

The Virginia Poverty Measure:

Using the ACS to create a state-level
alternative poverty measure



UNIVERSITY
of VIRGINIA

THE DEMOGRAPHICS
RESEARCH GROUP



Measuring poverty

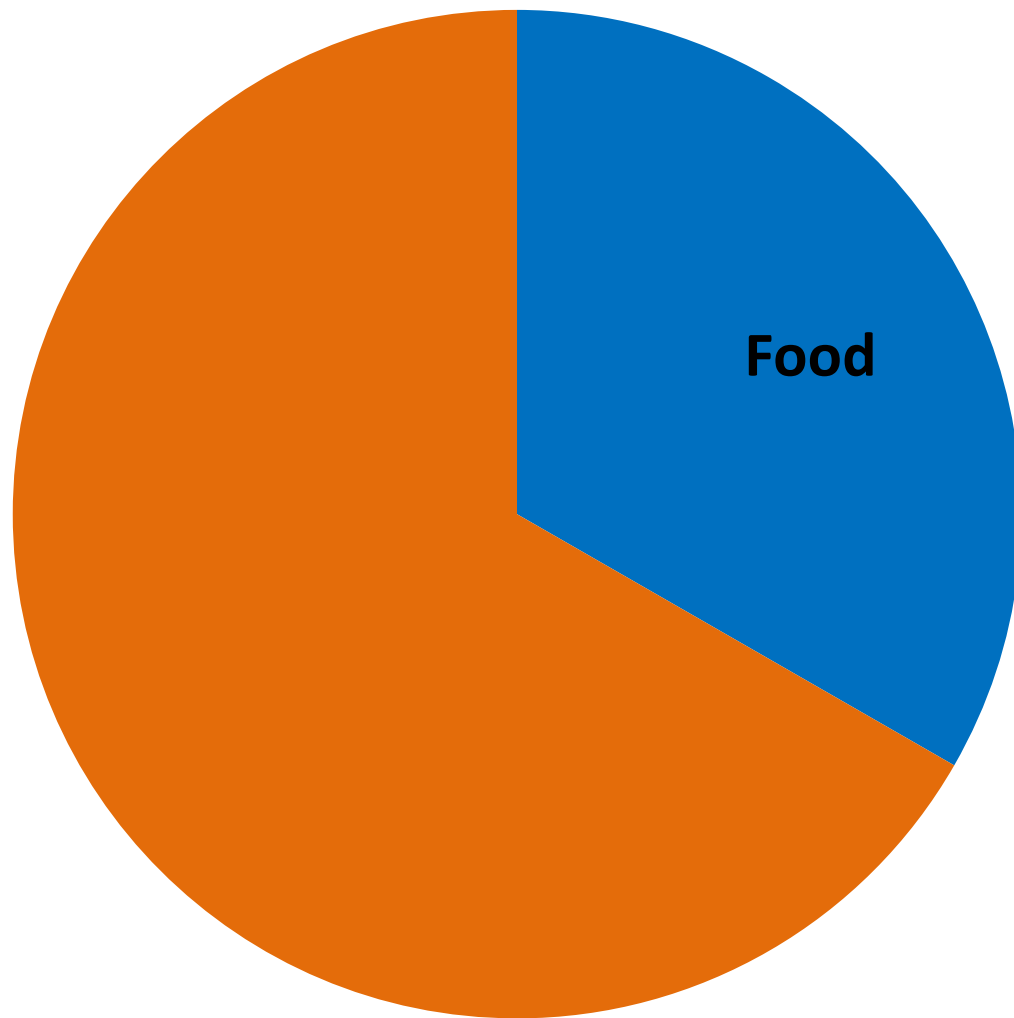
Official Poverty Measure

1.

2.

3.

Alternate Poverty Measure



Form

1040

Department of the Treasury—Internal Revenue

U.S. Individual Income

Year Jan. 1–Dec. 31, 2011, or other

Initial

No.

As

F.S.C.C.

F.S.C.C.

