

# Updating the SPM: Plans, Schedule and Using Households

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# Overview

- Thank you to the report authors & CNSTAT staff!
- All recommendations will be considered alongside research from Census/BLS and external researchers
- Census and BLS will continue working with our Interagency Technical Working Group (ITWG) on the SPM

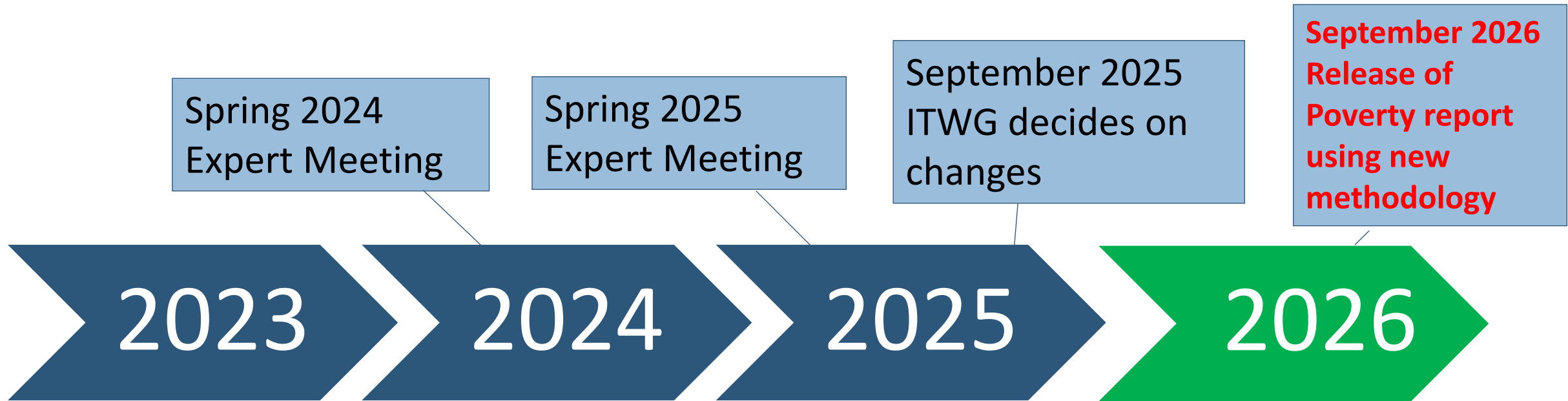
# ITWG Guidance

- SPM should continually evolve, improving due to changes in data, methodology or research
- Priority should be placed on “consistency between threshold and resource definitions, data availability, simplicity in estimation, stability of the measure over time, and ease in explaining methodology (ITWG, 2010)”
- Changes were made in 2021 at 10-year anniversary of SPM

# Established Process of Change

- Small adjustments/code updates can be made annually
- Large changes can be made every 5-10 years after multi-year period of research and stakeholder engagement
- Expectation that any changes will be detailed in a working paper
  - Presented at 2+ academic conferences
  - Presented at SPM ITWG meetings
  - Presented at Spring Expert Meetings
- Tension between timeliness and appetite for change
  - Transparency and public trust are crucial

# Potential Timeline for SPM Changes



April 2023 – September 2026

Working papers and conference presentations discussing potential changes to the measure

