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Poverty in the United States in 2022

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SUMMARY

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Poverty in the United States in 2022

The federal government publishes poverty statistics using two measures: the *official poverty measure* and the *Supplemental Poverty Measure* (SPM). These two measures tell different stories about who is poor in the United States because they measure different things. Both measures compare the income of a family or unrelated individual against a measure of need for that same family or individual. If the income (measured in dollars) is less than the measure of need (also measured in dollars), the family or unrelated individual is considered to be in poverty; if the income is greater than or equal to the measure of need, the family or individual is classified as not being in poverty. The measures differ as to what is counted as income or included in the measure of need.

For the official measure in 2022, no statistically significant change from 2021 was detected in the overall *poverty rate*—the percentage of people who are in poverty—or in the number of people in poverty: 11.5% of the population, or 37.9 million persons, were in poverty. Few demographic groups registered any changes in the number or percentage in poverty according to the official measure. One notable exception was that the official poverty rate among the Black population reached an all-time low of 17.1% in 2022.

The SPM told a different story: 12.4% of people overall were in poverty in 2022, an increase of 4.6 percentage points from 2021. This represented an increase of 15.3 million persons in poverty under the SPM, from 25.6 million in 2021 to 40.9 million in 2022. In contrast with the official poverty measure, increases in poverty as measured by the SPM affected nearly every demographic group.

The SPM registered broad-based increases in poverty rates because it uses a broader definition of income than the official measure. While the official measure uses cash income before taxes, the SPM uses income after taxes, includes the monetary value of noncash benefits, and subtracts medical expenses and work-related expenses that a family cannot use to pay for basic needs. Because the SPM uses income after taxes and the official measure does not, the SPM detected the effects of income tax credits, such as stimulus payments, that the official measure did not. Those whose after-tax income would have been just over the SPM poverty line with the expanded tax credits instead had after-tax income below the SPM poverty line once those tax credits expired.

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Introduction

The federal government publishes poverty statistics using two measures: the official poverty measure and the Supplemental Poverty Measure (SPM). These two measures tell different stories about who is poor in the United States because they measure different things. Both measures compare the resources of a family or unrelated individual against a measure of need for that same family or individual. If the resources (measured in dollars) are less than the measure of need (also measured in dollars), the family or unrelated individual is considered to be in poverty; if resources are greater than or equal to the measure of need, the family or individual is classified as not being in poverty. The measures differ as to what is counted as resources or included in the measure of need.

- Under the official poverty measure, the measure of need was originally computed using family expenditure data from 1955 and food costs in 1962. Using the cost of a tightly constrained food budget, and the average share of family income that was spent on food, dollar amounts were computed to represent the overall income levels (the poverty thresholds) at which a family whose basic needs overall might have been similarly constrained. These official poverty thresholds have been updated annually for inflation. For the resources necessary to meet that level of need, the official poverty measure counts income in the form of cash only, before taxes—meaning that tax credits and the monetary value of noncash benefits are not counted.
- Under the SPM, the measure of need is based on recent spending data from the Consumer Expenditure Survey; namely, 83% of median family spending on food, clothing, shelter, utilities, internet, and telephone service (plus an extra 20% for miscellaneous expenses such as personal care products), as opposed to being computed once and indexed forward for inflation (as is done for the official measure). For the resources necessary to meet that level of need, the SPM uses after-tax income (which includes tax credits), estimates the value of certain noncash benefits (such as food assistance), and subtracts some expenditures (such as work-related expenses, child care expenses, and medical expenses paid out-of-pocket) that families cannot use toward the categories of basic needs that are used to define the SPM poverty level. This approach was intended to better reflect the economic choices families currently face, and to better reflect the effects of government programs on the low-income population, than does the official measure.

For the official measure in 2022, no statistically significant change was detected in the *poverty rate*—the percentage of people in poverty—or in the number of people in poverty in the United States: 11.5% of the population, or 37.9 million people, lived in poverty. By the official measure, poverty among most segments of the population held steady, with some exceptions: the number and percentage in poverty rose among non-Hispanic Whites but fell among Blacks, with their 2022 poverty rate of 17.1% representing the lowest ever measured.

The SPM tells a different story. The SPM differs from the official poverty measure in that the SPM takes account of taxes and noncash resources in ways the official measure does not. Under the SPM, the overall poverty rate and number below poverty rose for all demographic groups discussed in this report, with the overall poverty rate rising from 7.8% (25.6 million) in 2021 to 12.4% (40.9 million) in 2022, largely reflecting the expiration of refundable tax credits made available during the COVID-19 pandemic.

This report presents a general overview of poverty in the United States. It introduces the concepts and data sources used in defining and measuring poverty. It then offers a historical perspective on poverty at the national level by presenting trend data on the official poverty measure. Next, the report focuses on poverty by demographic group, mainly by comparing 2022 estimates with 2021, along four characteristics:

- family structure, because poverty is defined according to the composition, needs, and income of families, and because antipoverty interventions have often been targeted to families;
- age, because age groups vary in the types and sources of income available to them, and because congressional policymaking has often focused on children and the aged population;
- race and Hispanic origin, because poverty rates among these demographic groups historically have had wide differences; and
- work status, because economic well-being is typically tied to the current or past work of oneself or one's family members.

State poverty rates are then presented to provide a geographical perspective on poverty throughout the United States. Lastly, the report describes the SPM, a newer measure that improves upon some of the official poverty measure's limitations, and illustrates how the SPM offers a different view of poverty than the official measure. This different view is particularly relevant for examining the impact on poverty of the refundable tax credits and other measures Congress undertook to counteract the recession related to the pandemic.

Poverty Data As Estimates: Survey Data Collection and Poverty Measure Definitions

The numbers and percentages of those in poverty presented in this report are based on the Census Bureau's estimates.[1] While the official measure has been regarded as a statistical yardstick rather than a complete description of what people and families need to live,[2] it does offer a measure of economic hardship faced by the low-income population. The poverty measure compares family income against a dollar amount called a poverty threshold, a level below which the family is considered to be poor. The Census Bureau releases these poverty estimates every September for the prior calendar year. Most of the comparisons discussed in this report are year-to-year. The report only considers a number or percentage to have changed from the previous year, or to be different from another number or percentage, if the difference has been tested to be statistically significant at the 90% confidence level.[3]

[1] The national-level data in this report were obtained from the report by Emily A. Shrider and John Creamer, *Poverty in the United States: 2022*, U.S. Census Bureau, Current Population Reports number P60-280, September 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html (hereinafter, "Shrider and Creamer, 2023"), and the detailed tabulations and the Current Population Survey Annual Social and Economic Supplement (CPS ASEC) public use file that accompanied the release of that report.

[2] Shrider and Creamer, 2023, Appendix A, p. 18. The characterization of the poverty measure as a statistical yardstick goes back decades. See, for example, "U.S. Changes Yardstick on Who Is Poor," *Chicago Tribune*, May 3, 1965, Section 1B, p. 4.

[3] Not every apparent difference in point estimates is a real difference. The official poverty measure uses information from the CPS ASEC, which surveys about 95,000 addresses nationwide. All poverty data discussed here are therefore estimates, which have margins of error. *Error* in this case refers to a difference from the true data that is caused by (continued...)

How the Official Poverty Measure is Computed

The Census Bureau determines a person's poverty status by comparing his or her resources against a measure of need. For the official measure, the term *resources* is defined as total family income before taxes, and the measure of *need* is a dollar amount called a *poverty threshold.* There are 48 poverty thresholds that vary by family size and composition. If a person lives with other people to whom he or she is related by birth, marriage, or adoption, the money income from all family members is used to determine his or her poverty status. If a person does not live with any family members, his or her own income is used. Only *money income* before taxes is used in calculating the official poverty measure, meaning this measure does not treat in-kind benefits such as the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), housing subsidies, or employer-provided benefits as income. Because the official measure uses income before taxes, it also excludes refundable tax credits such as the Earned Income Tax Credit and the Child Tax Credit, as well as stimulus payments that were made as refundable tax credits.

The poverty threshold dollar amounts vary by the size of the family (from one person not living in a family, to nine or more family members living together) and the ages of the family members (how many of the members are children under 18 and whether or not the family head is 65 or older). Collectively, these poverty thresholds are often referred to as the poverty line. As a rough guide, the poverty line in 2022 can be thought of as $29,950 for a family of four; $23,280 for a family of three; $18,900 for a family of two; or $14,880 for an individual not living in a family; though the official measure is actually much more detailed.[4]

The threshold dollar amounts are updated annually for inflation using the Consumer Price Index. Notably, the same thresholds are applied throughout the country: no adjustment is made for geographic variations in living expenses.[5]

The official poverty measure used in this report is the federal government's definition of poverty for statistical purposes, such as comparing the number or percentage in poverty over time. A related definition of poverty, the poverty guidelines published by the Department of Health and Human Services (HHS), is used for administrative purposes such as eligibility criteria for assistance programs and will not be discussed in this report.[6]

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using a sample instead of the entire population, not mistakes in computation or biases from imperfect data collection or processing. Even if a survey were implemented perfectly and had collected complete and accurate information from all respondents in the sample, surveying a different sample would likely yield slightly different estimates of the poverty population or the poverty rate. Thus, even if the true poverty rate were exactly the same in two different years, it is possible to get survey estimates that appear different. To report that a change has occurred in the poverty rate—that is, that the difference between the estimates is likely not caused by sampling variability—the difference has to be large enough that fewer than 10% of all possible survey samples would produce a difference that large (and, conversely, 90% of the samples would not). Such a difference is said to be statistically significant at the 90% confidence level. Point estimates whose differences are not statistically significant are described as such in this report.