25 CENTS
NON-TRANSFERABLE
FOOD ORDER

SUBJECT TO CONDITIONS
PRESCRIBED BY THE SECRETARY
OF AGRICULTURE

25



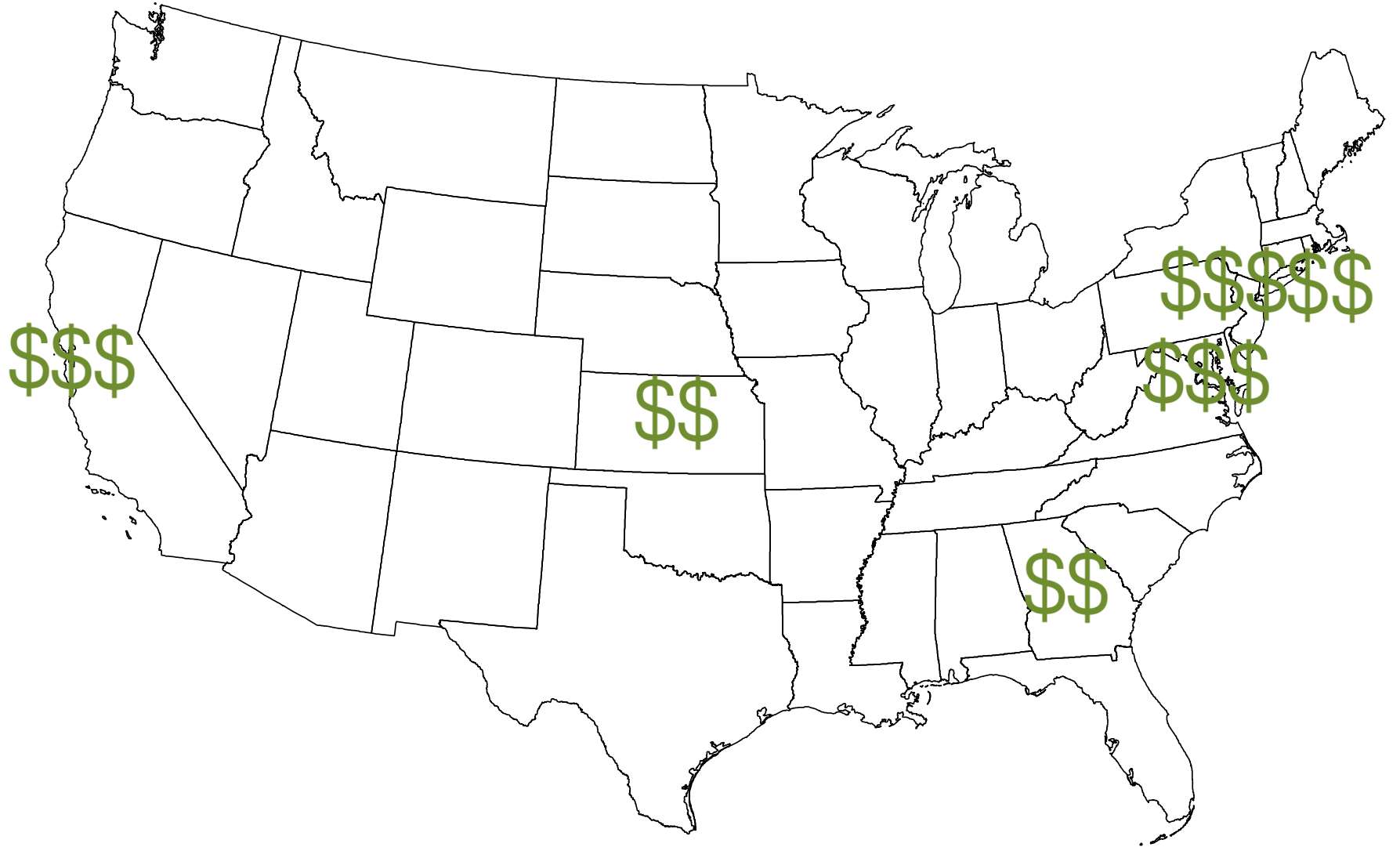
United States Treasury

Official Poverty Measure

1. Thresholds include only market income, set to 3 x food budget
- 2.
- 3.

Alternate Poverty Measure

Thresholds include benefits and necessary expenses; set to 33rd percentile



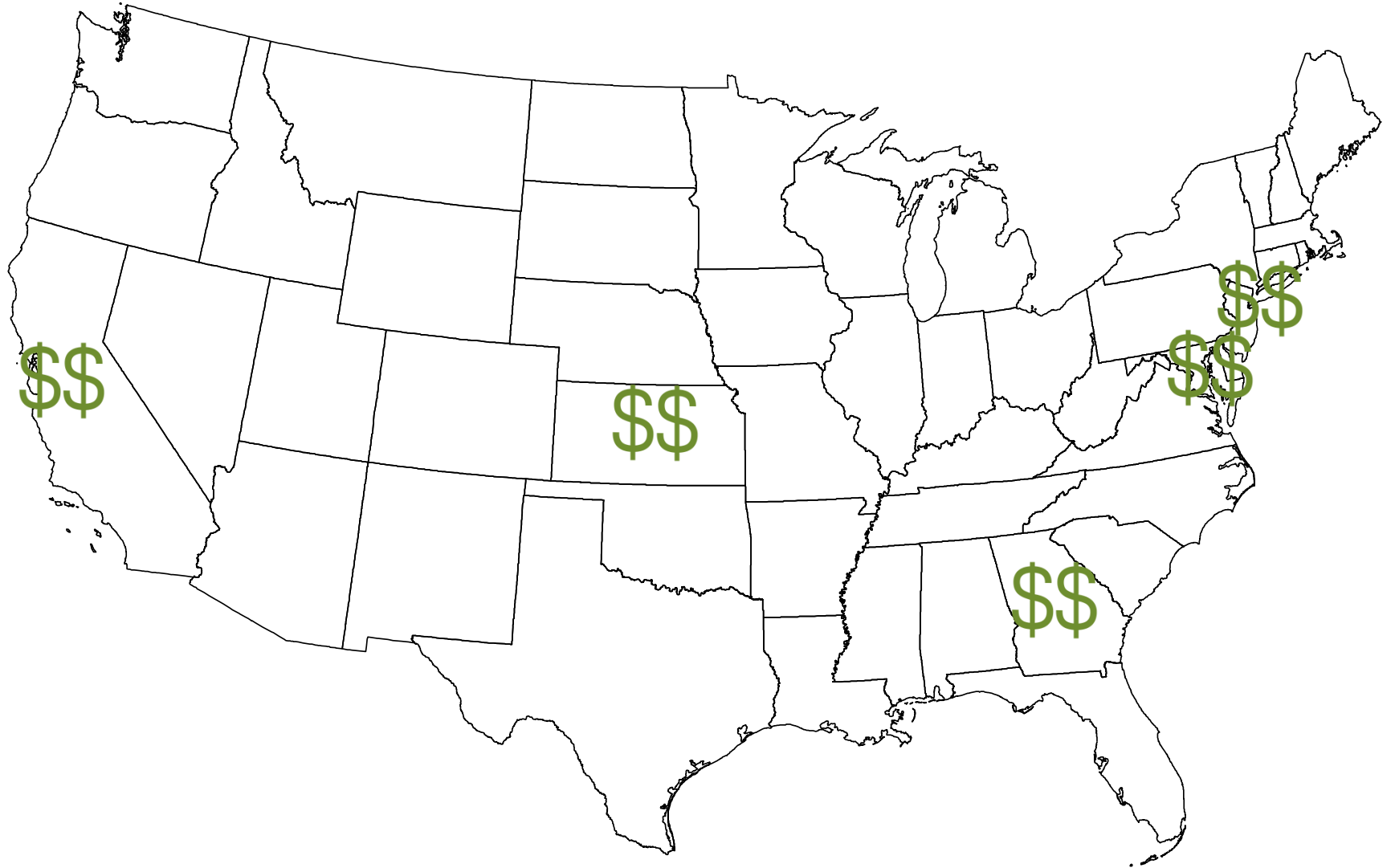
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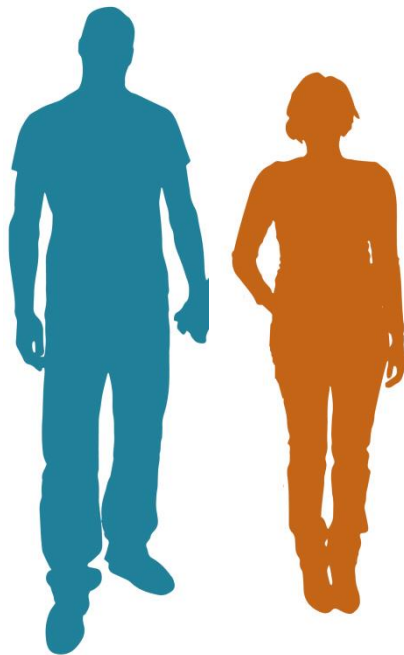
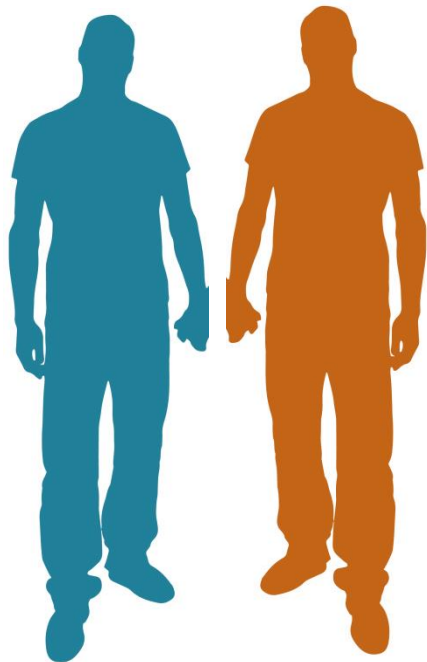