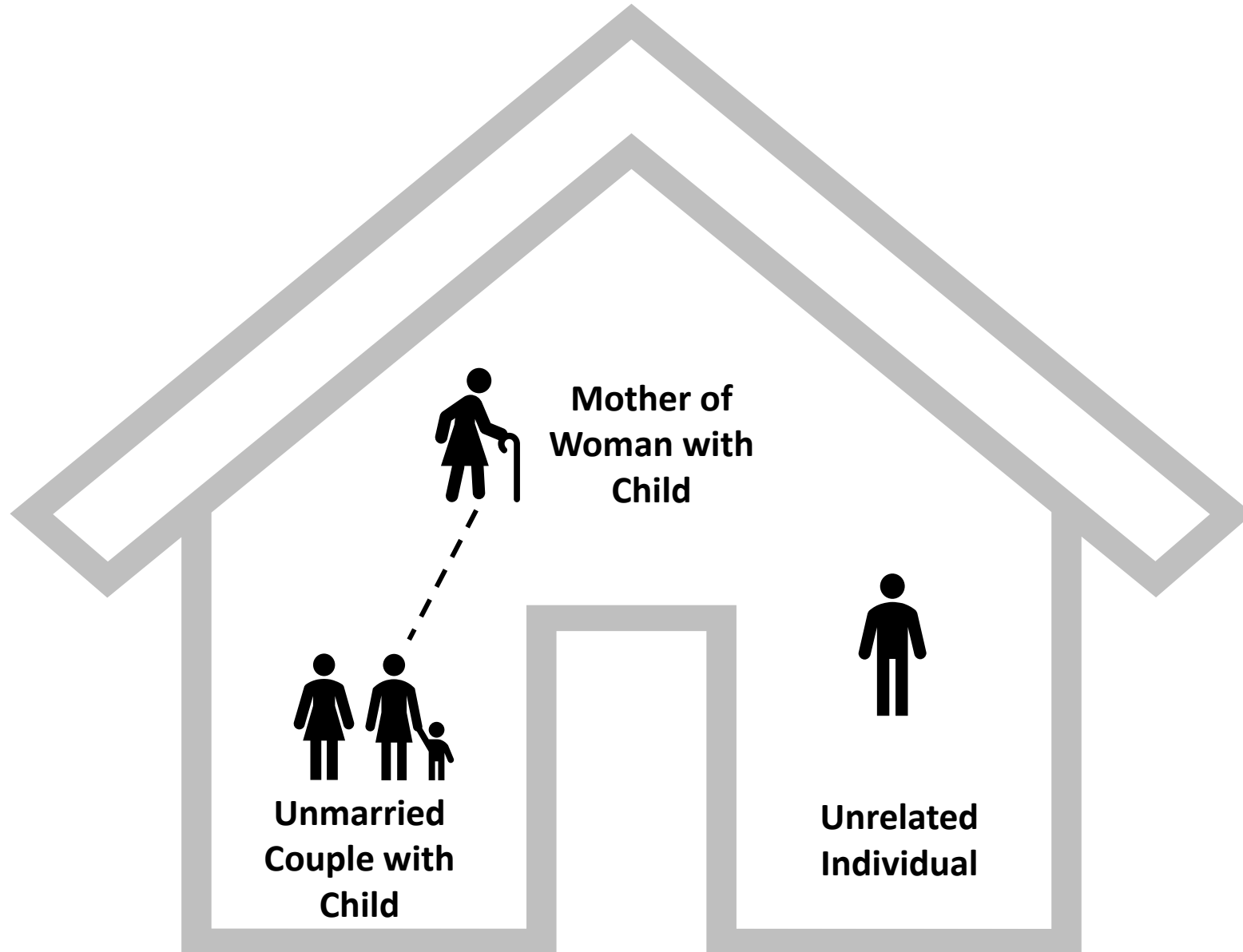
September 2025 – September 2026

Research showing the impact of the changes on 2024 SPM rates - including research file.

