

What does it mean to be poor in a rich society?

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Introduction

Mollie Orshansky, whose contributions led to the nation's official poverty measure, passed away in 2007 after a notable career as an analyst for the federal government.¹ In the early 1960s when she developed her poverty measure, Orshansky's proposal—based on family cash income and an absolute poverty threshold—made perfect sense. President Johnson had declared a War on Poverty in 1964, and the nation needed a statistical picture of the poor. Although Orshansky recognized the shortcomings of her measure, she also knew that it provided the first official gauge of poverty that could be analyzed across years.

Since Orshansky's proposal was adopted, the U.S. official poverty measure has stood nearly unchanged. This, in spite of extensive efforts designed to improve the measurement of both financial means (for example, extensions of the income concept to include the value of in-kind transfers and tax liabilities) and the poverty threshold (for example, alternative equivalence scales and revised needs standards).

Concepts of poverty

Improving the well-being of deprived people is a nearly universal goal among policymakers in all nations. However, no commonly accepted way of identifying who is deprived or who has an unacceptably low level of well-being has emerged.

Economists tend to prefer a concept of hardship that reflects “economic position” or “economic well-being,” which is typically measured by an indicator of *command over resources*, typically annual income.² These economic poverty measures seek to identify families whose command over resources (income) falls below some minimally acceptable level. This approach requires precise definitions of both available economic resources and the minimum level of economic needs, both of which must be measured in the same units.

Such economic poverty measures allow for differentiation according to household size and composition. They also have the potential advantage of not imposing norms on people's preferences among goods or services (for example, their sense of necessities versus luxuries) or between work and leisure. However, by focusing on “command over resources,” they ignore many noneconomic considerations that

may affect individual utility or well-being. To the extent that such factors—for example, living in unsafe surroundings, being socially isolated, or experiencing adverse health or living arrangements not remediable by spending money—are neglected by these measures, policy efforts designed to reduce economic poverty may overlook important aspects of what it means to be poor.

Because of such concerns, income-based poverty measures are increasingly challenged, particularly in other western industrialized countries. Critics argue for a multidimensional poverty concept. For example, people deprived of social contacts (with friends, families, and neighbors) are described as socially isolated, and hence poor in this dimension; people living in squalid housing, as “housing poor”; and people with health deficits, as “health poor.” However, those who prefer a broader approach to the measurement of poverty face a difficult task in changing the official U.S. measure. Dimensions of well-being beyond income need to be identified and agreed upon, indicators that accurately reflect these dimensions must be defined, data necessary to accurately measure them for individual living units must be collected, and the several indicators must be weighted to produce an index of the size of the poor population and its composition.

While debates over the appropriate concept of poverty seem unlikely to cease, a basic question lurks over the discussion: “Does the measure of poverty that is chosen matter?” Nearly all observers believe that it does. Different measures imply a different size and composition of the target poverty population, different patterns of change in the extent of poverty over time, and thus a different set of antipoverty policies. Policymakers and citizens react to information on these patterns. Changes in poverty over time lead to questions about the direction of the nation, the effectiveness of its social policies, and the level of equality or inequality in the distribution of income.

Measuring economic poverty

Even among those who prefer income-based or command-over-resources poverty measures, there are substantial differences of opinion regarding which is the best measure. For example, the official U.S. measure relies on the annual cash income of a family, and compares this to a minimum income standard or “poverty line.” An alternative position is that annual consumption better reflects a family's level of living, or that some measure of a family's ability to secure income identifies a nation's truly needy population. Others advocate reliance on families' own assessment of their economic well-being. Once the measure of economic position has been chosen, poverty measures can still be either absolute or relative. The indicator is absolute if the definition of “needs” is fixed, so that the poverty threshold does not change with the standard of living of the society. A relative measure uses a

poverty line that increases along with the general standard of living of the society.

The official U.S. measure of absolute income poverty

The official U.S. poverty measure seeks to identify families whose annual cash income—from either government support or their own efforts—falls below the official poverty threshold. It compares two numbers for each living unit—the unit’s annual cash income and the poverty threshold for a unit of its size and composition. It is an absolute measure because it is adjusted each year only for changes in prices, not for changes in living standards.

This official measure assumes that (1) money can buy those things the absence of which make people feel deprived, (2) cash income is a good proxy for welfare (or utility), and (3) a particular year’s income is an acceptable indicator of longer-run income. Although people may experience hardship in many dimensions—education, housing, food, social contacts, security, environmental amenities—only a low level of cash income matters in determining who is poor.

