs and policies helped move people out of poverty in 2018. Social Security lifted around 230,000 Oregon seniors above the poverty line, while tax credits like the earned income credit lifted roughly 58,000 Oregon children out of poverty.

The report does not include the recent economic crisis wrought by COVID-19, but it does offer policymakers more detail about who was most at risk for hardship entering into the pandemic and how to target assistance and relief programs to be the most effective.

More information: Oregon Poverty Measure Project: health.oregonstate.edu/researc … rch/measurement/orpm

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