# CNSTAT Panel Recommendation 2.7

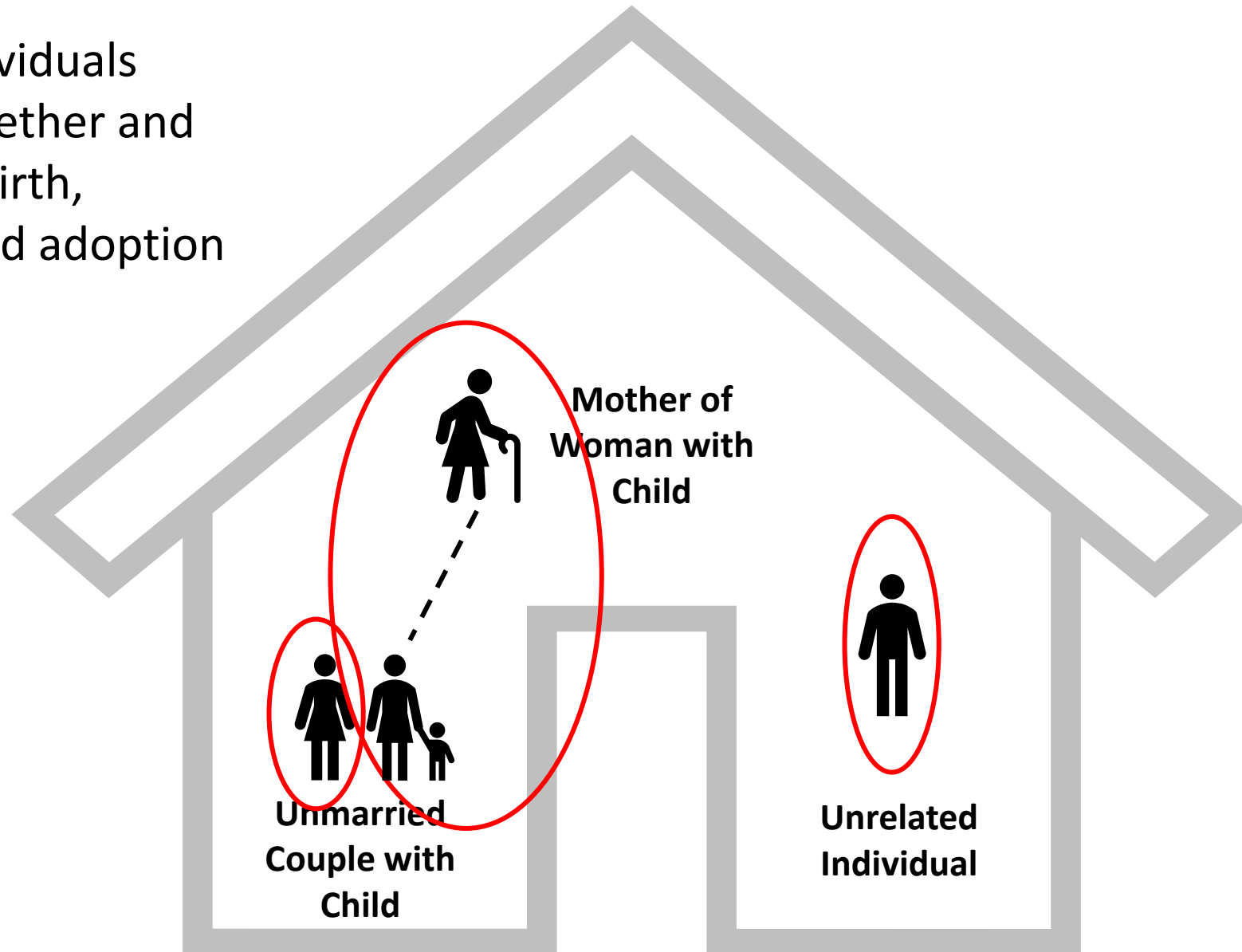
**RECOMMENDATION 2.7:** The Bureau of Labor Statistics (BLS) and the Census Bureau should move toward using the household as the Principal Poverty Measure (PPM) unit. These agencies should study the impacts on measured poverty for people living in multi-PPM units, and BLS should determine the appropriate methods to calculate thresholds at the household level, including the possibility of using only single-consumer unit households in the estimation of FCti (food, clothing, and telephone/internet).