The U.S. Census Bureau performs the official poverty measurement each year, and each year presents a public report on the level of poverty in the prior year and changes in the level and composition of the poor from year to year. All major news media carry the story and reflect on who is winning, who is losing, and how the nation is doing in fighting poverty.

This annual news story also provokes a barrage of commentary on the nature of the official measure, and whether or not the message it conveys is reliable. Although the cash income numerator of the measure may reflect the extent to which a family can meet its immediate needs, this value may fluctuate substantially from year to year due to unemployment, job changes, health considerations, and especially income flows from farming and self-employment. For this reason, some claim that the measure conveys an unreliable picture of who is poor over the longer run.

It is also argued that even as an indicator of a family’s ability to meet its immediate needs, the measure is flawed. The income reported by families to census surveyors tends to be artificially low, and often income from various nonstandard sources is not reported at all. As a result, the overall poverty rate tends to be higher than it should. Moreover, the annual income measure reflects neither the value of in-kind transfers (for example, food stamps and Medicaid) nor taxes paid nor tax credits received, including the Earned Income Tax Credit. Indeed, virtually all major social policy reforms since the 1960s have been in the form of giving families benefits such as food, health care, and child care that don’t count in the poverty statistics. Similarly, the assets available to families are not counted, nor is the value of leisure (or voluntary nonwork) time reflected in the measure. As a result the consumption spending of a family in any given year may differ substantially from the family’s reported income. Although there are major differences in the needs of workers and nonworkers, those with and without

serious medical care needs, or those living in high cost areas relative to those in low cost areas, none of these considerations are reflected in the official measure.

The denominator of the poverty ratio—the poverty line threshold—also comes under fire. Critics claim that this needs indicator has little conceptual basis and rests on empirical evidence about food consumption from the mid-1950s.³ The same criticism applies to the equivalence scales used to adjust needs for differences in family size.

In addition to these criticisms, conservative commentators also emphasize that many of those who are poor by the official measure do not live in destitute circumstances; that they own color television sets, automobiles, refrigerators, stoves, and in some cases homes; and that they are not undernourished. At the other end of the political spectrum, some liberal analysts find that in order to meet “basic needs,” income must to be substantially greater than the current poverty thresholds; they find a much higher poverty rate than the official measure.⁴ These critiques highlight the complex nature of political sentiment about American poverty, and emphasize the need for improvements in the official poverty measure.

Some attempts have been made to improve the nation’s official poverty measure. In 1995, the National Research Council of the National Academy of Sciences reported the results of a comprehensive study of the strengths and weaknesses of the official measure, and proposed a major revision designed to correct many of the criticisms that have been levied against it.⁵ The reform proposed would involve a new threshold based on budget studies of food, clothing, shelter (including utilities), and amounts that would allow for other needs to be met, such as household supplies, personal care, non-work-related transportation. The thresholds would reflect geographic differences in housing costs. The income measure would also be reworked to include the value of near-money benefits that are available to buy goods and services (for example, food stamps), and would subtract from income required expenses that cannot be used to buy goods and services (for example, income and payroll taxes, child care and other work-related expenses, child support payments to another household, and out-of-pocket medical care costs, including health insurance premiums).

Since that report, the Census Bureau and other governmental statistical agencies have developed a variety of improved poverty measures reflecting the recommendations of the 1995 report. Two extensive reports by the Census Bureau present estimates of these alternative measures since 1990; in addition, the Bureau has released a number of alternative poverty measure estimates in supplements that accompany the annual official poverty report. However, none of these alternatives has been adopted to replace the existing official poverty measure.⁶

Alternative measures of economic poverty

In addition to the official U.S. absolute income poverty measure (and extensions of it), a wide range of other indicators

of economic poverty have been proposed and implemented. In this section, I briefly describe a few of these, and indicate some of their pros and cons.

Relative income poverty. Many accept the access to resources (income) basis for measuring poverty, but reject an absolute poverty threshold. Instead, relative income measures compare the income of a family to a norm reflecting the economic position of the overall society (say, the income of the median family), adjusted for price level changes. Because overall measures of social well-being, such as median income, tend to increase over time, the poverty standard will also tend to increase. Both the United Kingdom (UK) and countries in the European Union (EU) measure income poverty using such a relative definition.