[4] To provide a general sense of the poverty line, the Census Bureau computes weighted averages of the thresholds within each family size. For example, a family of three may consist of any of the following combinations: three adults, two adults and one child, or one adult and two children. Each combination has its own distinct threshold. The $23,280 figure cited represents an average of those family combinations, adjusted to reflect that some types of three-person families are more common than others. The averages are a convenience for the reader, but are not actually used to compute poverty status for statistical reports. In actual computations, 48 thresholds are used in the official measure.

[5] Unlike the poverty thresholds that are used to compute official poverty statistics, the Health and Human Services (HHS) poverty guidelines used for administrative purposes do include separate amounts for Alaska and Hawaii.

[6] The official poverty measure described in this report was established in the Office of Management and Budget's Statistical Policy Directive 14, May 1978, reproduced on the Census Bureau's website at https://www.census.gov/topics/income-poverty/poverty/about/history-of-the-poverty-measure/omb-stat-policy-14.html. It states that the official measure is to be used for statistical purposes, but should not be construed as required for administrative purposes.

The Supplemental Poverty Measure: Its Relevance in Relation to the Official Measure

Over the past several decades, criticisms of the official poverty measure have led to the development of an alternative research measure called the SPM, which the Census Bureau also computes and releases. Statistics comparing the official measure with the SPM are provided at the conclusion of this report. The SPM includes adjustments to reflect geographic variations in housing costs, and the estimated effects of taxes and in-kind benefits (such as housing, energy, and food assistance) on poverty, while the official measure does not. The SPM also takes a more expansive approach than the official measure in recognizing relationships among household members for the purpose of identifying how those members share costs and pool resources. Furthermore, while one-time payments such as economic stimuli are not considered as part of the official definition of income, these payments are considered as resources in the SPM. Because some types of tax credits and noncash benefits provide financial help to families and individuals in poverty, the SPM may be of interest to policymakers, particularly in light of the economic stimulus payments and tax credits provided in response to the COVID-19 pandemic and the effects of their expiration on poverty rates.

The official measure provides a comparison of the population below poverty over a longer period than does the SPM, including some years before many current antipoverty assistance programs had been developed.[7]

Historical Perspective Under the Official Poverty Measure

Figure 1 shows a historical perspective of the number and percentage of the population below the official poverty line. The number in poverty and the poverty rates are shown from the earliest year available (1959) through the most recent year available (2022). Because the total U.S. population has grown over time, poverty rates are useful for historical comparisons because they control for population growth.

Poverty rates fell through the 1960s. Since then, they have generally risen and fallen according to the economic cycle, though during the two expansions prior to the pandemic official poverty rates did not fall measurably until four to six years into the expansion. The current economic expansion had not (as of 2022) broken that pattern: the most recent recession occurred from February to April 2020, and the current expansion began in May 2020. During the first two years since then, the official poverty rate did not register a year-to-year decline.[8] Historically notable lows in the

[7] While their methodology is not discussed in this report, researchers at Columbia University have developed an anchored SPM, which estimates what the SPM would have been in previous years before the data necessary for computing the SPM according to current methods were available. See Christopher Wimer, Liana Fox, Irv Garfinkel, Neeraj Kaushal, and Jane Waldfogel, "Trends in Poverty with an Anchored Supplemental Poverty Measure," Institute for Research on Poverty Discussion Paper No. 1416-13, December 11, 2013, at https://www.irp.wisc.edu/resource/trends-in-poverty-with-an-anchored-supplemental-poverty-measure/.

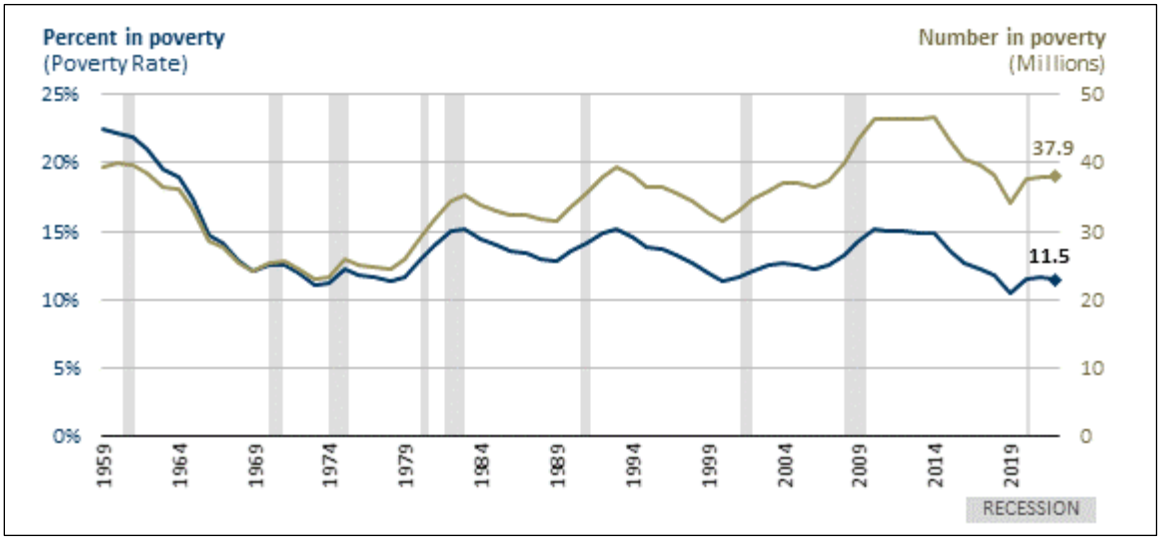
[8] As noted earlier, the SPM illustrates a different picture—one in which poverty rates fell in 2021—because it measures the effects of taxes, tax credits (which include stimulus payments during the pandemic and expansions to the child tax credit), and noncash benefits (including expansions to food assistance programs), while the official measure does not. This will be discussed further in the "Supplemental Poverty Measure" section.

official poverty rate occurred in 1973 (11.1%), 2000 (11.3%), and 2019 (10.5%).[9] Peaks occurred in 1983 (15.2%), 1993 (15.1%), and 2010 (15.1%).[10]

Poverty rates tend to rise during and after recessions, as opposed to leading economic indicators such as new housing construction, whose changes often precede changes in the performance of the overall economy. The poverty rate's lag is explainable in part by the way it is measured: it uses income from the entire calendar year.[11]

Figure 1. Official Poverty Rate and Number of Persons in Poverty: 1959 to 2022

(poverty rates in percentages, number of persons in millions; shaded bars indicate recessions)



Source: Congressional Research Service (CRS), based on data from Table A-3 of Emily A. Shrider and John Creamer, *Poverty in the United States: 2022,* U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html. Recession dates were obtained from the National Bureau of Economic Research at https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions.

Notes: The 2019 and 2020 estimates were biased downward because of increased nonresponse associated with telephone-only interviewing during the pandemic; response rates since the pandemic did not return to their pre-pandemic levels (for details, see Adam Bee and Jonathan Rothbaum, "Using Administrative Data to Evaluate Nonresponse Bias in the 2023 Current Population Survey Annual Social and Economic Supplement," U.S. Census Bureau *Research Matters* blog, September 12, 2023, at https://www.census.gov/newsroom/blogs/research-matters/2023/09/using-administrative-data-nonresponse-cps-asec.html). A summary of methodological changes to the Current Population Survey Annual Social and Economic Supplement (CPS ASEC) and the poverty measure in other years, with references to technical descriptions of the changes, is available in the *Annual Statistical Supplement to the Social Security Bulletin,* Appendix C, at https://www.ssa.gov/policy/docs/statcomps/supplement/2022/apnc.pdf.

[9] The rate in 2019 is the lowest numerically, but suffered from nonresponse bias that resulted from the stoppage of in-person interviews in 2020 as a safety precaution during the COVID-19 pandemic. Before 2019, the poverty rates in 1973 and 2000 had been considered to be tied for the lowest measured poverty rate because they are not statistically different from each other.

[10] These poverty rates may not necessarily be distinguishable from the poverty rates in their adjacent years. See footnote 3 for an explanation of statistical significance.