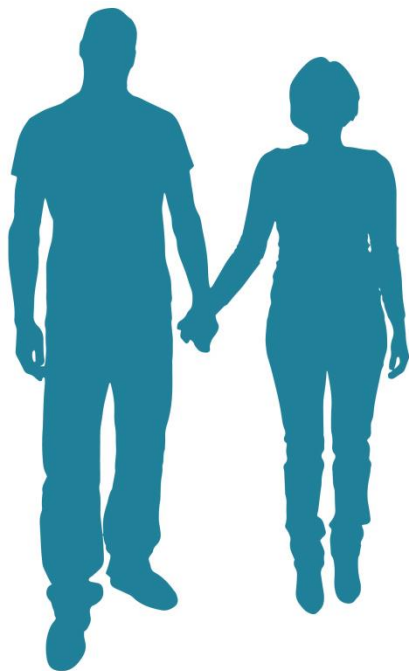
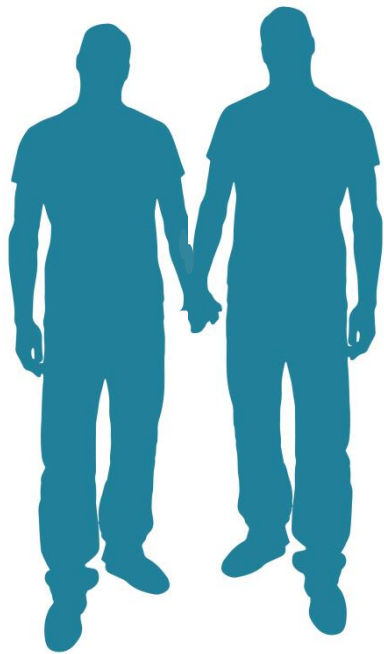
Official Poverty Measure

1. Thresholds include only market income, set to 3 x food budget
2. Fixed nationally
- 3.

Alternate Poverty Measure

- Thresholds include benefits and necessary expenses; set to 33rd percentile
- Cost of living adjustments





Official Poverty Measure

SPM

Alternate Poverty Measure

1.

Thresholds include only
market income, set to 3 x
food budget

Current Population Survey

Thresholds include benefits
and necessary expenses; set
to 33rd percentile

2.