# Current Resource Sharing Units for Poverty Measurement



# Current Resource Sharing Units for Poverty Measurement

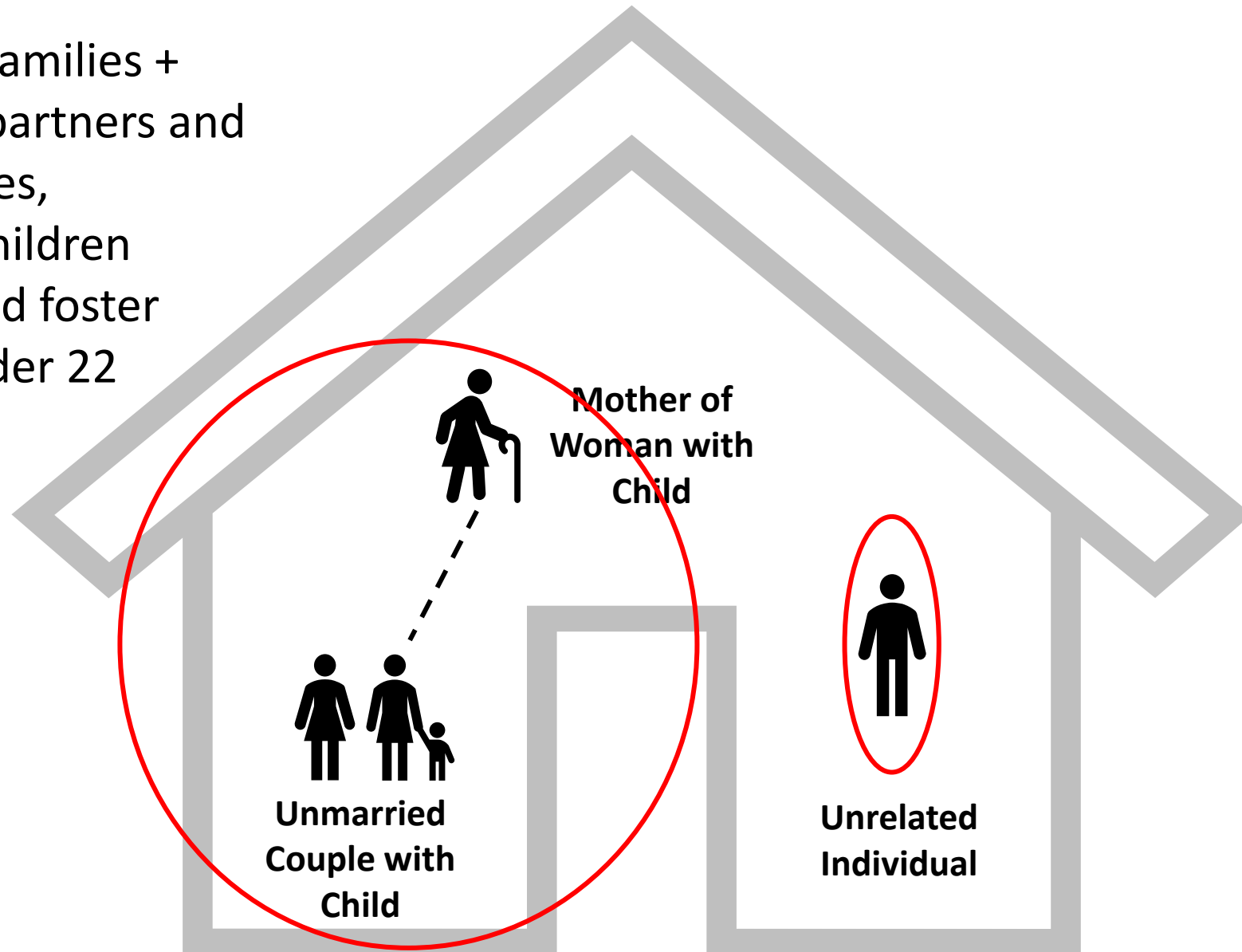
**Family:** Individuals residing together and related by birth, marriage and adoption