[11] For further historical information about poverty and recessions, see CRS Report R45854, *Trends in the U.S. Poverty Rate after Recessions*, by Joseph Dalaker; and CRS Report R46939, *Underemployment, Recessions, and Poverty*, by Joseph Dalaker.

Official Poverty by Demographic Group

Just as the official overall poverty rate for the United States experienced no statistically detectable shift between 2021 and 2022, official poverty rates by demographic group largely held steady. Notable exceptions were the decline in the official poverty rate among Blacks (to a historically low 17.1%) and a rise among non-Hispanic Whites (to 8.6%).

Family Structure

Because poverty status is determined at the family level by comparing resources against a measure of need, vulnerability to poverty may differ among families of different compositions. In this section, poverty data by family structure are presented using the official poverty measure, with families defined as persons related by birth, marriage, or adoption to the householder (the person in whose name the home is owned or rented). In the "Supplemental Poverty Measure" section of this report, a different definition will be used.

In general, women have higher poverty rates than men: 12.5% compared with 10.5% in 2022 (neither changed significantly from 2021). Historically, families with a female householder and no spouse present (female-householder families) have had higher poverty rates than both married-couple families and families with a male householder and no spouse present (male-householder families). This remained true in 2022: the poverty rate among female-householder families was 23.0% (not different from 2021), compared with 11.5% for male-householder families and 5.0% for married-couple families (**Figure 2**).

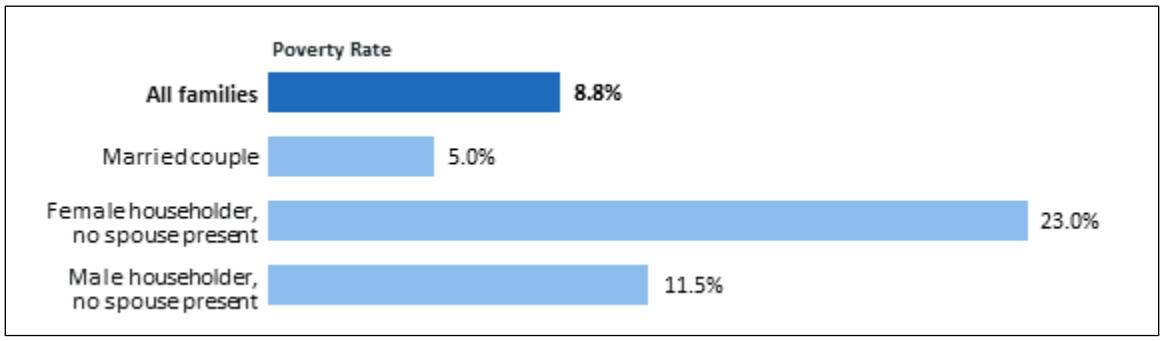
Even though survey nonresponse was more common among low-income families than high-income families, and female-householder families are more likely to be low income than the other family types, the 2022 female-householder poverty rate is the latest in a series of lower poverty rates for this group compared with previous decades.[12]

No discernible changes were detected in the poverty rates for married-couple families (5.0% in 2022), male-householder families (11.5%), or persons living alone or with non-relatives only (20.1%).

[12] Poverty rates for female-householder families are available from 1959 onward. Until 1964, the rates for this group were estimated to be above 40%. From 1964 through 1997, poverty rates for female-householder families were between 30% and 40%, and from 1998 to 2014, they hovered close to or below 30% except during the years following the Great Recession, when they peaked above 30%. From 2015 to 2022, the poverty rates for this group remained below 30%.

Figure 2. Official Poverty Rates of Families by Family Structure: 2022

(poverty rates in percentages)



Source: CRS, based on poverty data from Table A-2 in Emily A. Shrider and John Creamer, *Poverty in the United States: 2022,* U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html.

Notes: The poverty rates above include only families with a householder (the survey's reference person for the household, typically the person in whose name the home is owned or rented). The Census Bureau defines a family as those living together related by birth, marriage, or adoption.

Age

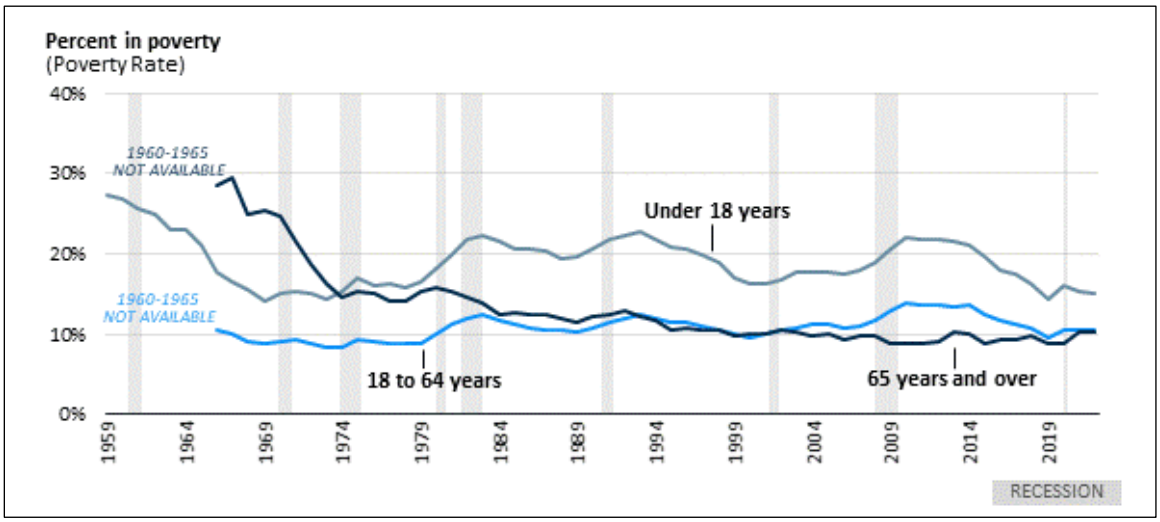
When examining poverty by age, the three main groups (under 18, 18 to 64, and 65 and older) are noteworthy for distinct reasons. People under age 18 are typically dependent on other family members for income, particularly young children below their state's legal working age. People aged 18 to 64 are generally thought of as the working-age population and typically have wages and salaries as their greatest source of income. People aged 65 and older, referred to as the aged population, are often eligible for retirement, and those who do retire typically experience a change in their primary source of income, such as from earnings to Social Security.

Figure 3 illustrates poverty rates historically by age because the overall poverty rate (seen in **Figure 1**) masks the historical decline in poverty among the aged population. Before 1974, the poverty rate for those aged 65 and over was the highest of the three age groups. In 1966, people aged 65 and over had a poverty rate of 28.5%, compared with 17.6% for those under 18 and 10.5% for working-age adults. By 1974, the poverty rate for people aged 65 and over had fallen to 14.6%, compared with 15.4% for people under 18 and 8.3% for working-age adults. Since then, people under 18 have had the highest poverty rate of the three groups. The poverty rate among the 65-and-older population eventually fell below the poverty rate of the working-age population, and except for an uptick in 2021 had trended below that group since the early 2000s.

As illustrated by the relatively flat ends of the lines at the right of **Figure 3**, official poverty rates by age group did not register any statistically significant changes from 2021 to 2022. Official poverty rates in 2022 were 15.0% for children, 10.6% for the working-age population, and 10.2% for the aged population. Using the SPM, however, the picture changes markedly (see the "Official and Supplemental Poverty Findings for 2022" section). Official poverty rate estimates use family income before taxes and thus do not count tax credits or stimulus payments—using post-tax income produces a steeper drop in the measured poverty rate for children in 2021, and a rise in their poverty rate in 2022 after the pandemic-era expansion to certain refundable tax credits had expired (illustrated in the "Supplemental Poverty Measure" section).

Figure 3. Official Poverty Rates by Age: 1959 to 2022

(poverty rates in percentages; shaded bars indicate recessions)



Source: CRS, based on data from Table A-3 of Emily A. Shrider and John Creamer, *Poverty in the United States: 2022,* U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html. Recession dates were obtained from the National Bureau of Economic Research at https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions.

Notes: The 2019 and 2020 estimates were biased downward because of increased nonresponse associated with telephone-only interviewing during the pandemic; response rates since the pandemic did not return to their pre-pandemic levels (for details, see Adam Bee and Jonathan Rothbaum, "Using Administrative Data to Evaluate Nonresponse Bias in the 2023 Current Population Survey Annual Social and Economic Supplement," U.S. Census Bureau *Research Matters* blog, September 12, 2023, at https://www.census.gov/newsroom/blogs/research-matters/2023/09/using-administrative-data-nonresponse-cps-asec.html). A summary of methodological changes to the Current Population Survey Annual Social and Economic Supplement (CPS ASEC) and the poverty measure in other years, with references to technical descriptions of the changes, is available in the *Annual Statistical Supplement to the Social Security Bulletin,* Appendix C, at https://www.ssa.gov/policy/docs/statcomps/supplement/2022/apnc.pdf.