Fixed nationally

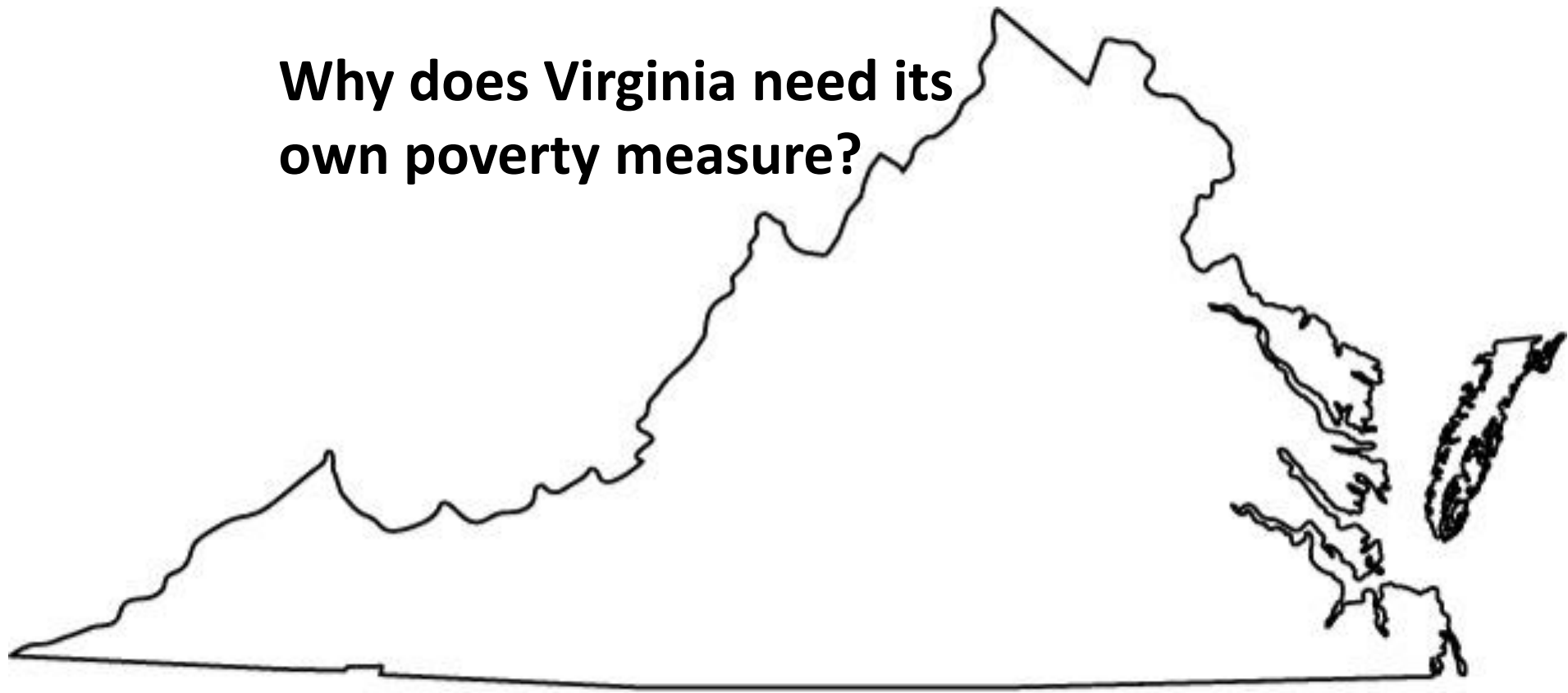
Cost of living adjustments

3.

Thresholds apply to families

Thresholds apply to broader
“resource units”

**Why does Virginia need its
own poverty measure?**



SPM

Current Population Survey

VPM

American Community Survey

Current Population Survey

American Community Survey

4,000

Virginia One-Year
Microdata Sample

70,000

Virginia One-Year
Microdata Sample

Current Population Survey

American Community Survey

80

Questions on Income
And Income Sources

8

Questions on Income
And Income Sources

Virginia Poverty Measure: Creating a State-Level Alternative Poverty Measure

- 1.** Imputing to the ACS from the CPS using predicted means matching

Current Population Survey

American Community Survey

Food Stamps

In the past 12 months, did anyone in this household receive Food Stamps or a Food Stamp benefit card?

- How many people received food stamps?
- How many months did the household receive food stamps?
- What was the value of the food stamp benefit received?



