

Institute for Research on Poverty

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Dear Colleagues:

Our ad hoc group on creating a new poverty measure modeled roughly on the measure recommended by the National Academy of Sciences (NAS) in 1995 has been trying to informally reach a consensus on the specific details of a new measure. We have found lots of agreement and some differences among the members of the group since the October 2009 Brookings meeting.

Our original idea was that if we could agree on tentative recommendations on how to move forward, we would ask for reactions from the October Brookings group. If the reaction was positive, we would then need to decide how to push the approach politically and administratively. However, it became clear over the past few months that while we were making progress, difficult decisions remained.

Now the situation has changed. In late January Tim was privileged to be on a phone call from the White House in which Becky Blank of the Department of Commerce and Martha Coven of the Domestic Policy Council in the White House announced that the administration was going to put forward a plan for a supplemental measure that was in the NRC tradition in late February or early March. They further said that the measure would be regarded by the administration as experimental and would be subject to modification and improvement. The new supplemental/experimental poverty measure (SPM) would be reported annually as part of the official Census Bureau's reports beginning with the annual report on poverty published in the early fall of 2011. The first report will be based on the March 2011 Current Population Survey that will feature some new questions on medical out-of-pocket (MOOP) expenses, child care, and a few additional issues, all designed to improve a NAS-type measure. The plans for the measure are being released at 5:00 pm (EST) this evening. The press release and the plans for the first report are attached.

After discussions with various officials in the administration, we believed it would be best to hold off our comments on the course of action they have decided to take until after the public statement about their plan was released. Both of us have chatted with stakeholders from the Brookings conference, and we all seem to feel the same: it is time to support the move toward a better measure. We hope to hold another Brookings conference (similar to the October 2009 meeting) where we could all provide feedback to the administration on their SPM proposal before their plans and first report go into production.

Both of us continue to believe that some type of poverty measure that reflects the impact of non-cash programs and tax policy, while at the same time providing a more reasonable poverty line, is

in the nation's best interest. Both of us believe that the perfect should not be the enemy of the good (echoing remarks at Brookings and APPAM last fall). We ask you to support the good right now, as an act of faith in the leaders in the administration who will engineer the next step forward. Along the way we can try to seek the perfect as the measure is refined.

We will be in touch once plans for another meeting have been formulated.

We welcome your feedback.

Best Wishes,



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