Relative poverty measures have their weaknesses. Absolute poverty standards have the advantage of allowing citizens to judge the effectiveness of antipoverty programs by whether the programs move families above the fixed standard; in contrast, poverty will decline under relative measures only if the income of families in the bottom tail of the distribution increases more than that of the median family.⁷

Consumption poverty. One of the main criticisms of measures of income poverty concerns the highly transitory nature of an annual income measure of resources. For many households, income may temporarily dip below the poverty line because of something that happened that year, such as unemployment or a bad harvest. An alternative is to use annual family consumption rather than annual income as a more permanent indicator of resources.⁸

Although a consumption poverty measure probably does better reflect the “permanently poor” population, it is difficult to obtain the accurate and complete family expenditure data necessary to construct a consumption-based index. Furthermore, consumption may not fully reflect a family’s true well-being; it is possible that simple frugality may be mistaken for poverty.⁹

“Capability” poverty. Poverty indicators based on income or consumption presume that families should have actual resources to meet some minimum standard. An alternative objective would identify the poor as those who do not have the capability to secure a sufficient level of resources to meet this standard. To many analysts and policymakers, policy interventions should seek to provide a pathway to self-sufficiency. A capability measure of poverty focuses attention on policies that foster economic independence.¹⁰ Such measures are preferred by some to income-conditioned in-kind or cash support, which are viewed as encouraging dependence.

Haveman and Bershadker have proposed an “earnings capacity” self-sufficiency poverty measure based on a family’s education level and other indicators of earnings capacity.¹¹ Their measure of earnings capacity adjusted the full-time,

full-year earnings of all adults in a family for health and other constraints on full-time work and for the required expenses (largely child care) associated with full-time work. The resulting net family earnings capacity value is compared to the official U.S. poverty line.

This measure rests on several norms and assumptions. First, it assumes that full-time, full-year work indicates the full (or capacity) use of human capital. Second, the adjustments to family earnings capacity reflecting constraints on and costs of working full time are assumed to be accurate. Finally, the measure captures only those capabilities that are reflected in market work and earnings; the potential services of other valuable, though nonmarketed, capabilities are neglected.

Asset poverty. There has been much interest recently in the role of asset (wealth) holdings in understanding the level and composition of poverty in the U.S. In the words of Oliver and Shapiro, “Wealth is ... used to create opportunities, secure a desired stature and standard of living, or pass class status along to one’s children. In this sense the command over resources that wealth entails is more encompassing than is income or education, and closer in meaning and theoretical significance to our traditional notions of economic well-being and access to life chances.”¹²

Haveman and Wolff estimated the level and composition of asset poverty in 2001, presuming that net worth equal to less than one-fourth of the official poverty line (reflecting the ability to live for 3 months at the poverty line by drawing down assets) indicates asset poverty.¹³ In 2001, one-fourth of American families were asset poor; among blacks and Hispanics, the asset poverty rate was 62 percent, among those with less than a high school degree it was 60 percent, and among non-aged female heads with children the asset poverty rate stood at 71 percent. From 1983 to 2001, the rate of asset poverty grew by over 9 percent, much faster than the growth of income poverty.

Subjective poverty. Some researchers have measured poverty by relying on the subjective responses of individuals to questions about their perceptions of economic position or well-being, relative to some norm. Because the norms applied by people are likely to change over time (as their incomes change), subjective poverty measures are relative poverty indicators. These measures survey households and ask them to specify the minimum level of income or consumption they consider to be “just sufficient” to allow them to live a minimally adequate lifestyle.

Establishing an overall poverty rate requires an assumption that individual perceptions of these notions reflect the same level of real welfare for all respondents. The effectiveness of subjective measures is limited by the small sample sizes on which they are based; most estimates show wide variation around the mean, impeding the setting of a reliable and generally accepted poverty threshold.¹⁴

Measuring other dimensions of deprivation

In both the U.S. and in Europe, social scientists and policy-makers have expressed concerns about using money-valued indicators to measure the well-being of citizens and to evaluate the effect of policy changes on various groups of people. In the 1960s, these concerns led to substantial efforts by U.S. and European government and university researchers to develop a wide variety of indicators both to measure the social and economic performance of society and to evaluate the effectiveness of policy efforts. These efforts resulted in a number of prominent government and other reports presenting a variety of social indicators.

In the context of measuring poverty, this interest in broader measures of well-being was the strongest in the European Union countries. A basic argument in support of a broader, multidimensional concept of poverty contends that markets fail and are incomplete so that cash income cannot always be readily transformed into fundamental goods and services necessary for the attainment of well-being. If this is the case, then the measure of poverty must explicitly recognize these shortfalls. A policy judgment provides a second argument in support of this approach; if one believes that antipoverty policies should target those with multiple disadvantages, it follows that the poverty measure should also be multidimensional.