Race and Hispanic Origin[13]

Poverty rates vary by race and Hispanic origin, as shown in **Figure 4**.[14] In surveys, Hispanic origin is asked separately from race; accordingly, people identifying as Hispanic or Latino may be of any race.[15] The official poverty rate among non-Hispanic Whites rose from 8.1% (15.8 million people) in 2021 to 8.6% (16.7 million people) in 2022. Over the same period, the poverty rate for Blacks (including Hispanic Blacks) fell from 19.5% (8.6 million) to 17.1% (7.6 million)—the

[13] Since 2002, federal surveys have asked respondents to identify with one or more races; previously, they could choose only one. The groups in this section represent those who identified with one race alone. Another approach is to include those who selected each race group either alone or in combination with one or more other races. Those data are also available on the Census Bureau's website at https://www.census.gov/library/publications/2023/demo/p60-280.html, where they are published in Shrider and Creamer, 2023; and in accompanying historical data tables.

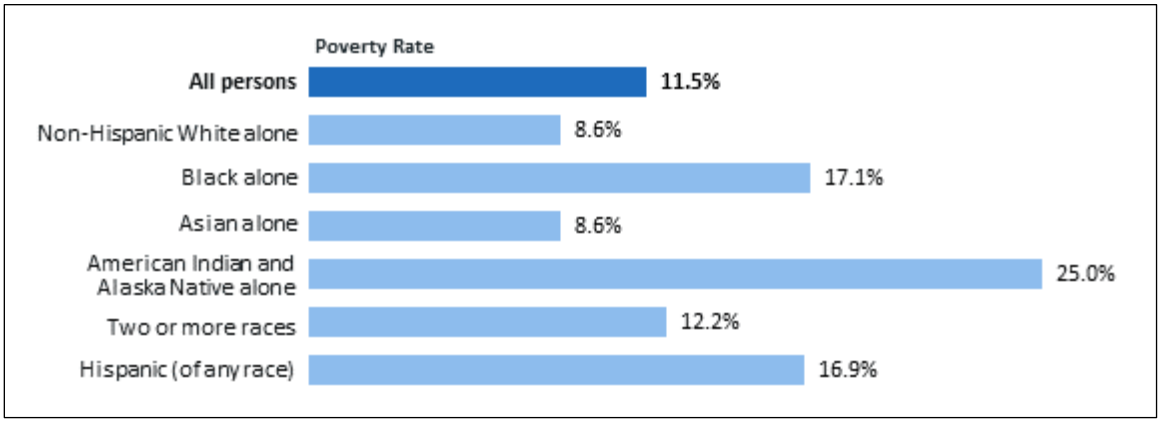
[14] Except for the two or more races population and the Hispanic population, the racial categories listed in this section include those identifying with one race only.

[15] Hispanic origin is classified separately from race. The Asian, Black, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and two or more races populations shown in this report all include Hispanics.

lowest official poverty rate ever recorded for the Black population. None of the other race or origin groups registered a statistically significant change in their poverty rate.[16]

Figure 4. Official Poverty Rates by Race and Hispanic Origin: 2022

(poverty rates in percentages)



Source: CRS, based on data from Table A-1 of Emily A. Shrider and John Creamer, *Poverty in the United States: 2022,* U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html.

Notes: People of Hispanic origin may be of any race. Additionally, respondents may identify with one or more racial groups. Except for "All persons," "Two or more races," and "Hispanic," the remaining groups shown include those who identified with one race only. The "non-Hispanic White alone" group includes only the White non-Hispanic population, while the "Black alone," "Asian alone," and "American Indian and Alaska Native alone" groups include persons who identify as Hispanic. Data for Native Hawaiians and Other Pacific Islanders are not shown separately.

Work Status

While having a job reduced the likelihood of being in poverty, it did not guarantee that a person or his or her family would avoid poverty. Among the population aged 18 to 64 living in poverty, 34.8% had jobs in 2022. Poverty rates among workers in this group were 4.8% for all workers, 1.9% for full-time year-round workers, and 12.8% for part-time or part-year workers; none of these rates registered a change from 2021. Among those who did not work at least one week in 2022, 30.7% were poor (also not distinguishable from 2021).

Because poverty is a family-based measure, a change in one member's work status can affect the poverty status of his or her entire family. Among all 18- to 64-year-olds who did not have jobs in 2022, 58.5% lived in families in which someone else did have a job. Among 18- to 64-year-olds with income below the poverty line and without jobs, 18.4% lived in families where someone else worked.

[16] The Asian, Native Hawaiian and Other Pacific Islander, American Indian and Alaska Native, and two or more races populations are smaller than the other groups shown, and as a result their margins of error are greater than for the other groups, meaning that larger differences are required to register as statistically significant. The 2022 total populations, poverty rates, and margins of error around the poverty rates for the smaller race groups are as follows: 21.6 million and 8.6% (± 1.0) for Asians; 9.7 million and 12.2% (± 1.4) for those who identify using two or more races; 4.0 million and 25.0% (± 3.5) for American Indians and Alaska Natives; and 1.5 million and 14.3% (± 5.7) for Native Hawaiians and Other Pacific Islanders. Among the Hispanic or Latino population, 10.8 million or 16.9% (± 0.8) lived in poverty.

Overall, a greater share of people lived with two or more full-time year-round workers in 2022 compared with 2021 (28.6% versus 27.0%), and a smaller share lived with one part-time or part-year worker only and no other workers (9.6% versus 10.5%).[17] In other words, overall there was a net reduction in persons living only with part-time or part-year workers (second row of **Table 1**) and a net gain among persons living with full-time year-round workers, particularly among families with two or more full-time year-round workers (fifth row of **Table 1**).

Table 1. Persons by the Number and Type of Workers in Their Family: 2021 and 2022

(numbers in thousands; includes persons of all ages)

	2022		2021		Net Difference, 2022-2021	
Number of Workers in Family	All Persons	Below Poverty	All Persons	Below Poverty	All Persons	Below Poverty
None	57,776	20,299	57,915	20,533	-139	-234
0 full-time year-round, 1 or more part-time or part-year	42,876	10,448	45,888	10,997	-3,012	-549
1 full-time year-round, 0 part-time or part-year	86,535	5,510	86,616	5,010	-81	500
1 full-time year-round, 1 or more part-time or part-year	48,447	1,202	49,111	1,025	-665	176
2 or more full-time year-round	94,444	464	88,661	370	5,783	95
Total	330,077	37,923	328,191	37,935	1,886	-12

Source: CRS, author's computations using data from U.S. Census Bureau, Current Population Survey, 2022 and 2023 Annual Social and Economic Supplement Public-Use Files.

Notes: Individuals not living with family members are treated as one-person families, and are tallied in one of the first three rows of the table. Persons not of working age are tallied according to the work statuses of their family members.

Poverty Rates by State[18]

Poverty is not equally prevalent in all parts of the country. **Figure 5** shows states with relatively high poverty rates across parts of the Appalachians, the Southwest, the Mississippi Delta and the Southeast. The poverty rate in New Mexico (18.3% ± 2.1), seemingly the highest, was not statistically distinguishable from the rates in Mississippi and four other states. The poverty rate in Utah (7.1% ± 1.2), seemingly the lowest, was not statistically distinguishable from that in New Hampshire and 14 other states. When comparing poverty rates geographically, the official poverty thresholds are not adjusted for geographic variations in the cost of living—the same thresholds

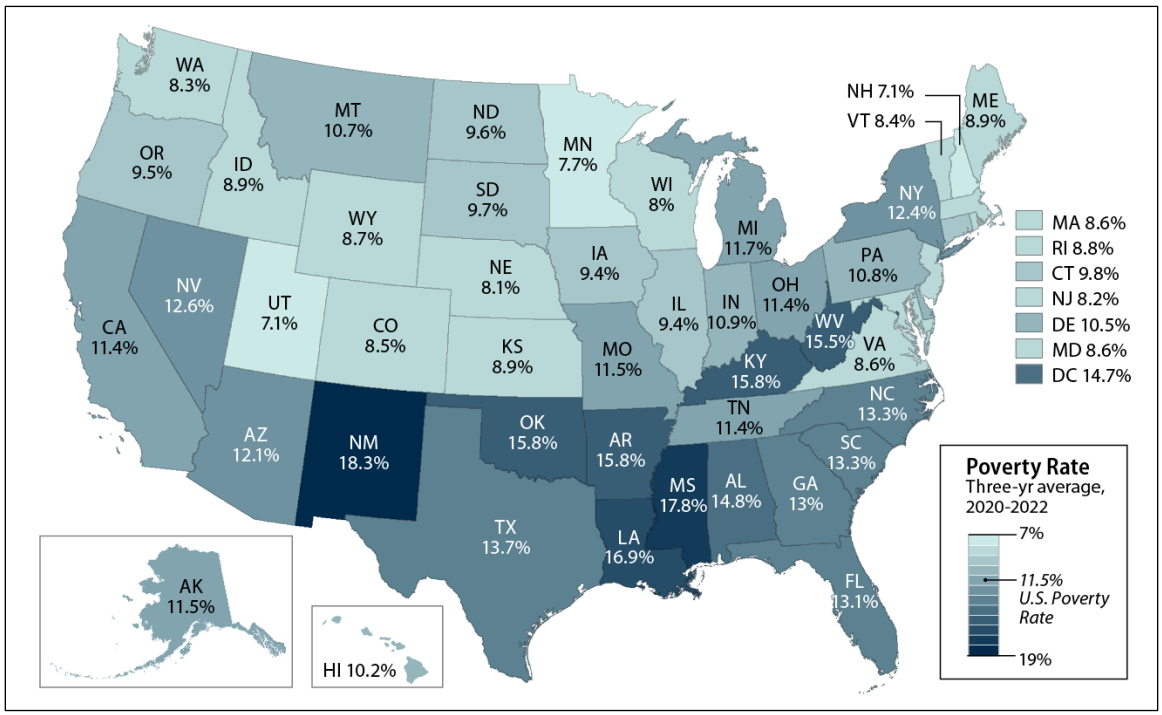
[17] Author's computations using data from U.S. Census Bureau, Current Population Survey, 2022 and 2023 Annual Social and Economic Supplement Public-Use Files.

