

To: CNSTAT Panel on Evaluation and Improvements to the Supplemental Poverty Measure

Attn: Anthony Mann

From: Children's HealthWatch

Date: May 28th, 2021

Subject: RE: Call for Public Comments

Children's HealthWatch appreciates the opportunity to comment on potential changes being considered in the 2021 review of the Supplemental Poverty Measure (SPM). Headquartered at Boston Medical Center, we are a nonpartisan network of pediatricians, public health researchers, and children's health and policy experts committed to improving children's health in America. We do that by collecting real-time data in urban hospitals across the country on infants and toddlers from families facing economic hardship, analyzing the data, and sharing our findings with academics, legislators, and the public.

In accordance with the Interagency Technical Working Group's (ITWG's) early statement of purpose, we understand that the updates to the SPM are intended to enable it to continue "improving due to changes in data, methodology or research." We also believe that the SPM may need to adapt to changes in understanding of "standards of the community", and other changing realities.

Based on published information, we understand that the following potential improvements have been synthesized for 2021 from a larger list of changes that have been considered: (a) use state data to set WIC benefits in estimating resources, (b) cap nutritional assistance programs at the food portion of the threshold, (c) move to household as the SPM unit of analysis, (d) adjust equivalence scales. We address each of these proposed changes below.

Regarding the recommendation to use state data on level of WIC benefits, we see nothing to object to. If results of Census Bureau simulated changes to the SPM rates using 2018 data are valid, this change is likely to result in marginal improvements in accuracy of resource estimates. While clinical findings of nutritional risk as part of the WIC eligibility determination may move WIC benefits toward the realm of healthcare, the role of that area of need in the SPM is as yet unsettled, though it is likely to emerge in future consideration of potential improvements.

The recommendation to cap nutritional assistance benefits at the food portion of the threshold seems to us a reasonable change, given the longstanding practice of similarly capping the value of housing assistance. We find the demographics of the population likely affected by this change of particular relevance to our research, given that an estimated 93% of people affected live in households with children (57% in households with children ages <6 years). Children in this age range are particularly vulnerable to the effects of insufficient household resources.

Changing from consumer unit (as currently defined) to household as the unit of analysis for the SPM seems to us also a positive recommendation. This change would make the SPM more consistent with other measures of resource adequacy, including the Official Poverty Measure (OPM), and the food security measures.

Finally, regarding recommendations for adjustment of equivalence scales, the explanation of the role of these equivalence scales is not made very clear in available information published on the Census Bureau website. Consequently, there seems to be a degree of arbitrariness in their use in the procedure

described. However, based on published information, results of Children's HealthWatch research, and parsimony, we support "Option 1: Use 0.7 for all".

Additional Comments

We note that the emphasis in available materials describing potential changes under consideration falls heavily on efforts to clarify available resources, and technical details related to threshold and equivalence scale adjustments. There is, in contrast, very little or no discussion of whether, and if so, how the needs of families, households or "consumer units" may be changing, or whether those needs and the resources required to meet them may be affected by other changing realities. Among those changing realities three in particular seem to us especially relevant and urgent; (1) our long overdue grappling with systemic racial and ethnic inequities, (2) escalating shifts in employment within the US economy away from manufacturing and toward services (financial services but even more into lower-paying services such as "hospitality services" and the so-called "gig economy", which pay relatively low wages, do not provide benefits, and lack stability of work schedules), and (3) the rapidly intensifying effects of climate change.

The COVID-19 pandemic, itself likely a result of climate-change-related factors increasing humans' exposure to coronaviruses, has brought these three realities into dramatically stark contrast. Systemic racial/ethnic inequities have amplified the effects of the pandemic on Black, Brown, and indigenous people, and immigrants, forcing untold numbers of service-sector workers into unemployment, and thus poverty, food insecurity, and unstable housing. These realities have in turn had undeniably dramatic effects on the economy, and on policy.

While future implications of the current pandemic and recession remain to be seen, previous research shows families with low incomes struggle longer after such crises end. It is certain, however, that climate change is exposing people in the United States, and throughout the world, to unanticipated adverse consequences that are requiring extraordinary adaptations, and thus additional expenses in the form of insurance, home modifications, disaster recovery, health care expenditures, and more. We believe we should incorporate these needs and others related to changing realities discussed above into our understanding of poverty as represented in the SPM.

To facilitate examination and interpretation of potential changes to the SPM in future reviews, we recommend listing working papers and related materials on the Census Bureau SPM website in a clearer chronological order. We also recommend that more definitive indications of which potential changes are still under consideration, and which have been discarded or postponed be provided.

Finally, the review committee is heavily weighted toward economics and public policy. We strongly encourage inclusion of people from a broader range of disciplines, and racial/ethnic groups on future review committees. We also strongly recommend including people with lived experience of poverty as part of future review committees.