POVERTY

Definition: Poverty thresholds were originally developed in 1963-1964 by the Social Security Administration. These thresholds were based on the dollar costs of the U.S. Department of Agriculture's (USDA) economy food plan for families of three or more persons. The 1964 USDA economy food plan is defined as a nutritionally adequate meal plan on a short-term basis. The threshold is multiplied by a factor of three to account for the average dollar value of all food used during a week (both at home and away from home) accounting for about one third of their total money income after taxes. The fundamental way the calculation to determine the US Federal Poverty Level (FPL) has remained the same since its creation, only that the measure is updated annually to account for inflation. Thus, the poverty measure created in 1963-64 represents the same purchasing power then as it does today (Assistant Secretary for Planning and Evaluation, 2011b). In 2010, the latest year in which data are available, the U.S. Department of Health and Human Service's threshold for a family of four (i.e. two parents with two children) was \$22,050 (this includes pre-tax cash income but not non-cash assistance such as food stamps or housing subsidies). Currently, the 2012 poverty threshold for a family of four is \$23,050 (Assistant Secretary for Planning and Evaluation, 2011a). Table 1 depicts the most recent poverty guidelines depending on the size of the household.

Table 1: 2012 Poverty Guidelines for the 48 Contiguous States and the District of Columbia

Persons in family/household	Poverty guideline	
1	\$11,170	
2	\$15,130	
3	\$19,090	
4	\$23,050	
5	\$27,010	
6	\$30,970	
7	\$34,930	
8	\$38,890	

For families/households with more than 8 persons, add \$3,960 for each additional person.

Rationale: Poverty is linked to a number of negative educational, health-related, and emotional outcomes across all age groups. The effects of poverty are especially punishing on children as the impacts can begin before birth and continue well into adulthood. Children living in poverty are more likely than children from non-poverty families to develop disease and to experience more severe effects from any disease they may develop. Poverty is also associated with lower levels of school achievement. Children who live in poverty are also much more likely than other children to experience developmental problems (Bradley & Corwyn, 2002).

Analysis: We examined poverty using a number of key metrics to provide a more complete picture of those in need or with potential needs within Newaygo County. We first examined the proportion of children living below poverty. The proportion of children living in poverty in Newaygo County rose dramatically between 2007 and 2010, climbing more than six percent from 21.5% to 27.9%. The proportion of children living in poverty within Newaygo County was also significantly higher in 2010 when compared to the US (20.1%) and the state of Michigan (21.8%). Among those living in extreme poverty – those surviving at 50% of the federal poverty level (FPL), the trend between 2007 and 2010 was unchanged in Newaygo County. Individuals living in extremely poverty were significantly higher in Newaygo County (8.4%) than the US (6.3%) in 2010. This rate, however, was not different than the overall rate for the state of Michigan. The third and final poverty metric examines all individuals living at or below 185% of FPL. Quantifying the proportion of individuals living at or below 185% FPL is important because this is the maximum eligibility criterion for many public assistance programs, such as SNAP. Head Start, free and reduced lunch at school, Medicaid and MI Child. Between the 2007 and 2010, the proportion of the population living at or below 185% FPL significantly increased from 34.6% to 40.2%. This would seem to indicate that as many as 4 in 10 residents in Newaygo County could conceivably be eligible for SNAP benefits. The sharp increase between 2007 and 2010 also resulted in Newaygo County having significantly higher proportions of poor and near poor when compared to the US (30.2%) and the state of Michigan (31.3%).

Table 1: Select Poverty Measures: ACS 2007 to 2010 Trend

Measure	ACS 3 Year Estimates		Trend*
	2005-07	2008-10	
Child Poverty (18 or younger)	21.5%	27.9%	\triangle
Individuals Living at 50% of FPL or Below	6.8%	8.4%	(
Individuals Living at 185% of FPL or Below	34.6%	40.2%	\triangle

^{*} Key to interpreting Trend



Improving – Statistically significant increase when comparing to 2007 and 2010



No Change - No statistically significant change when comparing 2007 and 2010



Declining – Statistically significant decrease when comparing to 2007 and 2010

Table 2: Select Poverty Measures: 2010 ACS Comparisons to US and Michigan

ACS 2008 – 2010 Estimate	Newaygo County Compared to Benchmark*
27.9%	
20.1%	_
21.8%	_
8.4%	
6.3%	_
7.2%	+_
40.2%	
30.2%	_
31.3%	_
	27.9% 20.1% 21.8% 8.4% 6.3% 7.2% 40.2%

^{*} Key to interpreting Benchmark



Better – Newaygo County is performing statistically better when compared to benchmark



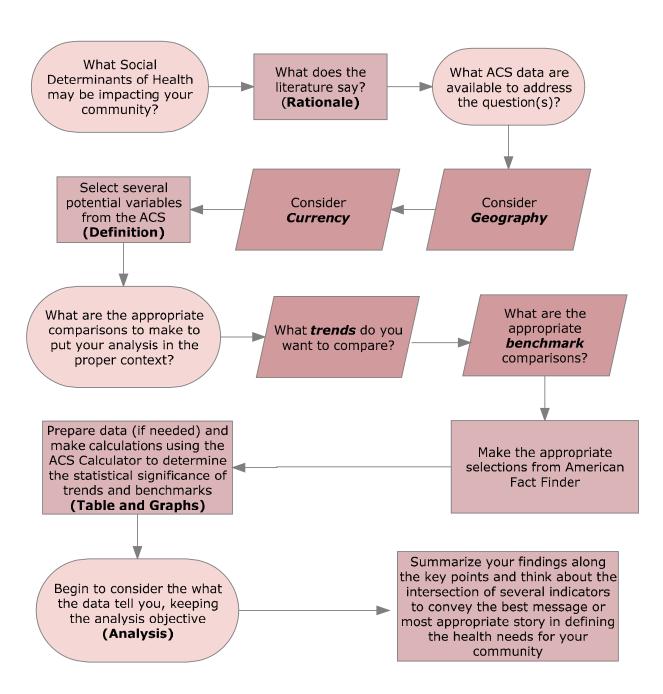
No Difference - there is no statistically significant difference between Newaygo County and benchmark



Worse – Newaygo County is performing statistically worse when compared to benchmark

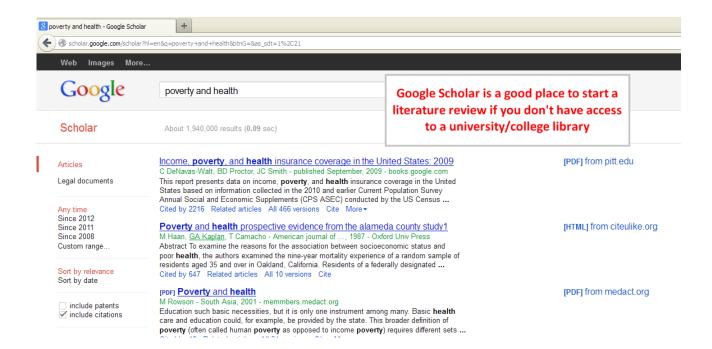
Building an Indicator using ACS Data

 Use this flow chart to help you plan and develop your own indicators using ACS Data

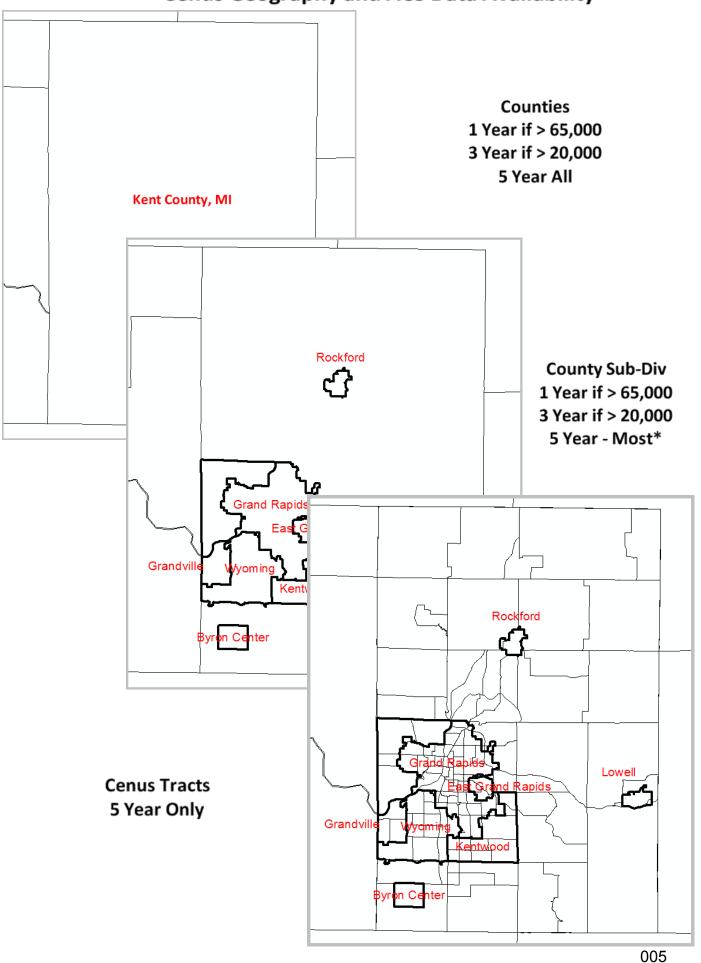


Rationale: Poverty is linked to a number of negative educational, health-related, and emotional outcomes across all age groups. The effects of poverty are especially punishing on children as the impacts can begin before birth and continue well into adulthood. Children living in poverty are more likely than children from non-poverty families to develop disease and to experience more severe effects from any disease they may develop. Poverty is also associated with lower levels of school achievement. Children who live in poverty are also much more likely than other children to experience developmental problems (Bradley & Corwyn, 2002).

Ideally, the rationale should be supported by one or more peer-reviewed sources. It provides a means for developing your argument as well as affirming your credibility as someone who is knowledgeable in the area.



Cenus Geography and ACS Data Availability



Defintion - Very important because if we are going to track trends and make comparisons to benchmarks, we need to be sure we're measuring the same things. We want measures that are both valid and reliable.

POVERTY

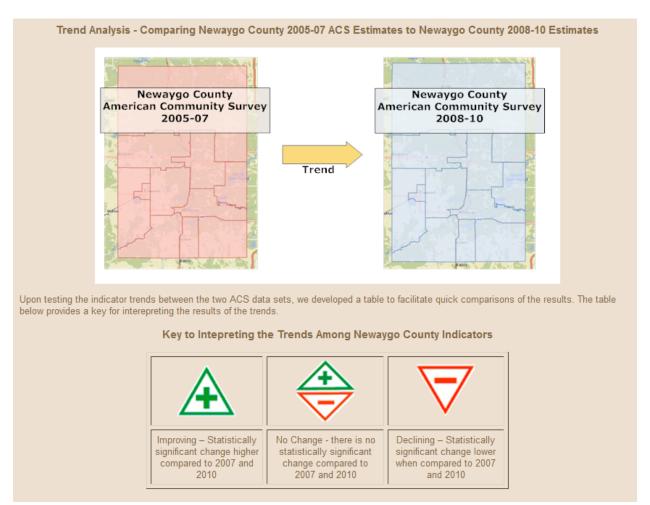
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In this particular case I would draw your attention to the defintion of poverty. Most people tend to think of poverty in terms of income only - the dollar amount for which the basis is determined. When we think about how the measure was created and what goes into the poverty measure, it adds a new dimension of understanding to the definition that most are not aware.

Establishing Trends for Your Area of Interest



Be careful to make sure that your time periods do not overlap! Otherwise, you will be comparing much of the same data since they were sampled from the same years.

Establishing Benchmarks for Your Area of Interest

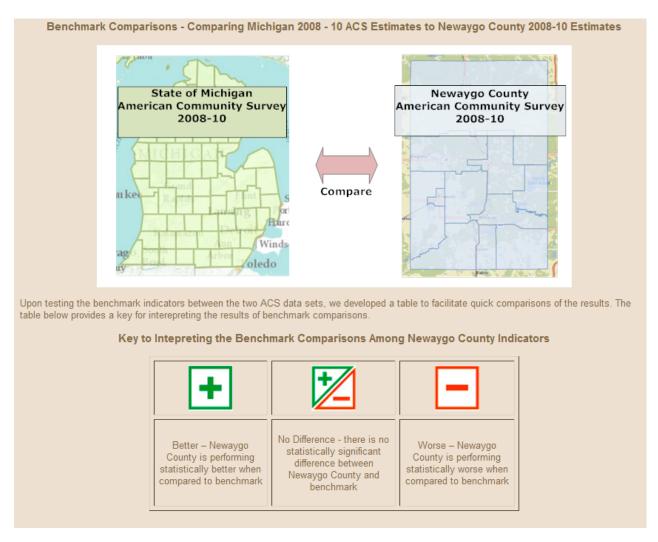


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I like to focus the reader's attention on the DIRECTIONAL change first. The directional changes are easy to interpret and come from the statistical analysis from the Excel spreadsheet - ACS Calculator

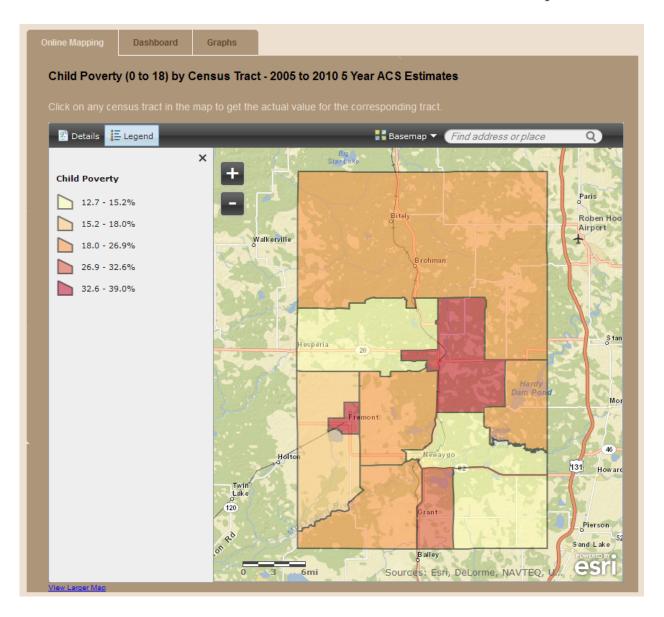
This analysis comes directly from the data download from the ACS. The DIRECTIONAL changes will be determined after making our statistical tests

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If you've done a thorough job researching the topic, thinking about what truly is important and providing appropriate context (trend and benchmark comparisons) - the analysis will write itself. Telling the story of what you found.

185% of FPL is one of the most powerful poverty measures because it is the maximum FPL for which many low-income populations can still receive many benefits

Use the Census Tracts to Tell Your Story



This is an embedded map of Cenus Tracts representing the proportion of children living below poverty in Newaygo County, MI. This type of analysis is most effective when you can make the case that poverty is a problem within your city or county - and then you begin to identify the areas (by Census Tract) that are most affected by poverty.

Information Related to Presentation and Contact Information for Steve:

http://faculty.gvsu.edu/borderss/analytics.html

or use your smart phone's QR Reader



For the American Fact Finder website:

https://factfinder2.census.gov/

or use your smart phone's QR Reader



If you are Interested in Student Consulting Center Services

http://faculty.gvsu.edu/borderss/index.html

or use your smart phone's QR Reader



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