Weller bill would better measure anti-poverty programs' effectiveness

Washington, Aug 28, 2007 -

As the U.S. Census Bureau today released its report showing "official" estimates of poverty in the nation, U.S. Rep. Jerry Weller (R-Ill.) announced legislation today that would improve the accuracy of poverty statistics and better gauge the effectiveness of anti-poverty programs. Weller's bill, H.R. 3243, The Poverty Measurement Improvement Act, would take into account the taxpayer-funded benefits low-income families receive when assessing poverty levels.

"In order to fix the problem of poverty in America, we must begin with an accurate understanding of the problem," Weller said. "My bill counts more taxpayer-funded benefits as income, which makes for a clearer picture of the real resources low-income families have available to make ends meet.

"Currently, official poverty reports provide an incomplete and inaccurate picture of the number of poor Americans, because most anti-poverty benefits are ignored when considering whether families are poor," Weller continued. "In fact, six times as many government anti-poverty dollars are not counted as income compared to those that are counted when determining whether a family is poor."

According to data compiled by the Congressional Research Service, benefits such as Medicaid, the Medicare Low Income Subsidy, Food Stamps, and Section 8 housing are not counted as income for the purposes of determining poverty, while cash assistance from Temporary Assistance for Needy Families (TANF) and Social Security Income (SSI) programs, are counted. The data is included in a table released in conjunction with Weller's legislation announcement. The report further details the flaws in current poverty measurement, and makes the case for the need for the Illinois Republican's bill.

The Committee on Ways and Means and its Income Security and Family Support Subcommittee, on which Weller serves as Ranking Member, had four hearings on poverty this year. During those hearings Members and experts across the political spectrum noted that the failure to count more anti-poverty benefits as income diminishes both the accuracy of the poverty data and also understanding of the effectiveness of government anti-poverty programs.

For example, Jane Knitzer, the Director of the National Center for Children in Poverty in New York City, testified "There are clearly problems with poverty measures. They undercount benefits. They undercount taxes. There are lots of problems with that, and we are all aware of that." John Podesta, the former Chief of Staff for President Clinton, stated "In our view, the current definition of poverty is deficient." And Charlie Rangel (D-NY), the Chairman of the Committee on Ways and Means, in reference to expert recommendations to improve poverty data, said "We all are trying to find out the best data we have available, and we are going to help you to get it."

H.R. 3243 would re-classify poverty statistics. First, the Census Bureau would issue a "partial benefits poverty rate," which would be the same measurement as the Census Bureau's current

“official” rate. The Bureau would then track and report two additional statistics: the “full benefits poverty rate,” which would count food, housing, and health care benefits as income; and the “full benefits and taxes poverty rate,” which would add in the value of the Earned Income Tax Credit and subtract taxes paid.

“We need to have a better understanding of who is being lifted above the poverty level by the benefits provided by the federal government,” Weller said. “Taxpayers deserve to know if their money is being spent wisely and effectively.

“By re-examining how these benefits are impacting recipients, we can gain a better understanding of who needs more help, and wage a more effective war on poverty.”