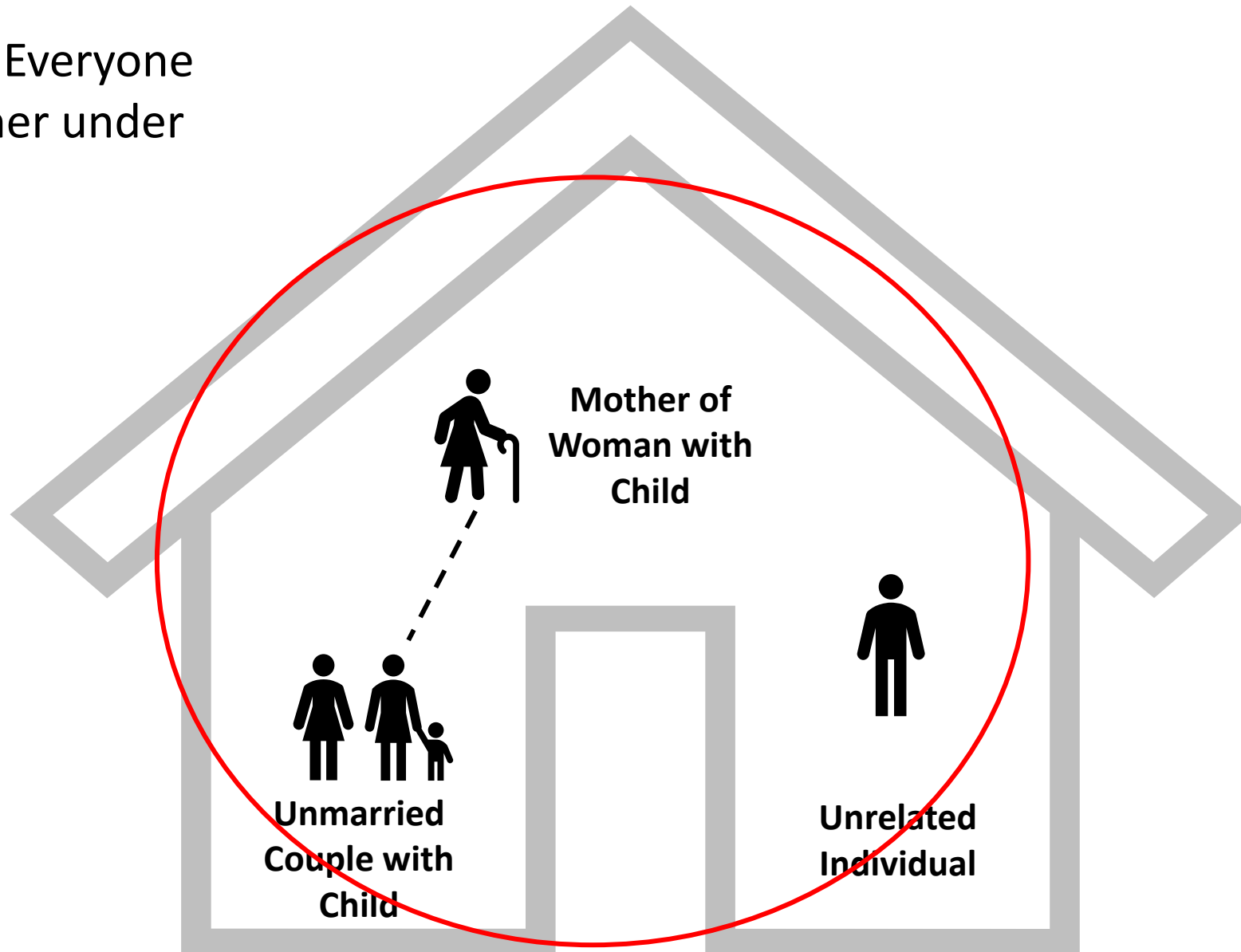
# Current Resource Sharing Units for Poverty Measurement

**SPM Unit:** Families + unmarried partners and their relatives, unrelated children under 15 and foster children under 22



# Current Resource Sharing Units for Poverty Measurement

**Household:** Everyone living together under one roof



# Current Resource Sharing Units for Poverty Measurement

Official Poverty Families	Supplemental Poverty Units	Household
Individuals residing together and related by birth, marriage and adoption	Individuals residing together and related by birth, marriage and adoption	Individuals residing together and related by birth, marriage and adoption
	+ <b>Unmarried partners and their relatives</b>	+ Unmarried partners and their relatives
	+ <b>Unrelated children &lt; 15 years old</b> + <b>Foster children &lt;22 years old</b>	+ Unrelated children < 15 years old + Foster children <22 years old
		+ <b>Unrelated Individuals</b>

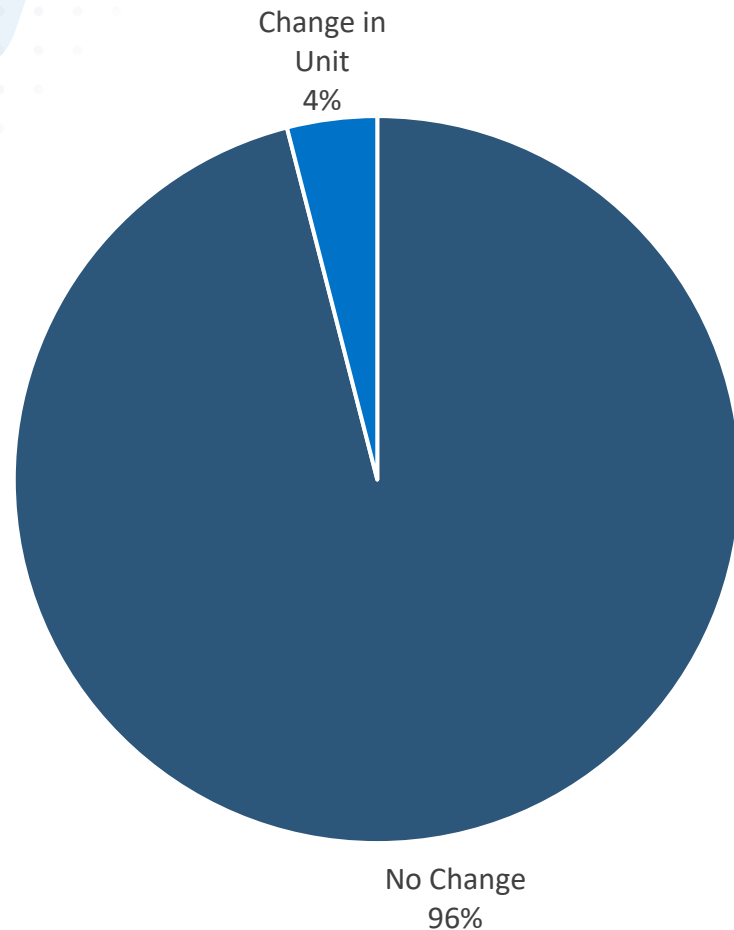
# Motivation for Moving to the Household

- More consistent with international poverty measurement
- More intuitive/easier to understand
- Increases transparency
- Simplicity--more transferability to other surveys

# Potential Concerns

- Largest impact on most vulnerable populations
- Do people living in households actually share resources?
  - Housing and utilities
  - Maybe food
  - Likely not other essentials like clothing

# Who is Impacted?



Number of SPM Units/Household	% of People
1	95.7%
2	2.9%
3+	1.3%

# Types of Households Impacted

Number of Solo Units	Number of SPM Families (2+ people)		
	0	1	2
0	--	--	4.0%
1	--	32.8%	1.0%
2	31.9%	6.9%	0.6%
3	12.6%	1.9%	S
4	5.7%	S	--
5+	2.0%	S	--

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Roommates—All 1 person SPM Units: 52.3%



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Multiple Families: 4.0%

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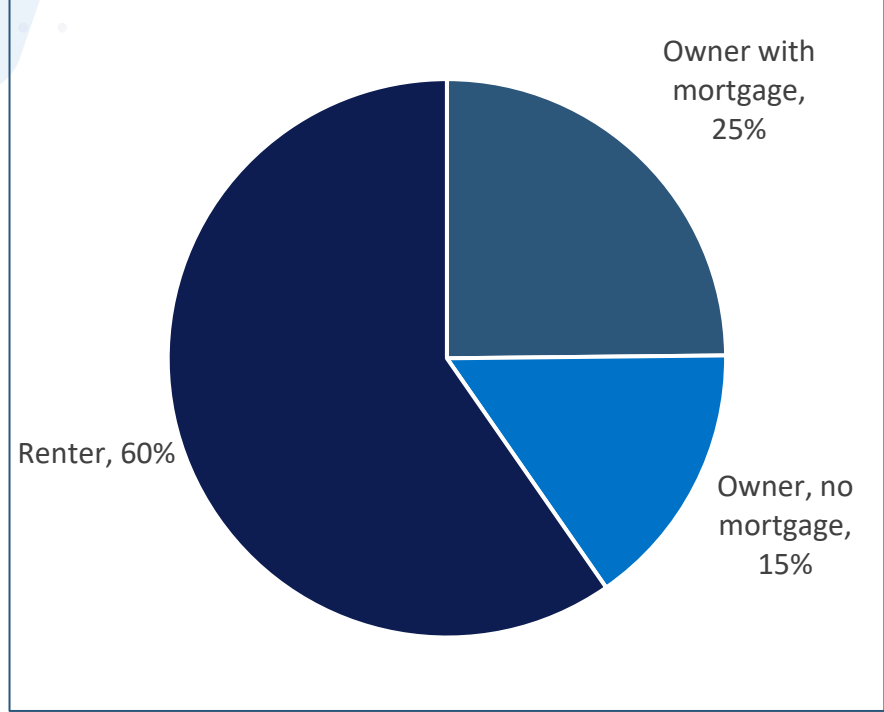
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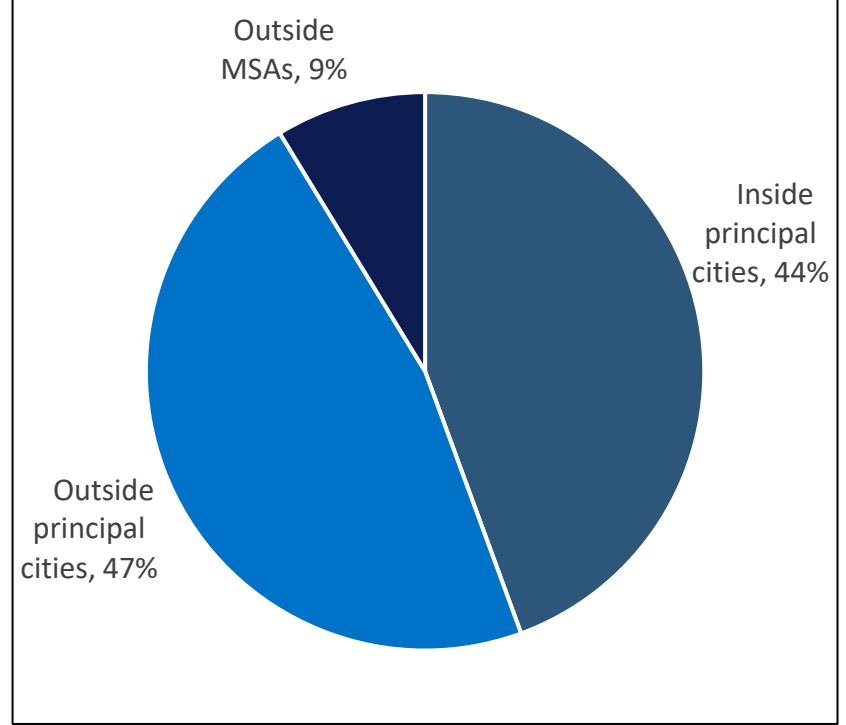
Family + Extra: 43.7%