Recently, the EU countries and the United Kingdom have emphasized this multidimensional nature of deprivation, and have developed supplementary indicators of poverty based on indicators of material hardship and a broad concept of “social exclusion.” Some use the term “social exclusion” to refer to concepts such as “marginalization,” “ghettoization,” and “the underclass”; others use the term to refer to a broader concept of poverty, encompassing polarization, discrimination, and inequality.

Measuring poverty and social exclusion in the UK

British social scientists have advanced this multidimensional approach to poverty measurement.¹⁵ Their writings implicitly accept the proposition that, because of lack of information and other market failures, important dimensions of well-being cannot be purchased in markets with money, and thus require independent measurement.

Even if this proposition is accepted, any proposal for including non-income aspects of well-being in a formal poverty measure has to confront difficult questions. One concerns how to deal with people with substantial amounts of cash income who voluntarily choose low levels of certain non-income dimensions of well-being (such as housing or vehicle access). A second concerns the selection of appropriate indicators and how to weight them.

Atkinson reflected these concerns in his analysis of the concept of social exclusion.¹⁶ In his view, there are three key issues in thinking about social exclusion—*relativity* (which element of society an individual is being excluded from);

agency (being excluded requires an act, either by the person excluded or by others); and *dynamics* (being excluded implies a lack of long-term prospects).

In this framework, being long-term unemployed because of lack of aggregate demand or changing technology may classify as social exclusion, but being long-term unemployed because of unwillingness to accept an available job will not. Failure to receive public benefits for which one is eligible (due, say, to lack of information, the time costs of applying, or stigma associated with receipt) or failure to obtain certain goods and services such as housing, health care, credit, or insurance (through, say, explicit discriminatory practices by property owners or banks) may all classify as social exclusion. In these cases, it is the acts of others that lead to the exclusion of some from benefits, work, or consumption.

Political support in the UK for a multidimensional approach to poverty measurement. Efforts to include dimensions beyond income were supported by the government of Prime Minister Tony Blair, who described social exclusion as “the greatest social crisis of our time.”¹⁷ In 1997, the New Labour government set up the Social Exclusion Unit as a Cabinet office headed by a Minister.¹⁸ Since 1999, reports presenting measures of social exclusion in the UK have been published under the title *Opportunity for All*, the most recent of which appeared in 2007.¹⁹ These reports indicate the government’s commitment to annually monitor the state of poverty and social exclusion through a set of quantitative indicators.

Measuring poverty and social exclusion in the European Union (EU)

The European Commission recently developed a formal protocol for measuring poverty and social exclusion for the EU countries. The indicators, and their measurement, include those shown in the box on page 85.

Toward measuring the many dimensions of low well-being in the U.S.: A modest proposal

Researchers and policymakers in the UK and the EU have adopted a broader concept of poverty than have their U.S. counterparts. The European developments reflect the view that rich societies require officially recognized measures that track progress in meeting many dimensions of needs and that income alone fails to capture the complex situation in which the most-deprived citizens find themselves. These developments also reflect the judgment that as societies become more affluent, the non-money aspects of well-being take on increased salience. While an income poverty measure served western nations well a half-century ago, today a variety of additional considerations—including the level of cognitive and non-cognitive skills, access to important social institutions (for example, the labor market), attaining minimum standards of food and shelter, sufficient available time for home production and child care—need to be taken into account.

Partial list of indicators for measuring poverty and social exclusion in European Union countries

- At-risk-of-poverty rate (share of persons aged 0+ with an equivalised disposable income below 60 percent of the national equivalised median income);
- Persistent-at-risk-of-poverty rate (share of persons aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold in the current year and in at least 2 of the preceding 3 years);
- Relative median poverty risk gap (difference between the median equivalised income of persons aged 0+ below the at-risk of poverty threshold and the threshold itself, expressed as a percentage of the at-risk of poverty threshold);
- Long-term unemployment rate (total long-term unemployed population (≥ 12 months' unemployment; ILO definition) as a proportion of total active population aged 15 years or more);
- Population living in jobless households (proportion of people living in jobless households, expressed as a share of all people in the same age group);
- Early school leavers not in education or training (share of persons aged 18 to 24 who have only lower secondary education);
- Employment gap of immigrants (percentage point difference between the employment rate for non-immigrants and that for immigrants);
- Material deprivation (to be developed);
- Housing (to be developed);
- Unmet need for care (to be developed); and
- Child well-being (to be developed).