[18] These state estimates are based on multi-year averages using 2021-2023 CPS ASEC data (which collected income data for calendar years 2020-2022), rather than from the 2023 CPS ASEC alone. Because the CPS ASEC surveys 90,000 to 100,000 addresses nationwide, it is sometimes difficult to obtain reliable estimates for small populations or small geographic areas—the sample may not have selected enough people from that group or area to provide a meaningful estimate. Using multi-year averages therefore affords greater statistical precision for comparing state areas. Three-year averages for 2020-2022 are used in **Figure 5** and in comparing poverty rates across states. Alternatively, the American Community Survey (ACS) is typically recommended by the Census Bureau for estimates at the state level and smaller areas.

are used nationwide. As such, an area with a lower cost of living accompanied by lower wages will appear to have a higher poverty rate than an area with a higher cost of living and higher wages, even if individuals' purchasing power were exactly the same in both areas.

Figure 5. Three-Year Average State Poverty Rates: 2020-2022

(poverty rates in percentages)



Source: CRS, using data from the U.S. Census Bureau, Current Population Survey, 2020-2022 Annual Social and Economic Supplements, "Interrelationships of Three-Year Average State Poverty Rates: 2020–2022," supplementary table to accompany Emily A. Shrider and John Creamer, *Poverty in the United States: 2022,* U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html; also see https://www2.census.gov/programs-surveys/demo/tables/p60/280/poverty_state_grid_table.xlsx.

Note: Data by state are based on three-year averages in order to reduce sampling error.

Supplemental Poverty Measure

Criticisms of the official poverty measure led to the development of the SPM. Described below are the development of the official measure, its limitations, attempts to remedy those limitations, the research efforts that eventually led to the SPM's first release in November 2011, and a comparison of poverty rates in 2022 based on the SPM and the official measure.[19]

How the Official Poverty Measure Was Developed

The poverty thresholds were originally developed in the early 1960s by Mollie Orshansky of the Social Security Administration. Rather than attempt to compute a family budget by using prices

[19] For a more thorough discussion of the SPM's development and methodology, see CRS Report R45031, *The Supplemental Poverty Measure: Its Core Concepts, Development, and Use,* by Joseph Dalaker.

for all essential items that low-income families need to live, Orshansky focused on food costs.[20] Unlike other goods and services such as housing or transportation, which did not have a generally agreed-upon level of adequacy, minimum standards for nutrition were known and widely accepted. According to a 1955 U.S. Department of Agriculture (USDA) food consumption survey, the average amount of their income that families spent on food was roughly one-third. Therefore, using the cost of a minimum food budget[21] and multiplying that figure by three yielded a figure for total family income. That computation was possible because USDA had already published recommended food budgets as a way to address the nutritional needs of families experiencing economic stress. Some additional adjustments were made to derive poverty thresholds for two-person families and individuals not living in families to reflect the relatively higher fixed costs of smaller households.

Motivation for a Supplemental Poverty Measure

While the official poverty measure has been used for nearly 60 years as the source of official statistics on poverty in the United States, it has received criticism over the years for several reasons. First, it does not take into account benefits from most of the largest programs that aid the low-income population. For instance, it uses money income before taxes—meaning that it does not necessarily measure the income available for individuals to spend, which for most people is after-tax income. Therefore, any effects of tax credits designed to assist persons with low income are not captured by the official measure. The focus on money income also does not account for in-kind benefit programs designed to help the poor, such as SNAP or housing assistance. The official measure has also been criticized for the way it characterizes families' and individuals' needs in the poverty thresholds. That is, the method used to compute the dollar amounts used in the thresholds, which were originally based on food expenditures in the 1950s and food costs in the 1960s, does not accurately reflect current needs and available goods and services.[22] The official measure also does not take account of the sharing of expenses and income among household members not related by birth, marriage, or adoption. And, as mentioned earlier, the official thresholds do not take account of geographic variations in the cost of living.

[20] While Orshansky did not attempt to compute a complete basket of goods and services, her focus on food costs was already a more detailed empirical approach to poverty measurement than were the dollar amounts used in the 1964 Economic Report of the President, issued by the Council of Economic Advisers (chapter 2, "The Problem of Poverty in America"). In that report, a flat figure of $3,000 was used for all families and $1,500 for unrelated individuals. See also Economic Report of the President (1964), https://fraser.stlouisfed.org/title/45#8135. For a thorough history of the official poverty measure, see Gordon Fisher, *The Development of the Orshansky Thresholds and Their Subsequent History as the Official U.S. Poverty Measure*, 1992, rev. 1997, reproduced on the Census Bureau's website at https://www.census.gov/library/working-papers/1997/demo/fisher-02.html.

[21] The stringency of this food budget, called the *Economy Food Plan*, was characterized by Betty Peterkin and Faith Clark, "Money Value and Adequacy of Diets Compared with the USDA Food Plans," *Family Economics Review*, September 1969, p. 8: "Diets were considered good if they provided the recommended allowances (1963) for all nutrients, and fair or better if they provided at least two-thirds of the allowances." They presented results of a 1965 survey of urban families indicating that less than 50% of families on the Economy Food Plan had a fair or better diet (implying at least 50% did not), while less than 10% of the families on the plan had a good diet; see https://archive.org/details/familyeconomicsr6251inst_48.

[22] Criticisms have been discussed in the mainstream press as well as academia. A 1988 article (Spencer Rich, "Drawing the Line Between Rich, Poor," *Washington Post*, September 23, 1988, https://www.washingtonpost.com/archive/politics/1988/09/23/drawing-the-line-between-rich-poor/60f5dbeb-dab3-4a42-819a-2dea34e7854e/) documented dissatisfaction about the official measure. This came from both those claiming it was too high, citing its failure to capture the effects of in-kind benefits for the poor and its overstatement of inflation, and those claiming it was too low, based on the fact that if the thresholds were derived using more recent household consumption data, they would be based on roughly five times the cost of food, not three times as Orshansky had computed in the early 1960s.

In 1995, a panel from the National Academy of Sciences issued a report, *Measuring Poverty: A New Approach,* which recommended improvements to the poverty measure.[23] Among the suggested improvements were to have the poverty thresholds reflect the costs of food, clothing, shelter, utilities (FCSU), and a little bit extra to allow for miscellaneous needs;[24] to broaden the definition of family; to include geographic adjustments as part of the measure's computation; to include the out-of-pocket costs of medical expenses in the measure's computation; and to subtract work-related expenses from income. An overarching goal of the recommendations was to make the poverty measure more closely aligned with the real-life needs and available resources of the low-income population, as well as the changes that have taken place over time in their circumstances, owing to changes in the nation's economy, society, and public policies (see **Table 2**).

After over a decade-and-a-half of research to implement and refine the methodology suggested by the panel, conducted both from within the Census Bureau as well as by other federal agencies and the academic community, the Census Bureau issued the first report using the SPM in November 2011.[25]

Table 2. Differences Between the Official and Supplemental Poverty Measures

	Official Poverty Measure	Supplemental Poverty Measure
Resource units (*families*)	People related by birth, marriage, or adoption (official Census Bureau definition of *family*). People aged 15 and older not related to anyone else in the household are considered as their own economic units.	People related by birth, marriage, adoption, plus unrelated and foster children, and cohabiting partners and their children or other relatives (if any) are considered as "SPM resource units" (sharing resources and expenses together).