# Demographics of Individuals Impacted

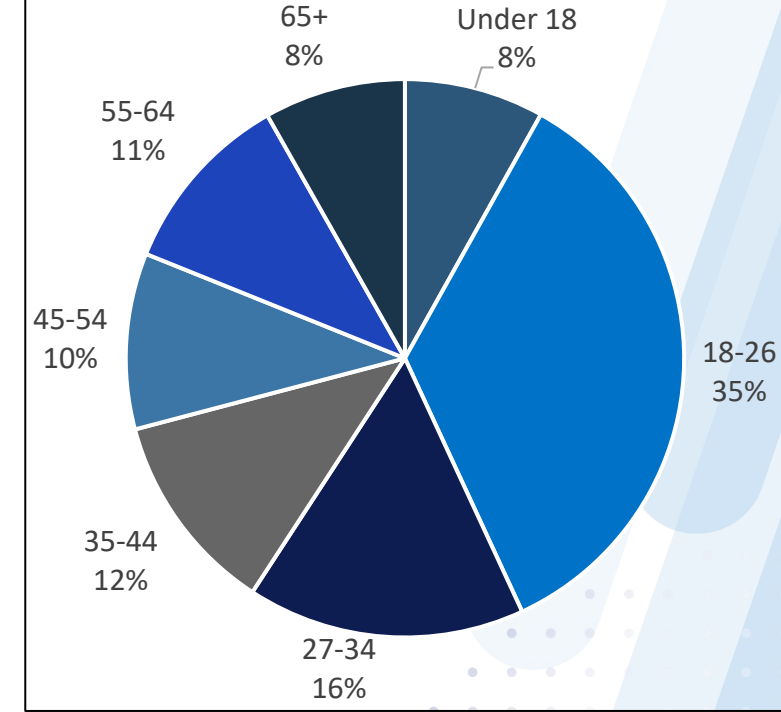
## Housing Tenure Status



## Residence



## Age



Source: U.S. Census Bureau, Current Population Survey, 2023 Annual Social and Economic Supplement (CPS ASEC).

# Impact on 2022 SPM Poverty Rates

Characteristic	Using SPM Units		Using Household Units		Difference
	Estimate	MOE	Estimate	MOE	Estimate
<b>All People</b>	12.4	0.3	11.7	0.3	0.6 *
<b>Unit Changers</b>	31.2	1.7	16.1	1.8	15.1 *
<b>Age</b>					
Under 18 years	12.4	0.5	12.2	0.5	0.2 *
18 to 64 years	11.9	0.3	10.9	0.3	0.9 *
65 years and older	14.1	0.5	14.0	0.5	0.2 *
<b>Selected Demographics</b>					
Unrelated individuals	22.4	0.7	18.6	0.6	3.9 *
Non-citizens	24.4	1.2	22.6	1.3	1.7 *
Renters	22.2	0.6	21.0	0.6	1.3 *
Reside Inside MSAs	12.4	0.3	11.7	0.3	0.7 *

\* An asterisk following an estimate indicates difference is statistically different from zero at the 90 percent confidence level.

Note: Details may not sum to totals due to rounding

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# Additional Considerations and Next Steps

- Continued work on:
  - Change in equivalence scales ( $\sqrt{n}$ )
  - Look at additional years
  - Additional exploration of unit changers
- Next Steps:
  - Integrate thresholds based on household units
  - Release working paper

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# Thank You



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