The European developments also reflect the fact that rich societies possess vastly improved data sources on individual living units than in the 1960s. In the 1960s, when the first efforts to measure poverty were undertaken in the U.S., cash income was one of the few accurately recorded indicators of well-being available in survey or census-type data. Today, numerous continuing cross-section and longitudinal datasets with large and nationally representative samples are available. Many datasets reveal multiple aspects of the well-being of living units beyond their annual cash income.

U.S. academic and policy discussions should move beyond the concept of income poverty, and additional statistical measures of U.S. poverty and deprivation should be developed and published as supplements to an improved set of official income-poverty measures. Any proposal for additional, formal measures of "disadvantage" encounters the issue of whether or not to combine or weight these measures. Techniques are available for developing either a single measure based on the weighting of multiple indicators of deprivation or describing deprivation by using counts of the presence of disadvantage in multiple dimensions.

To perform a multidimensional poverty measurement analysis, a large scale, detailed survey including information on a wide range of living conditions is needed; ideally, the survey would be longitudinal in nature. Currently, such information is not available for the U.S. population. What is possible, however, is to make use of annual survey data from the U.S. Census Bureau's American Community Survey (ACS) to develop an illustrative multidimensional measure of depriva-

tion in the U.S.²⁰ The ACS includes many indicators of the living circumstances of American households in addition to income. Like the Current Population Survey on which the current official U.S. poverty measure rests, the ACS measures income, educational attainment, and labor force and employment status. The ACS also includes information on the quality of housing (such as the degree of crowding and the existence or lack of plumbing or kitchen facilities), health and disability status, vehicle availability, and linguistic isolation.

A research study that made use of the ACS data could illustrate the many-faceted nature of deprivation, and demonstrate the possibility of a U.S. poverty measure that reflected dimensions of disadvantage beyond cash income. Both researchers and policymakers would be well served by complementary measures of poverty that reveal the complexity and multifaceted nature of deprivation. Such an illustration of the extent of multiple forms of deprivation in America would incorporate the income and threshold reforms proposed in 1995 and highlight the many other dimensions of what it means to be poor in a rich society. It would also accelerate debate on needed changes in the official poverty measure.

Conclusion

Any poverty measure is an indicator of a nation's performance in improving social conditions, and as such it serves many functions. The poverty measure documents the size and composition of the deprived population within a country and allows citizens and policymakers to assess the nation's

progress against poverty. The measure also provides guidance for policymakers in assessing the potential of proposed measures for reducing poverty and for evaluating the impact of social policy measures in effect. I have argued that moving toward broader measures of poverty and deprivation has a number of advantages.

First, measures of material hardship or social exclusion capture intrinsic elements of the underlying deprivation that people face and complement income-based measures by providing “important insights into different dimensions of people’s well-being.”²¹

Moreover, because antipoverty policy measures are often directed at increasing access to particular goods, services, or environments, it is important to use measures of deprivation that reflect these needs. Ongoing reports detailing how many citizens of working age are excluded from health, disability, or unemployment insurance coverage; how many families fail to live in adequate housing; or how many families are excluded from employment because of health problems or disabling conditions, could be influential in policy discussions and choices.

Finally, measures that reflect the lack of access to various non-income dimensions of deprivation also indicate different patterns of hardship by particular sociodemographic groups than do measures of income poverty, making it possible to measure the effectiveness of targeting policies to these groups.

Some analysts emphasize the inherent difficulties in developing meaningful measures of material hardship or social exclusion. While these obstacles are formidable, they need to be weighed alongside the benefits of a more complete picture of deprivation in a rich society. Progress in addressing these issues would also advance the agenda for improving the current national measure of income poverty. ■

¹This article draws upon “What Does It Mean to Be Poor in a Rich Society?” in *Changing Poverty, Changing Policies*, eds. M. Cancian and S. Danziger (New York: Russell Sage Foundation, 2009).

²As discussed below, this economic concept underlies the official U.S. poverty measure and measures of relative income poverty as implemented in the UK and Western Europe. It also underlies the proposed revisions of the U.S. measure by the National Research Council’s Panel on Poverty and Family Assistance, which are found in C. F. Citro and R. T. Michael, eds., *Measuring Poverty: A New Approach* (Washington, DC: National Academy Press, 1995). See also U.S. Census Bureau, 2007, Current Population Survey, Annual Social and Economic Supplements.

³P. Ruggles, *Drawing the Line: Alternative Poverty Measures and Their Implications for Public Policy* (Washington, DC: Urban Institute Press, 1990).