[23] Constance F. Citro and Robert T. Michael, eds., *Measuring Poverty: A New Approach*, Panel on Poverty and Family Assistance: Concepts, Information Needs, and Measurement Methods, Committee on National Statistics, National Research Council (Washington, DC: National Academies Press, 1995), available at https://www.nap.edu/read/4759/chapter/1.

[24] The portion of the SPM threshold that represents FCSU is set to 83% of the median FCSU expenditures among families with children, according to the Consumer Expenditure Survey, with *families* in this case defined as the consumer units measured within that survey. That amount is meant to represent a basic, modest level of FCSU. An extra 20% of that amount is then added to represent other basic needs, such as personal care products, cleaning supplies, and non-work-related transportation.

[25] The effort to consolidate the previous research and create the SPM was done under the auspices of an Interagency Technical Working Group (ITWG) led by the Office of Management and Budget (OMB) and received public commentary via a *Federal Register* notice (*Federal Register*, vol. 75 no. 101, Wednesday, May 26, 2010, pp. 29513-29514, https://www.federalregister.gov/documents/2010/05/26/2010-12628/developing-a-supplemental-poverty-measure). The *Federal Register* notice referenced a report by the ITWG ("Observations from the Interagency Technical Working Group on Developing a Supplemental Poverty Measure"), which has since been moved to a new URL at https://www.census.gov/content/dam/Census/topics/income/supplemental-poverty-measure/spm-twgobservations.pdf. The comments that the Census Bureau received on that report are available on the Census Bureau's website at https://www.census.gov/content/dam/Census/topics/income/supplemental-poverty-measure/redactedcomments.pdf.

These and additional methodological documents on the SPM are available at https://www.census.gov/topics/income-poverty/supplemental-poverty-measure/guidance/methodology.html.

	Official Poverty Measure	Supplemental Poverty Measure
Needs (*thresholds*)	• Vary according to family size and ages of family members. • Dollar amounts based on the cost of a food plan for families in economic stress in the early 1960s, times three (with adjustments for two-person families and individuals). • Updated for inflation using the Consumer Price Index for All Urban Consumers (CPI- U). • No geographic cost adjustments.	• Vary according to the size and composition of the resource unit (see above). • Dollar amounts based on consumer expenditure data for food, clothing, shelter, utilities, telephone, and internet (FCSUti), with adjustments by homeownership and mortgage or rental status. • Based on five years of consumer expenditure data (not fixed at one point and trended forward), lagged one year from the most recent for consistency with the CPS ASEC data available for computing in-kind benefit amounts for the SPM thresholds. • Housing costs geographically adjusted for individual metropolitan areas and the entire nonmetropolitan area within states.
Resources (*income definition*)	Money income *before* taxes (includes 18 private and government sources of income, including Social Security, cash assistance, and other sources of cash income).	Money income (both private and government sources) *after* taxes • **minus:** work expenses, child care expenses, child support paid, out-of-pocket medical expenses. • **plus:** tax credits (such as the Child Tax Credit and the Earned Income Tax Credit) and the value of in-kind benefits (such as food and housing subsidies) that can be used to meet FCSUti needs.

Source: CRS, using information from pages 2-3 and 33-34 in Emily A. Shrider and John Creamer, *Poverty in the United States: 2022,* U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html.

Notes: For caveats, see the "Supplemental Poverty Measure" section of this report.

Official and Supplemental Poverty Findings for 2022[26]

Compared with the official measure, the SPM takes into account greater detail of individuals' and families' living arrangements and provides a more up-to-date accounting of the costs and resources available to them. Because the SPM recognizes greater detail in relationships among household members and geographically adjusts housing costs, it provides an updated rendering,

[26] Data in this section are available in Appendices A and B of Shrider and Creamer, 2023.

compared with the official measure, of the circumstances in which the poor live. In that context, some point out that the SPM's measurement of taxes, transfers, and expenses may offer policymakers a clearer view of how government policies affect the population living in poverty today. However, the SPM was developed as a research measure, and the Office of Management and Budget set the expectation that it would be revised periodically to incorporate improved measurement methods and newer sources of data as they became available; it was not developed for administrative purposes.[27] The fact that tax liabilities and credits are modeled, or that in-kind benefits are estimated using limited data, can be useful to bear in mind when comparing SPM estimates with official poverty estimates, or when any changes to the SPM methodology become implemented in the future.[28] Conversely, the official measure's consistency over a longer time span makes it easier for policymakers and researchers to make historical comparisons.

Underreporting and Estimates of Income and Noncash Benefits

The income amounts used to compute poverty status under both the official measure and the SPM were obtained from an annual household survey: the Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS). The ASEC is a series of questions asked once a year at the end of the CPS, which is a monthly survey designed to obtain monthly labor force estimates, such as the unemployment rate; that is, the monthly CPS was not primarily designed for income measurement. Like other household surveys, the CPS ASEC suffers from underreporting of income amounts, and that affects both official and SPM poverty estimates. For example, in 2022 Social Security benefit expenditures were approximately $1.22 trillion,[29] while the total Social Security amounts received according to the CPS ASEC were approximately $1.04 trillion.[30] Both the official measure and the SPM include Social Security as income that families use to meet the level of need represented by their poverty threshold.

Unlike the official poverty measure, the SPM also includes the value of noncash benefits, and typically these values are estimated, either because respondents may not be privy to the values (as is the case for energy assistance payments made directly by the government to utility companies) or may not remember or report accurate amounts, or the survey questions may not ask the relevant details to obtain the amounts directly. For example, the monetary value of SNAP benefits received according to the SPM totaled approximately $45 billion for calendar year 2022, while SNAP administrative records report approximately $117 billion for the same period.[31] As a result of this underreporting, SNAP's effects on the number of persons measured as being in poverty according to the SPM are likely to be understated.

[27] The Health and Human Services Poverty Guidelines were developed for administrative purposes—they are a simplification of the official poverty measure. For details, see CRS Report R44780, *An Introduction to Poverty Measurement*, by Joseph Dalaker.

[28] For instance, work expenses such as commuting costs can be difficult to pin down precisely for every person or family, because they often influence and are influenced by a person's or family's decision about where to live. Rather than attempting to estimate the relevant work expenses for every family, in the SPM a flat amount is assigned to workers, multiplied by the number of weeks they worked. Some researchers have also found that the tax model used in the SPM underestimates refundable tax credits, in comparison with administrative data, which particularly affects families with children. Therefore, refinements to the SPM methodology based on the ongoing SPM research may not be trivial. Working papers that present results of research into SPM methodology may be found on the Census Bureau's website at https://www.census.gov/topics/income-poverty/supplemental-poverty-measure/library/working-papers.html.

[29] Total Social Security expenditures in 2022 were $1.24 trillion, 99.0% (or $1.22 trillion) of which were benefit payments. See CRS In Focus IF10522, *Social Security's Funding Shortfall*, by Barry F. Huston.

[30] Author's computations of 2022 calendar year Social Security income using the 2023 CPS ASEC public use file.

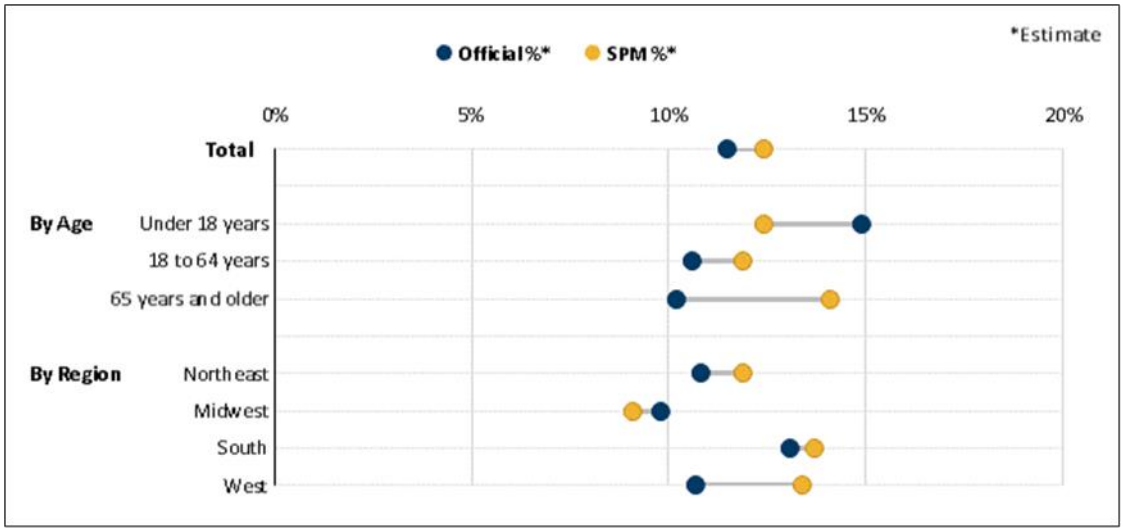
[31] Author's computations of benefit costs by month summed from January 2022 to December 2022, using data from U.S. Department of Agriculture, Food and Nutrition Service, *SNAP Data Tables: Persons, Households, Benefits, and Average Monthly Benefit per Person & Household*, at https://www.fns.usda.gov/sites/default/files/resource-files/snap-4fymonthly-2.xlsx, and computations using the 2023 CPS ASEC public use file of SNAP amounts used as SPM resources in 2022, summed across the entire population.