Current Population Survey

American Community Survey

Food Stamps

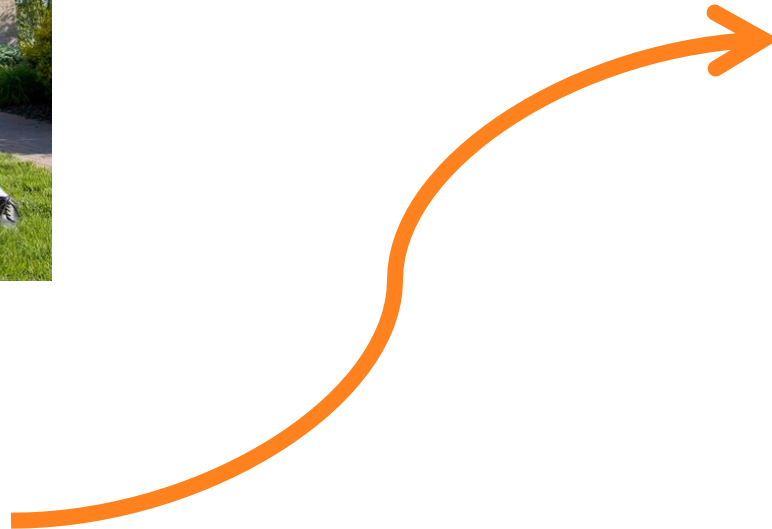
- Age
- Employment status
- Household income
- Presence of children
- Etc.



Current Population Survey

American Community Survey

Food Stamps

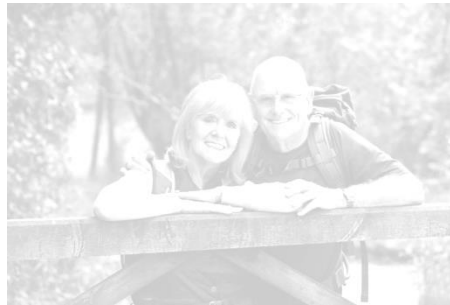


Virginia Poverty Measure: Creating a State-Level Alternative Poverty Measure

- 1.** Imputing to the ACS from the CPS using predicted means matching

Virginia Poverty Measure: Creating a State-Level Alternative Poverty Measure

- 1.** Imputing to the ACS from the CPS using predicted means matching
- 2.** Controlling to State administrative totals







Income & Benefits

Income Only



Virginia Poverty Measure: Creating a State-Level Alternative Poverty Measure

1. Imputing to the ACS from the CPS using predicted means matching
2. Controlling headcount and total expenditures to State administrative totals

Poverty Rate

MOE (95%)

