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Measuring the Well-Being of the Poor

Demographics of Low-Income Households

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Abstract

The economic well-being of the U.S. population with incomes below 130 percent of the official poverty guideline is of special interest to policymakers and food assistance program administrators. For example, the Food Stamp Program uses gross income below this level as one of several criteria for determining eligibility for program benefits. This study employs alternative welfare measures, including the Sen index, to assess the economic status of the low-income population and to track changes in welfare status over time. In general, welfare measures of households with income no greater than 130 percent of the poverty line improved slightly between 1981 and 1995. The study also assesses which demographic characteristics that describe these low-income households have the largest impact on the welfare measures. This demographic analysis is useful for identifying household types that could merit special attention in designing strategies such as job training or food stamp education and outreach.

Keywords: Food stamps, demographics, low-income households, welfare measures.