

Rep. McDermott Introduces Poverty Measure Legislation

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Rep. Jim McDermott, chairman of the Income Security and Family Support Subcommittee, introduced legislation today that would update the way poverty is measured in the United States for the first time in half a century.

“The way we measure poverty today is based on spending patterns from the 1950s to account for ordinary family expenses, but America in 2009 is different than America was in 1959, and we don’t take that into account,” McDermott said. “We also don’t take into account assistance provided to vulnerable Americans through programs like nutrition assistance and expanded tax credits to help people earn their way out of poverty,” McDermott added. “In the end, I want a system that is fair to the people who need help and fair to the people providing it, the taxpayers.

The Measuring American Poverty Act of 2009, H.R. 2909, would largely implement recommendations developed by the National Academy of Sciences after it independently studied the way poverty is measured over ten years ago.

“The independent and objective analysis that NAS conducted to develop a modern measurement standard was based on experts and science, not politicians and this gives the recommendations enormous credibility and value, and that’s why I put them at the core of my legislation,” McDermott said.

The senior Member of the Ways and Means Committee pointed out that recent analysis by respected leaders in the field like Harry Holzer at the Urban Institute clearly shows that reducing poverty, especially among young children, saves billions of dollars every year by breaking the cycle of dependence as well as providing a path to stability.

In brief, the current measure of poverty relies largely on using the cost of food for a minimal diet to calculate assistance, but food as a percentage of living expenses has plummeted in the last 50 years while expenses for housing, health care and child care have risen significantly.

McDermott’s legislation would establish a modern poverty measure to reflect a more accurate picture of what it takes to meet basic needs in America today, including food, clothing and shelter. For example, the legislation would take into account the differences in the cost of living across the country, which everyone knows exist, but the current poverty measure ignores.

By establishing a modern poverty measurement, the legislation also will help guide State and local governments in how they meet the needs of their citizens. And McDermott praised leaders like New York Mayor Michael Bloomberg and Los Angeles Mayor Antonio Villaraigosa for taking the lead on

addressing poverty locally, closest to the people. The MAP Act would help make the modern poverty measure accessible to State and local governments, who could use the new tool to guide and measure the success of their own anti-poverty strategies. Additionally, the bill would further the development of a decent living standard—in the tradition of basic needs budgets and self-sufficiency standards—to measure the extent to which people can meet additional needs while living modestly, and a medical care risk measure, which would measure the extent to which people are unable to afford needed medical care.

“The current economic crisis has reminded every American just how vulnerable we all are and I think it has renewed our sense of pulling together as one nation and one people. Before the brunt of the economic crisis took hold, we said as a nation that we wanted to cut poverty in half over the next ten years; realizing that vision will take action and the Measuring American Poverty Act of 2009 is a significant step in the right direction.”

A copy of the legislation and an overview of its provisions are attached.