Official Definitions

11.6

0.4

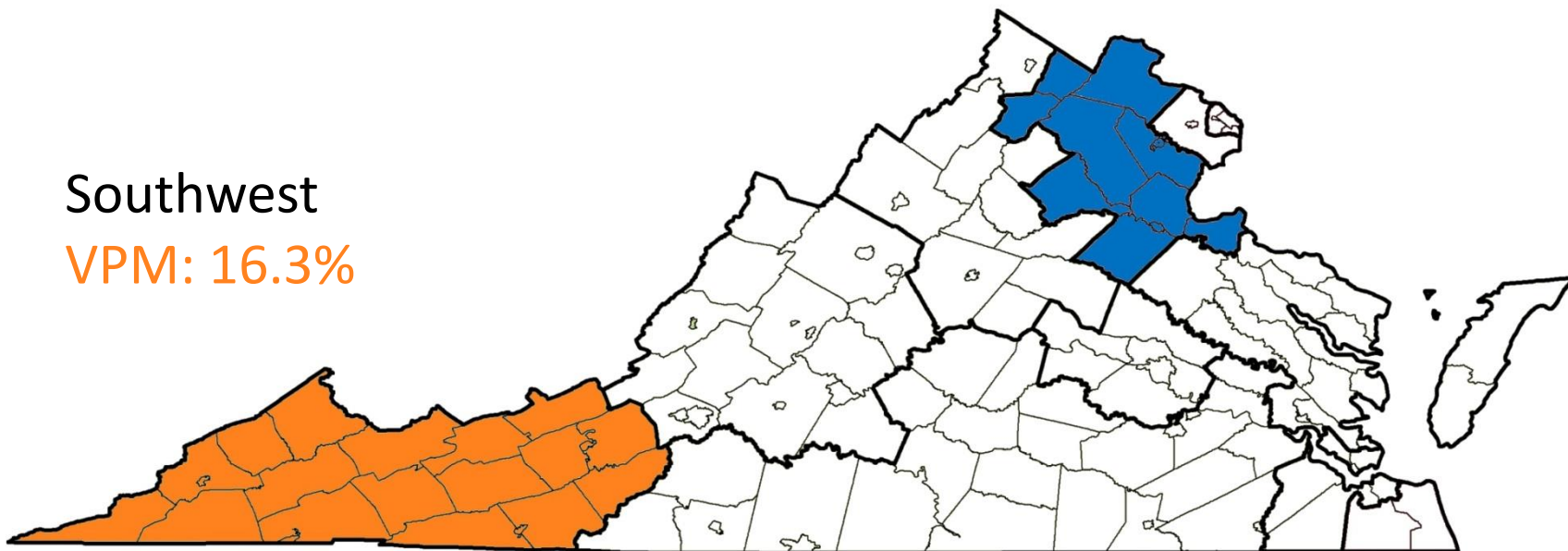
VPM Estimate

11.9

0.7

Washington, DC Exburbs
VPM: 9.4%

Southwest
VPM: 16.3%



Washington, DC Exburbs

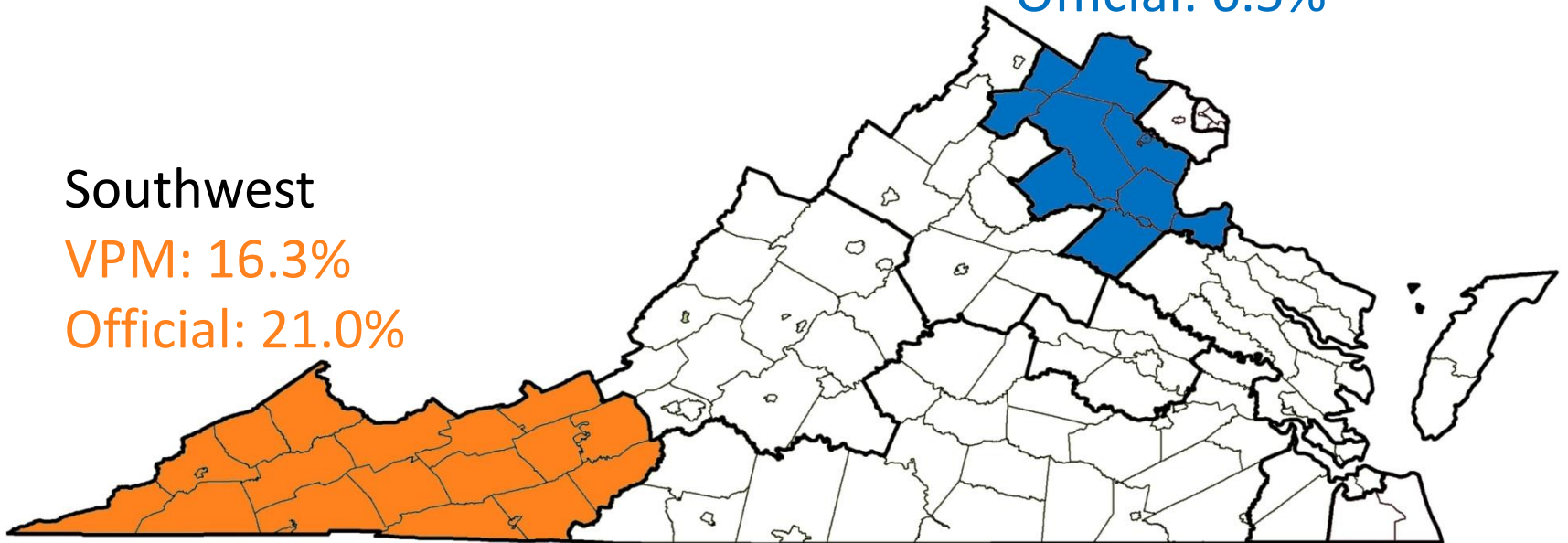
VPM: 9.4%

Official: 6.5%

Southwest

VPM: 16.3%

Official: 21.0%



Virginia Poverty Measure:

Using the ACS to create a state-level alternative poverty measure

- 1.** The ACS is necessary, but not sufficient.
- 2.** Together with other data, the ACS allows for a robust sub-state poverty measure.

The Virginia Poverty Measure

Using the ACS to refine the
measurement of economic security

Annie Rorem

annie.rorem@virginia.edu

Megan Juelfs-Swanson

mes2rt@virginia.edu

www.coopercenter.org/demographics/vpm



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