

	Official Poverty Measure (OPM)	Relative measures of income poverty	Supplemental Poverty Measure (SPM) <sup>1</sup>	Measures of consumption poverty
<b>Type of measurement</b>	Absolute measure	Relative measures	Quasi-relative measures	Both relative and absolute measures are available
<b>Thresholds</b>	Roughly three times the cost of an economy food plan established in 1961 for <a href="#">temporary or emergency use when funds are low</a> , adjusted for inflation	As one example, the U.S. Department of Housing and Urban Development (HUD) uses half of <a href="#">the median household income</a> in each geographic area	Eighty three percent of <a href="#">roughly the median</a> of basic household expenditures ( <a href="#">before 2020</a> , about the 33rd percentile of basic expenditures)	<ul style="list-style-type: none"> <li>Relative: <a href="#">For example</a>, half of the median value of household consumption</li> <li>Absolute: Thresholds that yield consumption-poverty rates same as OPM poverty rates in the baseline year</li> </ul>
<b>Household economic resources</b>	Pre-tax cash incomes including government cash benefits: Social Security, unemployment insurance, workers' compensation, Temporary Assistance for Needy Families (TANF), and Supplemental Security Income (SSI)	HUD uses data on pre-tax cash incomes from the <a href="#">American Community Survey</a> to define thresholds, including Social Security and SSI benefits, welfare benefits, and unemployment compensation	Counts all incomes in OPM; includes tax credits and food and housing assistance; subtracts tax liabilities, work expenses, out-of-pocket medical expenses, and child support paid to another household	Total household consumption, using data on household expenditures on food and utilities, as well as estimates for values of health insurance coverage, vehicle ownership, and housing consumption
<b>Measurement unit</b>	"Family households" defined by a group of individuals who are related by birth, marriage, or adoption and who live together	HUD's income thresholds are based on the Census Bureau's standard definition of a <a href="#">family household</a> (related by birth, marriage, or adoption)	"Households" including individuals related by birth, marriage, or adoption, as well as coresident unmarried partners and their relatives, foster children, and other unrelated children and adults living together	"Consumer units" including related or unrelated individuals in a household who share housing, food, and other living expenses
<b>Time trend analysis</b>	Long history of use in the United States; easy to compare poverty rates over time ( <a href="#">1959</a> to present)	Income data are available but require additional analysis to examine trends in poverty rates (for example, see Census Bureau estimates for <a href="#">median income</a> and U.S. data from <a href="#">the Luxembourg Income Study</a> )	Analysis may require <a href="#">anchored thresholds</a> or estimation using <a href="#">partial historical data</a> because historical expenditures data forming the thresholds are not available for all years	<ul style="list-style-type: none"> <li>Relative: Uses <a href="#">partial historical data on household expenditures</a></li> <li>Absolute: Analysis requires anchoring thresholds at the thresholds that would yield the same OPM poverty rates in the base year</li> </ul>
<b>Inflation adjustment?</b>	Yes: Thresholds are explicitly adjusted annually using the Consumer Price Index for All Urban Consumers (CPI-U)	<ul style="list-style-type: none"> <li>Yes: Incomes are implicitly adjusted if the median income <a href="#">catches up</a> with inflation</li> </ul>	<ul style="list-style-type: none"> <li>Yes: In 2020 and later, thresholds are adjusted using <a href="#">a composite "Food, Clothing, Shelter, Utilities, and telephone and internet service" price index</a> (referred to as the <a href="#">FCSUti CPI-U</a>)</li> <li>Before 2020, thresholds were adjusted using the All Items, Consumer Price Index for All Urban Consumers (All Items CPI-U)</li> </ul>	Yes: CPI-U-RS in <a href="#">this research</a> (RS stands for research series)
<b>Adjustment for changing standards of living over time?</b>	No	Yes: Using percentiles of a distribution of contemporary household incomes adjusts for changing living standards	Yes: Using percentiles of a distribution of contemporary household expenditures adjusts for changing living standards	<ul style="list-style-type: none"> <li>Relative: Yes</li> <li>Absolute: No</li> </ul>
<b>Adjustment for geographic differences in the cost of living?</b>	No, the thresholds are identical across geographies	Yes, if area median incomes are used	Partial adjustment: Thresholds are adjusted for housing costs in each metropolitan area (and in non-metro areas by state), and by homeownership status	No, the thresholds are identical across geographies
<b>Poverty thresholds</b>	In 2021, <a href="#">the thresholds</a> were \$21,831 for a family of one adult and two children and \$27,479 for a family of two adults and two children	In 2021, 50 percent of the national median pre-tax-and-transfer income was <a href="#">\$42,100</a> among households with children	In 2021, <a href="#">the SPM thresholds</a> for two adults and two children were \$31,107 for homeowners with mortgages, \$26,279 for owners without mortgages, and \$31,453 for renters	In 2018, the absolute consumption poverty thresholds (anchored to the official poverty level in 2015) was <a href="#">\$26,583</a> for a family of four
<b>Child poverty rates based on these thresholds</b>	In 2021, <a href="#">15.3 percent</a> of children under age 18 lived in poverty	In 2021, <a href="#">14 percent</a> of children under age 18 lived in households with post-tax-and-transfer incomes lower than half of the median	In 2021, <a href="#">5.2 percent</a> of children under 18 years lived in poverty measured with SPM	In 2021, absolute consumption poverty rates ranged <a href="#">from 11.0 percent to 12.8 percent</a> <sup>2</sup> among children under age 18

**Notes:** 1. This table excludes the PPM because the level of specificity in the PPM's components is still under development. 2. We show rates from 2021 instead of 2018 (the year data on thresholds are available) to compare poverty rates across measures from the same year.