

April 14, 2020

Office of Management and Business (OMB)
Office of the Chief Statistician
725 17th St NW, Washington, DC 20503

RE: OMB's Request for Comment on Considerations for Additional Measures of Poverty,
Docket Number OMB-2019-0007

Dear Working Group:

We are writing on behalf of RESULTS to comment on OMB's Request on Considerations for Additional Measures of Poverty, Docket Number OMB-2019-0007.

RESULTS creates the public and political will to end poverty by empowering individuals to exercise their personal and political power for change. We support a network of more than 115 chapters with over 650 active volunteers (and an additional 7,000 members in our e-mail action network) across the U.S. Our grassroots advocates educate members of congress, work with the media, and build awareness within their communities on housing programs and policies, basic nutrition and health programs, along with budget and tax policies. Our grassroots network includes a specific focus on engaging young leaders and elevating the voices of low-income Americans who have firsthand experience of poverty.

Right now, our country is in the midst of a National Emergency, and our focus should be on helping our communities in this great time of need. We urge the OMB to halt any consideration of changes to the poverty measure, or at least tend the comment period on this notice until at least 30 days after the end of the current National State of Emergency and any state emergency declarations related to COVID-19. As a result of the pandemic, experts and advocates working for non-profit organizations at the national, state, and local level simply don't have the bandwidth to provide comments within the current timeframe. A substantial number of national, state, and local non-profit organizations have asked the federal government to extend the comment period. Extending the comment period will help ensure people are not wrongly defined out of poverty.

If you are to consider changes to the measurement of poverty, **we urge you to meaningfully expand — not artificially shrink — poverty measures to include all Americans experiencing economic deprivation, not just those currently counted as poor.** The measurement of poverty has profound implications for Americans' lives. As an organization we are focused on effective policies that create opportunity toward the goal of ending poverty, and we know that how we measure poverty impacts every aspect of our lives — our health care, our education, our ability to get a nutritious diet, our access to good jobs, and more. The task of counting the number of poor Americans has real-world implications for millions of Americans. We use poverty measures to understand the numbers of Americans who are struggling to make ends meet and which Americans those are. We use these measures to understand how society and public policies have succeeded and failed at helping those counted as in poverty. And we use these measures to guide where resources should be devoted and whom to target these

resources to. Therefore, we urge you to approach the creation of alternative measures of poverty with caution and deliberation. This caution and deliberation should include an active role for the scientific community, which has studied poverty measure issues intensively over decades.

As an organization deeply committed to ending poverty and creating opportunity, with a focus on understanding the root causes of racial wealth inequality, RESULTS strongly opposes measures that could reduce access to anti-poverty programs, especially for low-income families and communities of color. An extended income measure that expands the definition of resources available to families without simultaneously expanding thresholds to reflect the amount of resources needed to support a family will only understate poverty further. Modifications to existing income-based poverty measures, such as corrections for underreporting, must be made alongside increases to thresholds. Efforts to modify existing income measures by correcting for underreporting must be coupled with a modification to the poverty threshold to ensure that the updated measure more reliably captures the scope of economic deprivation experienced by America's children.

We know correcting for underreporting of income alone would reduce Supplemental Poverty Measure (SPM) poverty rates. Two reports on reducing child poverty from the National Academy of Sciences (NAS)¹ and the Children's Defense Fund (CDF)² relied on a policy simulation program called TRIM3, which uses as its poverty baseline a modified version of the SPM. TRIM3 corrects for underreporting of income in much the same way imagined by the Working Group.

Alternative poverty measures could lead to improper and ill-advised policy proposals that jeopardize eligibility and enrollment in proven, effective anti-poverty programs that millions of families rely on.

While the Working Group has suggested adjusted or alternative poverty measures will not replace the OPM, SPM, or federal poverty guidelines used to determine eligibility for public benefits, they could be used in a way that will ultimately inform and impact policy and budget choices. Any official federal statistic published and authorized by the government will be used as a reference and resource for policy makers and researchers. The creation of any alternative measure that underestimates the needs of children could lead to policy choices that would have negative impacts on children and families. For example, the Administration recently used the consumption measure to justify proposals to institute work requirements for SNAP and Medicaid—a policy proposal NAS has proven ineffective, even counterproductive, for reducing child poverty. We have serious concerns that the new measure will ultimately be used to place greater restrictions on eligibility and cut funding for critical programs serving children and families.

¹ *A Roadmap to Reducing Child Poverty*, National Academies of Science, Engineering, and Medicine, 2019, <https://www.nap.edu/catalog/25246/a-roadmap-to-reducing-child-poverty>.

² *Ending Child Poverty Now*, Children's Defense Fund, 2019, <https://www.childrensdefense.org/wp-content/uploads/2019/04/Ending-Child-Poverty-2019.pdf>.

What's more, because children are more likely than any other age group to participate in means-tested programs, any changes to the measure could have serious implications³ Critical anti-poverty programs not only benefit their health, education and food security, but also lift millions of children out of poverty each year.

Available evidence does not justify using lower inflation measures to lower the poverty line. The report leaves open the method to be used for adjusting new poverty thresholds over time, deferring to forthcoming recommendations from a separate federal working group. That group has floated proposals to adopt lower inflation measures and, thus, to substantially lower the poverty rate over time. Those proposals, we believe, are ill-advised. They fail to acknowledge the considerable research that has emerged in recent years suggesting average measures of inflation may understate inflation faced by poor families purchasing basic goods. This important evidence must be taken into account when considering adopting different measures of inflation.

Moreover, while poverty lines always include an element of judgment, choosing an inflation measure that makes the poverty line grow more slowly is particularly problematic if the level of need embodied in the poverty thresholds starts off too low. The interagency report does an admirable job of summarizing the history of the United States' current system of measuring poverty; included in this discussion were concerns laid out by the official measure's creator, Mollie Orshansky, that the line chosen in the 1960s may very well have been too low at that time. Newer research has shown that levels of material hardship and deprivation remain substantial both below and well above the current poverty thresholds, a sign that the current official poverty line is hardly too high⁴. We believe the evidence base concerning inflation for low-income households is evolving rapidly and, at minimum, does not adequately justify adopting a lower inflation adjustment.

Thank you for the opportunity to submit comments on the considerations of additional measures of poverty. **RESULTS strongly opposes efforts that harm households with low-incomes and**

³ "21.3 Percent of U.S. Population Participates in Government Assistance Programs Each Month," U.S. Census Bureau, 28 May 2015, <https://www.census.gov/newsroom/press-releases/2015/cb15-97.html>.

⁴ Some 29 percent of households with children with income between 100 percent and 130 percent of the poverty line couldn't consistently afford adequate food in 2017, not far below the 40 percent figure for those below the poverty line, Agriculture Department data show. Calculated from Alisha Coleman-Jensen et al., "Household Food Security in the United States in 2017," Department of Agriculture, 2018. Over 60 percent of non-elderly adults with income between 100 and 200 percent of the poverty line reported one or more material hardships such as food insecurity, missed payments for utility bills or rent or mortgage, or problems paying family medical bills, a 2017 Urban Institute survey found — not significantly different than for those in poverty. Michael Karpman, Stephen Zuckerman, and Dulce Gonzalez, "Material Hardship among Nonelderly Adults and Their Families in 2017," Urban Institute, 2018, https://www.urban.org/sites/default/files/publication/98918/material_hardship_among_nonelderly_adults_and_their_families_in_2017.pdf.

create conditions that lead to further entrenched poverty. Please do not hesitate to contact us to provide further information.

Sincerely,



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