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NEW MEASURES REVEAL VERY DIFFERENT POVERTY PICTURE

NEW YORK CITY – The very first step in finding solutions to the problem of poverty is *accurately defining it*. Unfortunately, according to researchers at the National Center for Children in Poverty (NCCP), the way poverty is currently defined is critically flawed and puts policymakers at a huge disadvantage in devising smart policies.

The team at NCCP, a public policy research center at Columbia University's Mailman School of Public Health, is hoping that its latest report, which describes what a handful of pioneering states and cities are doing to more accurately gauge poverty, will spur action throughout the nation to employ a better system to determine who is poor and what policies work best to reduce poverty.

"In **Wisconsin**, for example, the old poverty measure shows poverty rose from 2009 to 2010," says Curtis Skinner, PhD, director of Family Economic Security at NCCP, who co-authored the new NCCP brief. "But, using a newer measure, which includes counting government benefits and tax credits for low-income families, Wisconsin researchers found that the poverty rate actually went *down* in the state, particularly for families with children."

The take-away from that example, says NCCP, is that in Wisconsin, "safety-net" strategies such as the Earned Income Tax Credit, child care subsidies, food stamps, school lunch assistance, housing subsidies, and other initiatives are working – and that without them, poverty in the state would be much higher.

Similarly, researchers in **New York State** and **New York City** have shown that the federal expansions of tax credits and food stamps during the Great Recession were very effective in helping low-income families with children to make ends meet.

NCCP reports that state governments, researchers, and advocates in **Connecticut**, **Illinois**, **Minnesota,** and Wisconsin are also using improved poverty measurement to model the effectiveness of proposed *new* policies in reducing poverty, helping ensure that scarce public resources are used efficiently in these tough times. As examples:

- Connecticut found that a package of policies, including child care subsidies and job and education initiatives, would cut the child poverty rate by almost 55 percent;
- Illinois found that a targeted transitional jobs program, coupled with housing and education initiatives and improvements to the state's cash assistance program, would reduce by almost 60 percent the number of people in families with children living in *extreme* poverty—those with incomes less than half the federal poverty threshold.

"We strongly recommend that America's poverty measurement system be updated to reflect modern realities," says Dr. Skinner. "While the federal government has indeed created an improved, experimental measure for the nation, it retains the older measurement system as its 'official' poverty measure. State and local policymakers must take the lead in this exciting effort to better understand who is poor in America and identify what works best to end the scourge of poverty."

To see the full report, *Knowing What Works: States and Cities Build Smarter Social Policy with New and Improved Poverty Measurement*, access:
http://nccp.org/publications/pub_1081.html.

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The National Center for Children in Poverty (NCCP) is one of the nation's leading public policy centers and is dedicated to promoting the economic security, health and well-being of America's low-income families and children. Part of Columbia University's Mailman School of Public Health, NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation.