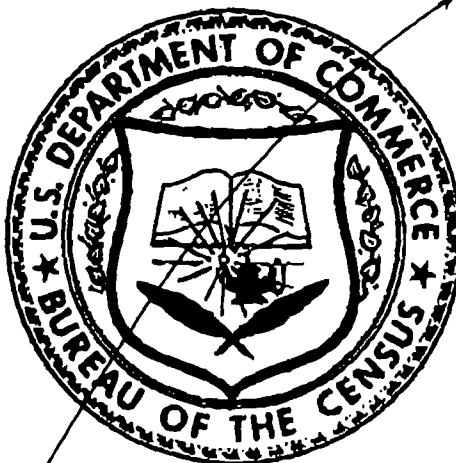


Welfare-Census/Poverty

PHOTOCOPY
PRESERVATION

WELFARE -
Census/
POVERTY



CC: Bruce Reed
Enc Liu
Cynthia Rice
Bernie Chappell
Jeanne Lambrew
Enc Gould

OFFICE OF CONGRESSIONAL AFFAIRS

Bureau of the Census
U. S. Department of Commerce
Washington, D C 20233

Telecopier Cover Sheet

DATE: November 3, 1999

FROM: **Robin Bachman**

Telecopier
301-457-3679

Telephone
301-457-2123

TO: White House - Domestic Policy

202-456-7431

Attn: Andrea Kane

No. of pages attached:

Per your request. Please let me know if I can be of further assistance.

FBI, in case you hadn't seen Census' response
to recent article about new poverty definition.

UNITED STATES DEPARTMENT OF COMMERCE NEWS

WASHINGTON, DC 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

BUREAU OF THE
CENSUS

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 18, 1999

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CB99-204

CORRECTION: Today's New York Times Story on Poverty in Error

Contrary to a front-page story in this morning's NEW YORK TIMES, the U.S. Census Bureau is not revising the definition of poverty established by the federal government in the 1960s.

The news story is fundamentally in error when it states that "the Census Bureau has begun to revise its definition of what constitutes poverty in the United States, experimenting with a formula that would drop millions more families below the poverty line." The error is rooted in the assertion that the Bureau has a "new approach" to this definition which would "raise the income threshold for living above poverty to \$19,500 for a family of four, from the \$16,500 now considered sufficient."

The Census Bureau has not revised the poverty definition, nor could it do so, since this decision must be made by the Office of Management and Budget. The Census Bureau is collaborating with OMB and other federal statistical agencies in a long-term study of many alternative "experimental" measures of poverty, none of which has been selected to replace the current definition, in a review which began some years ago and will not be completed for several more years.

The Bureau's research was called for by a 1995 report issued by the National Academy of Sciences that recommended sweeping changes in the way poverty is measured, such as counting non-cash benefits and subtracting taxes from income. The different measures all use current data taken from the Bureau's Current Population Survey, which is used to produce the official poverty estimates published annually. They were published recently by the Bureau in a report, Experimental Poverty Measures: 1990-1997.

Daniel H. Weinberg, Chief of the Bureau's Housing and Household Economic Statistics Division has responded to the erroneous news report with a "Letter to the Editor" to the New York Times. Dr. Weinberg's letter is attached.

-X-

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October 18, 1999

Mr. Toby Harshaw, Letters Editor
The New York Times
via fax to 212/556-3622

Dear Editor:

The article "Devising New Math to Define Poverty," (front page October 18) mischaracterizes the Census Bureau's role in defining poverty, and also mischaracterizes the content of a July Census Bureau report, "Experimental Poverty Measures: 1990-1997." The Office of Management and Budget (OMB) officially defines poverty in the United States, not the Census Bureau. The Census Bureau has, however, been at the forefront of doing the research called for by a 1995 National Academy of Sciences report that recommended sweeping changes to the way poverty is measured to take into account taxes and non-cash benefits. Our role is to provide the information on which others will base their decisions.

Our report does not advocate raising poverty thresholds, as stated in the article. Instead, it presents 12 alternative measures of poverty, so that researchers and policy makers can be better informed about the implications of any revised measure. The report, by design, discusses how using these alternative measures of poverty would change poverty trends and the characteristics of the poverty population, not as the article suggests the number of poor. Readers who want to know the analysis of poverty measurement in the U.S. will get a much more accurate picture from reading the entire Census Bureau report.

Sincerely,

Daniel H. Weinberg
Chief, Housing and Household Economic Statistics Division

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