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What No One's Talking About in the New Poverty Data

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Every September, the Census Bureau releases data on income, poverty, and health insurance, which give us an updated snapshot of poverty in the United States. And every year, we wonks spend the following days digging deep in the data for trends, changes, and indications of what's working – and what's not working – when it comes to public policy.

Wonky spelunking expeditions aside, the annual Census data typically get boiled down to one flagship statistic: the number of Americans living below the federal poverty line.

This is a huge problem for a number of reasons.

For starters, the Census data released Tuesday, and each fall, represent a point-in-time estimate. They only tell us how many Americans had less than a certain amount of income – a threshold which, as I'll explain momentarily, has its own problems – at a particular point in time. This figure (43.1 million people in 2015) is important, particularly for assessing national trends from year to year. But just as important is what this number *doesn't* tell us.

Since this topline number often gets framed as the number of people "living in poverty," it's easy to envision "the poor" as some permanent underclass of people living on the proverbial wrong side of the tracks. "Them" over there, and "us" safely over here. But in reality, poverty is musical chairs.

Looking at other Census data that provide a longitudinal perspective, nearly one in three Americans – 31.6 percent – experienced a poverty spell lasting at least two months between 2009 and 2011, while fewer than 4 percent of us were poor all three years.

Longer term the numbers are even more stark. Analysis by Mark Rank and colleagues reveals that half of Americans experience at least a year of poverty or of teetering on the financial brink at some point during our working years. Add in unemployment and needing to turn to the safety net for a year or longer, and that number rises to a whopping four out of five.

It's also critical, as we take in the new poverty data, to keep in mind that the poverty line is simply too low to be an adequate measure of hardship. To be considered officially poor in 2015, a family of two parents and two kids had to have income of about $24,000 or less. In contrast, experts who study the costs of living say that same family needs at least twice that amount – about $50,000 per year – to maintain a basic but adequate standard of living in even the least expensive areas of the U.S. (Check out the Economic Policy Institute's Family Budget calculator to see what a family needs to get by where you live.)

Using this standard, roughly one in three Americans – more than 105 million people – are living on the economic brink, far more than the 13.5 percent with incomes below the official poverty line. This is consistent with survey data from the Federal Reserve Board, which earlier this year estimated that 1 in 3 Americans are struggling to get by.

Accordingly, as my colleague Shawn Fremstad points out over at TalkPoverty, it's long past time we updated our outdated poverty measure, which remains largely unchanged since the 1960s, so that it serves as a more meaningful reflection of hardship—and a better indicator of the effectiveness of our efforts to combat it. For example, the official poverty measure isn't just too low—it also doesn't take into account critical investments such as nutrition assistance and housing assistance. (Using a measure that does consider these types of policies shows that our poverty rate would be nearly twice as high if not for the safety net.)

Unfortunately, many of the poverty proposals put forth in recent months miss the mark. Calls to slash nutrition assistance, Medicaid, housing assistance, and even school lunch would without question be a recipe for *worsening* poverty and hardship. With 70 percent of Americans turning to the safety net at some point during our working years, we should all be invested in safeguarding and strengthening vital programs to protect us in our time of need.

Similarly, claims that "work requirements" in public assistance programs are the solution to poverty could not be more out of touch with the reality that struggling families are facing today: working harder than ever – and many in multiple jobs – but still scraping by, due in large part to our anemic federal minimum wage. In fact, a minimum wage worker must clock an additional 244 hours to earn the same amount in real terms as she did the last time Congress raised the federal minimum wage back in 2009.

Efforts by the Obama administration over the past seven years have pulled us out of a deep recession, dramatically increased access to health insurance, bolstered tax credits for working families, improved job quality, and more. But as today's data show, while we're headed in the right direction, we still have a long way to go to build an economy that works for everyone, rather than just the wealthy few. In the years ahead, policymakers should build upon these efforts to tackle the economic instability that has become a commonplace experience.

To do that, we must start with an accurate understanding of the problem. We must stop viewing economic hardship as an "us and them" phenomenon. Likewise, we must stop seeing struggling individuals as "broken people" and realize that following decades of rising income inequality, with the gains from economic growth concentrated in the hands of those at the top of the income ladder, what we have is a broken economy.

Only then will we arrive at a policy agenda that will actually move the needle.

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