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Reaction Mixed On Proposed Poverty Measure

Critics See Higher Spending On Anti-Poverty Programs

Written by Cheryl Wetzstein

The Census Bureau's formal release of an alternative way to measure poverty in the United States is 16 months away, but the rumblings of unease can already be heard about the politically sensitive indicator.

The bureau's Supplemental Poverty Measure (SPM), which will be released September 2011, is "a bogus and dishonest propaganda device," Robert Rector, senior research fellow at the conservative Heritage Foundation, told a Brookings Institution briefing recently.

"It's a Trojan horse," introduced under the name of poverty, but designed to find endless "income inequality" that must be fixed with even more spending on anti-poverty programs, Mr. Rector said. The government will spend \$900 billion on means-tested aid to poor and low-income persons this year alone, he added.

Policy experts have been working for at least 15 years on a new poverty standard to supplement - or eventually replace - the measure that has been used since the 1960s, a measure that many critics say does not reflect contemporary realities and needs. The problem: some experts think the current measure overstates the number of poor

Americans, while another group argues it vastly understates the number.

"Call me cynical, but I can see this [measure] as an attempt to redistribute more wealth further down the road," said Pamela Villarreal, who studies tax issues at the National Center for Policy Analysis in Dallas.

"I think that what is going to happen is that, even though this is an alternative measure [today], there's going to be a lot of political pressure to make this alternative measure the standard measure. And then you're going to see a lot more money devoted to fighting poverty," said Ms. Villarreal.

Melissa Boteach, manager of the Half in Ten Campaign at the Center for American Progress Action Fund, countered that the benefits of the proposed new measure will outweigh any negative ones. She said current poverty measures fail to reflect the benefits that federal and state aid provide in improving the lives of the poor.

"One of the big issues with poverty is that it seems intractable - it seems that no matter what we do, it stays the same or is going up," said Ms. Boteach, whose organization

has set a goal of cutting the U.S. poverty rate in half in the next decade.

"But if we are able to actually track our progress with a supplemental measure, and see the impact of policies we know work, such as the Earned Income Tax Credit or child-care assistance," it will be easier to make a better case "for investments to lift families out of poverty," she said.

Conservative critics like Mr. Rector are overreacting, she argued. The SPM will be like the unemployment rate - it provides a snapshot of how the nation is doing on its employment problems, but the unemployment rate "doesn't make you eligible for unemployment insurance," she said.

The SPM will debut in September 2011 when the Census Bureau releases its official poverty and income reports, David Johnson, chief of the Census Bureau's Housing and Household Economic Statistics Division, told the May 6 Brookings Institution gathering.

Officials say the alternative SPM will not replace the official poverty measure, nor will it be used to calculate eligibility in poverty programs. Instead, it will show what happens to households when non-cash income (such as assistance for food, utilities and housing) is added in, and certain expenses and taxes are deducted, said Mr. Johnson.

"No one knows" yet what the SPM will find, Rebecca Blank, Commerce Department undersecretary for economic affairs, said. The Obama administration has asked for \$7.5 million to support the SPM, and "I am looking forward to fall 2011, when we'll start seeing some numbers," she said.

In 2008, the federal poverty line for a family of three was \$17,600. That year, 39.8 million people, or 13.2 percent of the population, lived in poverty according to the official definition.