SPM and Official Poverty Rates for 2022

Under the SPM, the profile of the population is different than under the official measure. The SPM poverty rate in 2022 was 0.9 percentage points higher than under the official measure (12.4% compared with 11.5%, see **Figure 6**), and 4.6 percentage points higher than the corresponding SPM poverty rate in 2021 (7.8%). This increase was largely driven by the expiration of pandemic-era refundable tax credits, notably stimulus payments and the expansions to the Child Tax Credit (see **Figure 7**).[32]

Figure 6. Poverty Rates Under Official Measure and Supplemental Poverty Measure for the United States, by Age and by Region: 2022

(poverty rates in percentages)



Source: Congressional Research Service, based on data from Table B-4 in Emily A. Shrider and John Creamer, *Poverty in the United States: 2022,* U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html.

Notes: Figures include unrelated individuals under age 15 (such as foster children), who are not usually included in official poverty estimates.

Poverty rates by region also differed under the SPM compared with the official measure because of the geographic adjustment of housing costs in the SPM poverty thresholds. In the Northeast and West, where housing costs are higher on average than the rest of the country, the SPM poverty rate was higher than the official poverty rate by 1.2 percentage points and 2.6 percentage points, respectively (**Figure 6**). Conversely, in the South and Midwest, where housing costs are

[32] Tax credits in the SPM are typically estimated for the tax year (i.e., the year that taxes are incurred, which is the year before the date tax returns are filed), but most tax credits are actually received as a lump sum the following year, meaning the SPM usually includes the tax credits as income the year before the survey respondents actually receive them. The stimulus payments made during the pandemic, however, were distributed early (per the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136; the Consolidated Appropriations Act, 2021, P.L. 116-260; and the American Rescue Plan Act of 2021, P.L. 117-2). The 2021 SPM included these tax credits. Further, the Census Bureau's tax model used in the SPM was updated to include state tax credits, which also were distributed early (in 2022). For details, see Douglas Conway and Matthew Unrath, "Modeling State Tax Rebate Payments in the 2022 CPS ASEC," U.S. Census Bureau, SEHSD Working Paper No. 2023-26, September 2023, at https://www.census.gov/library/working-papers/2023/demo/SEHSD-WP2023-26.html; and Daniel Lin, "Methods and Assumptions of the CPS ASEC Tax Model," U.S. Census Bureau, SEHSD Working Paper No. 2022-18, November 30, 2022, at https://www.census.gov/library/working-papers/2022/demo/SEHSD-wp2022-18.html.

lower, the SPM poverty rate was 0.5 percentage points higher than the official rate in the South, and 0.7 percentage points lower than the official rate in the Midwest.

SPM Resource Components in 2021 and 2022: Their Effect on SPM Estimates

Figure 7 illustrates the impact of various resource components on the number of people identified as poor using the SPM. Data from both 2022 and 2021 are included because many policy changes, such as expansions to tax credits, that were implemented in 2021 due to the COVID-19 pandemic and other circumstances had expired by 2022; the policy differences between the two years are reflected in the SPM estimates. Bars pointing left (negative) indicate the number of people kept out of the population identified as poor by the SPM's treatment of that resource component. The bars pointing right (positive) indicate the number of people added to the estimated poor population by the SPM's treatment of the component.

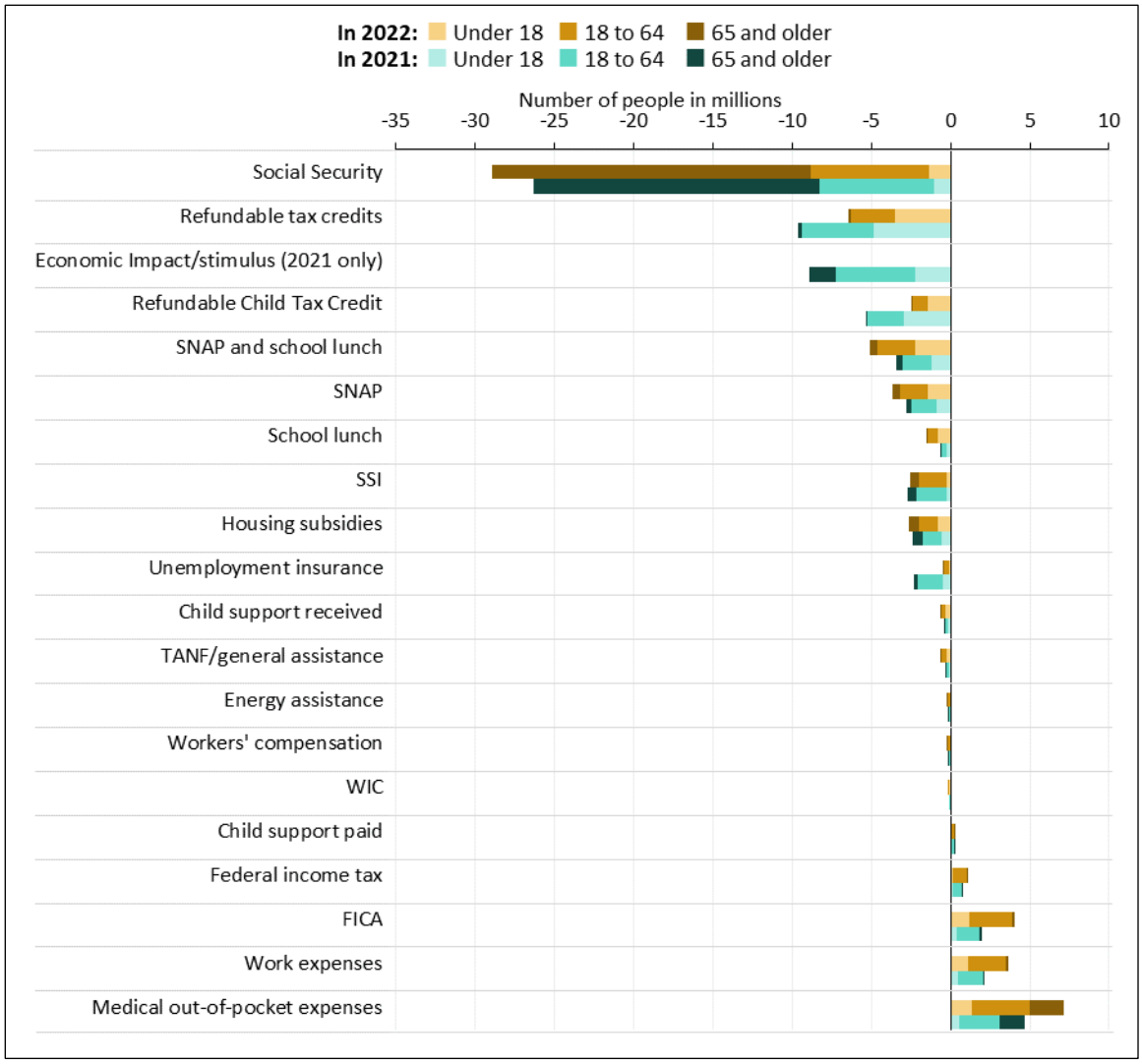
These data show how the population estimated to be poor would change if the SPM omitted a particular component (either by subtracting resources, or failing to subtract taxes and expenses) but do not take into account any behavioral changes people would make in the absence of any one program, tax, credit, or expense. Furthermore, the data illustrate changes to the poverty population estimate with each component considered in isolation. People are often affected by multiple resource components; therefore, the numbers represented by separate bars should not be added together.

Social Security, which is included in both the SPM and official poverty measures, had the biggest impact on the number of persons kept out of poverty (28.9 million in 2022 according to the SPM). While it was designed to be a universal program and not targeted specifically to the poor, it had a large antipoverty effect nevertheless. While most of those kept above poverty by Social Security were ages 65 and older (20.1 million), a substantial minority were younger: 7.5 million were aged 18 to 64, and 1.4 million were children under age 18. Some of those in the younger age groups are Social Security recipients themselves because of a disability, but others were kept out of poverty because an older family member received it.

Refundable tax credits are measured only in the SPM, not the official measure. Under the SPM, stimulus payments helped 8.9 million persons avoid poverty in 2021; these payments were not made in 2022. The refundable Child Tax Credit helped 5.3 million avoid poverty in 2021 according to the SPM; this number fell to 2.4 million after the expansions made through the American Rescue Plan Act (ARPA, P.L. 117-2) expired.[33]

[33] For a discussion of these expansions under ARPA, see CRS Report R46839, *The Child Tax Credit: The Impact of the American Rescue Plan Act (ARPA; P.L. 117-2) Expansion on Income and Poverty*, by Margot L. Crandall-Hollick, Jameson A. Carter, and Conor F. Boyle.