⁴See T. J. Renwick and B. R. Bergmann, “A Budget-Based Definition of Poverty, with an Application to Single-Parent Families,” *Journal of Human Resources* 28, No. 1 (1993): 1–24.

⁵Citro and Michael, *Measuring Poverty*.

⁶R. Blank, “How to Improve Poverty Measurement in the United States,” *Journal of Policy Analysis and Management* 27, No. 2 (2008): 233–254 contains an extensive discussion of the weaknesses of the official poverty

measure, and an analysis of why adoption of a more reliable measure of poverty has been so difficult to achieve.

⁷R. Lampman, *Ends and Means of Reducing Income Poverty* (New York: Academic Press, 1971) emphasized this weakness of the relative standard as an indicator of the effectiveness of antipoverty policies in reducing poverty: “While income poverty is a relative matter, I do not think we should engage in frequent changes of the poverty lines, other than to adjust for price change. As I see it, the elimination of income poverty is usefully thought of as a one-time operation in pursuit of a goal unique to this generation.”

⁸For example, Daniel Slesnick estimated such a consumption-based poverty measure; see D. T. Slesnick, “Gaining Ground: Poverty in the Postwar United States,” *Journal of Political Economy* 101, No. 1 (1993): 1–38.

⁹See R. K. Triest, “Has Poverty Gotten Worse?” *Journal of Economic Perspectives* 12, No. 1 (1998): 97–114.

¹⁰One of the earliest proponents of this view was Charles Murray; see C. Murray, *Losing Ground: American Social Policy, 1950–1980* (New York: Basic Books, 1984). He argued that government policy should stop assisting the destitute and start emphasizing individual self-reliance.

¹¹See, for example, R. Haveman and A. Bershadker, “The ‘Inability to be Self-Reliant’ as an Indicator of Poverty: Trends for the U.S., 1975–1997,” *Review of Income and Wealth* 47, No. 3 (2001): 335–360. This concept is similar to one suggested earlier in G. S. Becker, “A Theory of the Allocation of Time,” *Economic Journal* 75, No. 299 (1965): 493–517.

¹²M. L. Oliver and T. M. Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality* (New York: Routledge, 1997).

¹³R. Haveman and E. Wolff, “The Concept and Measurement of Asset Poverty: Levels, Trends and Composition for the U.S., 1983–2001,” *Journal of Economic Inequality* 2, No. 2 (2005): 145–169.

¹⁴Citro and Michael, *Measuring Poverty*.

¹⁵See, for example, A. Sen, *On Economic Inequality* (Oxford: Clarendon Press, 1997); and A. Atkinson, “Social Exclusion, Poverty and Unemployment,” in *Exclusion, Employment and Opportunity*, eds. A. Atkinson and J. Hills, CASE Paper 4, Centre for Analysis of Social Exclusion, London School of Economics, London, UK, 1998. The work of Sen and Atkinson builds on Townsend’s pioneering study in 1979 urging attention to lack of access to important goods or services, rather than only a lack of income: P. Townsend, *Poverty in the United Kingdom: A Survey of Household Resources and Standards of Living* (Harmondsworth, MX: Penguin, 1979).

¹⁶A. Atkinson, “Social Exclusion, Poverty and Unemployment.”

¹⁷P. Mandelson, *Labour’s Next Steps: Tackling Social Exclusion*, Fabian Pamphlet 581, London, UK, 1997.

¹⁸In 2006, the Unit was replaced by the Social Exclusion Task Force, also headed by a Minister. The Web site of the Task Force defines social exclusion as follows: “Social exclusion is a shorthand term for what can happen when people or areas have a combination of problems, such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, and family breakdown. These problems are linked and mutually reinforcing. Social exclusion is an extreme consequence of what happens when people do not get a fair deal throughout their lives and find themselves in difficult situations. This pattern of disadvantage can be transmitted from one generation to the next.” http://www.cabinetoffice.gov.uk/social_exclusion_task_force/context.aspx

¹⁹UK Department for Work and Pensions, *Opportunity for All: Indicators Update 2007*, available online at <http://www.dwp.gov.uk/ofa/reports/2007/OpportunityforAll2007.pdf>. The 2007 report included 41 primary indicators, and 59 total indicators of low income, access to services, health, education, and social isolation.

²⁰For a description of the American Community Survey, see <http://www.census.gov/acs/www/index.html>.

²¹J. Iceland, “Measuring Poverty: Theoretical and Empirical Considerations,” *Measurement* 3, No. 4 (2005): 199–235.