Figure 7. The Effects of Each Transfer, Tax, or Expense on the Number of People Identified as Below Poverty Using the SPM: 2022 and 2021



Source: CRS, using data from Table B-7 of Emily A. Shrider and John Creamer, *Poverty in the United States: 2022,* U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html.

Notes: Numbers of people represent the estimated change in the population identified as poor if the SPM's income definition were changed to exclude or include the resource component labeled at left. This can be thought of as the marginal impact that each resource or expense had on the population below poverty in 2021 and 2022. Because people often are affected by more than one of the resource components listed, cumulative effects of multiple resources cannot be computed by summing the bars. The impact on the estimated number of poor was computed for each component in isolation, leaving all else equal.

Child care expenses are included in work expenses.

FICA: Federal Insurance Contributions Act tax (payroll tax for Social Security and Medicare)

SNAP: Supplemental Nutrition Assistance Program

SSI: Supplemental Security Income

TANF: Temporary Assistance for Needy Families

UI: Unemployment Insurance

WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children

Comparing Year-to-Year Changes Under the SPM and the Official Measure

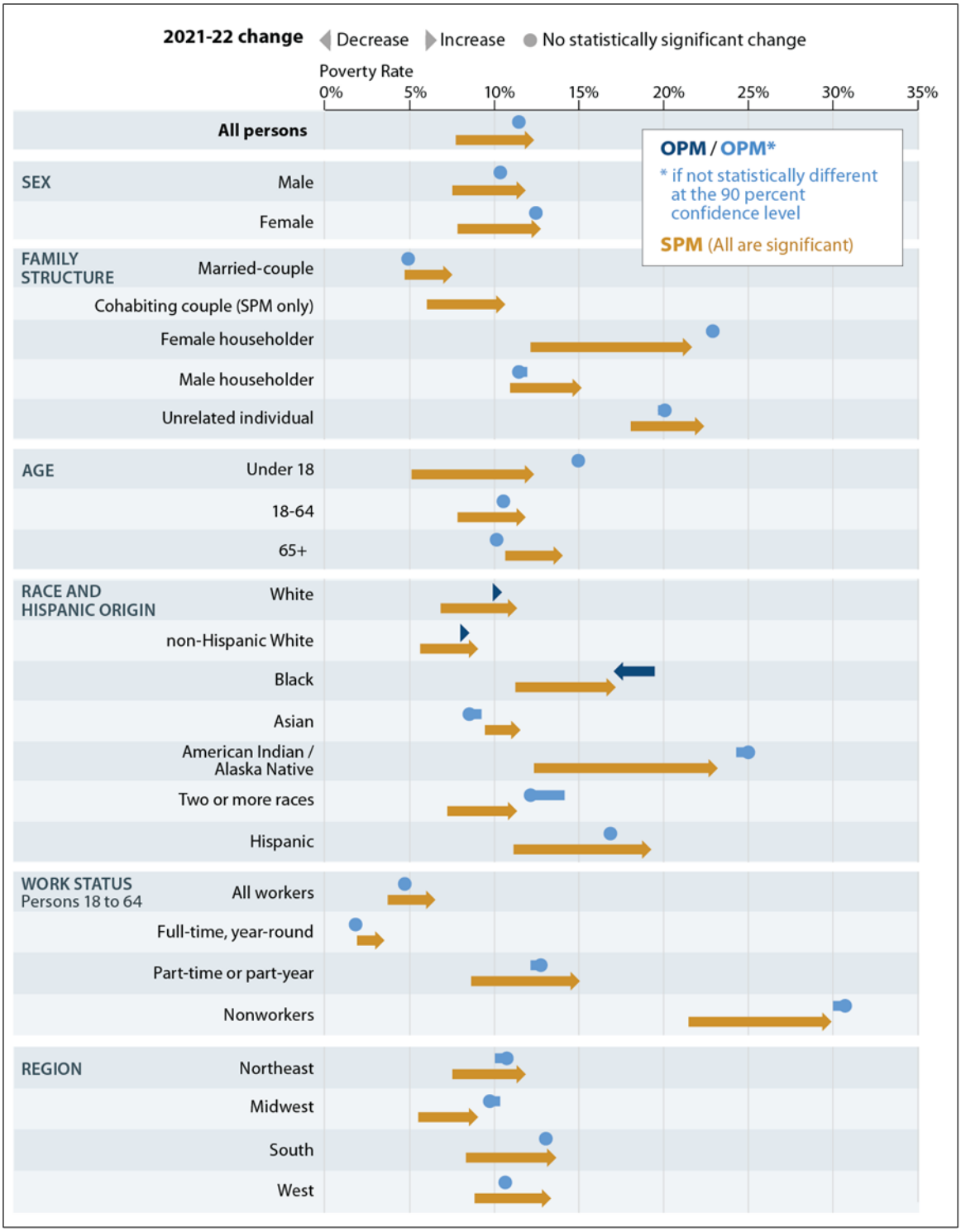
Looking at the year-to-year changes of poverty rates using the SPM, the differences contrast starkly with the lack of year-to-year changes registered under the official measure. **Figure 8** compares year-to-year changes, illustrating the SPM in orange and the official measure in blue. Statistically significant changes are shown using arrows (or, for small but statistically discernible changes, arrowheads) showing the direction of the change (increase or decrease). The point of the arrow indicates the 2022 poverty rate, and the opposite end of the arrow indicates the 2021 poverty rate: the longer the arrow, the greater the year-to-year change. Circles indicate no statistically discernible change between 2021 and 2022, even when the point estimates appear as though they were different.

Every demographic and geographic group shown in **Figure 8** registered a statistically significant increase in their poverty rate under the SPM, as indicated by the orange arrows. In contrast, three of the categories shown registered statistically significant changes under the official measure. The White population experienced a poverty rate increase whether Hispanic Whites were included (from 10.0% in 2021 to 10.5% in 2022) or not included (from 8.1% in 2021 to 8.6% in 2022). As discussed earlier in the "Race and Hispanic Origin" section, the Black population experienced a decline in its official poverty rate to a record-low 17.1% in 2022.

Some of the large increases in SPM poverty rates occurred among children, families headed by a woman with no spouse or cohabiting partner present (female-headed families), the American Indian and Alaska Native population, and the Hispanic population. Among children, 12.4%, or 9.0 million, were poor in 2022 according to the SPM, more than double the 5.2%, or 3.8 million, who were poor in 2021. Among female-headed families, poverty rose under the SPM to 22.6%, or 9.4 million, in 2022, up from 11.7% and 5.0 million in 2021. Among the American Indian and Alaska Native population, the corresponding figures were 23.2% and 0.9 million in 2022, up from 12.4% and 0.5 million in 2021. For Hispanics, 19.3% and 12.4 million were below poverty in 2022, up from 11.2% and 7.0 million in 2021.

The SPM registered broad-based increases in poverty rates because it uses a broader definition of income than the official measure. As discussed earlier, while the official measure uses cash income before taxes, the SPM uses income after taxes. As a result, the SPM detected the effects of income tax credits, such as stimulus payments and other refundable tax credits that were expanded during the COVID-19 pandemic, that the official measure did not detect. Persons whose after-tax income would have been a small amount over the SPM poverty line with the expanded tax credits in place instead had after-tax income below the SPM poverty line once those tax credits expired.

Figure 8. Official and SPM Poverty Rates for Selected Groups: 2021 and 2022



Source: CRS, using data from Figure 2, Figure 4, Table A-1, and Table B-3 in Emily A. Shrider and John Creamer, *Poverty in the United States: 2022*, U.S. Census Bureau, Current Population Reports number P60-280, September 12, 2023, at https://www.census.gov/library/publications/2023/demo/p60-280.html.

Notes: The official poverty measure and the Supplemental Poverty Measure (SPM) use different definitions of *family*. The figure above does not attempt to reconcile the differences between the definitions; the poverty rates

shown reflect all methodological differences between the two measures. The official measure does not count cohabiting couples as belonging to the same family, but rather includes as family members persons related by birth, marriage, or adoption only. The family units shown for the official measure are based on the *householder*, typically the person in whose name the home is owned or rented. Family units shown for the SPM poverty estimates may or may not include the householder. Cohabiting partner families in the SPM are classified as other family types under the official measure. Unrelated individuals are persons not living with any family members (i.e., living alone or with nonrelatives only). The percentages for the SPM are based on slightly larger population totals than for the official measure because the official measure does not determine the poverty status of unrelated individuals under age 15 (such as foster children) while the SPM does. The demographic categories were presented as defined under each measure in order to highlight the different picture each provides. For further discussion of the how the SPM and the official measure classify family relationships, see CRS Report R45031, *The Supplemental Poverty Measure: Its Core Concepts, Development, and Use*, by Joseph Dalaker.

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Disclaimer