Hearing of the United States House Committee on Ways & Means,
Subcommittee on Work and Welfare
Hearing on Measuring Poverty

Statement of Bruce D. Meyer,
October 24, 2023

Chairman Smith, Subcommittee Chairman LaHood, Ranking Member Davis, and distinguished members of the Committee, thank you for the opportunity to testify.

I am Bruce Meyer, McCormick Foundation Professor at the University of Chicago Harris School of Public Policy. My 40-year-long research agenda has focused on the accuracy of government data; I have served on multiple major government commissions; and I have worked for or been a long-term advisor to the main federal agencies producing poverty statistics.[1]

This hearing is occurring because a recent National Academy of Sciences report commissioned by the Census Bureau recommended making the Supplemental Poverty Measure the official poverty measure.[2] Such a change would be problematic. You have heard from an earlier speaker that the Official Poverty Measure and the Supplemental Poverty Measure are misleading. In short, the Official Poverty Measure doesn't count most of what the government does to reduce poverty. The Supplemental Poverty Measure incorporates more of these efforts, but relies on a survey that heavily underreports key programs and income sources and inaccurately imputes taxes and tax credits.[3] The SPM also moves the poverty goal posts over time in a complicated quasi-relative way so it is hard to make comparisons over time, and means poverty could go down when deprivation rises.[4]

In my testimony today, I will make six observations that inform my views on how poverty statistics should be constructed and used. To preview, I will emphasize that much of what the

[1] I served on the Evidence-Based Policymaking Commission, Co-Chaired the Interagency Technical Working Group Examining Alternative Measures of Poverty, was a Census Bureau employee for three years, served on the Bureau of Labor Statistics Technical Advisory Committee for ten years, and have served on two National Academy of Sciences panels.

[2] National Academies of Sciences, Engineering, and Medicine. 2023. An Update measure of Poverty: (Re)Drawing the Line. Washington, DC: The National Academy Press.

[3] Bruce D. Meyer, Wallace Mok and James X. Sullivan, 2015, "Household Surveys in Crisis." Journal of Economic Perspectives, 29(4), 199–226. 2015; Jonathan L. Rothbaum. 2015. "Comparing Income Aggregates: How Do the CPS and ACS Match the National Income and Product Accounts, 2007-2012." SESHD Working Paper 2015-01. Washington, D.C.: U.S. Census Bureau; Bruce D. Meyer, Derek Wu, Grace Finley, Patrick Langetieg, Carla Medalia, Mark Payne and Alan Plumley. 2022 "The Accuracy of Tax Imputations: Estimating Tax Liabilities and Credits Using Linked Survey and Administrative Data." in *Measuring Distribution and Mobility of Income and Wealth*, edited by Raj Chetty, John N. Friedman, Janet C. Gornick, Barry Johnson, and Arthur Kennickell. NBER, University of Chicago Press.

[4] Richard V. Burkhauser, Kevin C. Corinth, Bruce D. Meyer, Angela Rachidi, Matt Weidinger, and Scott Winship. 2021. *Addressing the Shortcomings of the Supplemental Poverty Measure*, AEI. https://www.aei.org/wp-content/uploads/2021/07/Addressing-the-Shortcomings-of-the-Supplemental-Poverty-Measure.pdf?x91208

arguably scientific NAS report advocates is arbitrary and inaccurate. Better ways to measure poverty are already feasible incorporating existing administrative data and expenditure data. These better approaches indicate that poverty, as measured by both the OPM and SPM are currently overstated and that the poverty-reducing effects of the existing safety net are understated. The NAS-proposed changes to poverty measurement have not been rigorously tested by their proponents and would produce a demonstrably worse measure. The SPM has been recently used to claim that the expiration of the expanded CTC led child poverty to double, a claim rejected by either the Census Bureau's data or more appropriate consumption data. Finally, I will also argue that the process that produced the report was partisan.

1. Poverty Cutoffs are Fundamentally Arbitrary so Can't be Set Scientifically

The choice of poverty cutoffs—where to draw the line between the poor and nonpoor—has a tremendous impact on the poverty rate, and this choice is arbitrary. The original architects of poverty measurement here and elsewhere clearly understood that. I first look to those who devised our initial poverty measures in the U.S. "way back in the 1960s". Robert Lampman, who has been called the intellectual architect of the War on Poverty, stated that poverty thresholds are "subjective rather than objective" and "qualitative rather than quantitative".[5] Molly Orshansky, often credited with devising the nation's first official poverty measure, called the measure she helped develop "arbitrary".[6] Patricia Ruggles, who wrote an influential treatise on poverty measurement stated that the thresholds are "essentially arbitrary" and used the word "arbitrary" repeatedly.[7] Ivan Fellegi, the longtime Chief Statistician of Canada and a giant in the field of government statistics, quite eloquently stated that "poverty is intrinsically a question of social consensus" is "intrinsically judgmental" and should be decided through the political process not by a "national statistical agency which prides itself on its objectivity and whose credibility depends on the exercise of that objectivity".[8] Even the original poverty thresholds set in the 1960s were picked to achieve a desired rate, with the food budget decided on to achieve that end, rather than the other way around.[9]

The implication of this observation is that the focus of statistical agencies and researchers should be on resource measures rather than thresholds, as thresholds are largely political, not scientific, decisions and should be left to policy makers. This principle was overlooked in the recent NAS report that focuses on devising ever more complicated, but ultimately arbitrary, thresholds.

[5] Robert Lampman, *Ends and Means of Reducing Income Poverty*, Markham, 1971.
[6] Interagency Technical Working Group Examining Alternative Measures of Poverty, Final Report, Office of Management and Budget, Statistical Policy Office, 2021.
[7] Patricia Ruggles, *Drawing the Line: Alternative Poverty Measures and their Implications for Public Policy*, The Urban Institute Press, 1990.
[8] https://www150.statcan.gc.ca/n1/pub/13f0027x/13f0027x1999001-eng.htm
[9] Interagency Technical Working Group Evaluating Alternative Measures of Poverty, Final Report, Office of Management and Budget, Statistical Policy Office, 2021.

2. Income Benchmarking Shows Pronounced Under-reporting in Surveys

When Census Bureau survey data on income sources such as earnings, pensions or government payments are compared to individual tax or government program data or compared to accounting totals, they almost invariably indicate under-reporting. Often close to half of a given income source is missed in the Census Bureau's Current Population Survey, the source of official poverty statistics. Pension income is sharply underreported,[10] and more than 60 percent of unemployment insurance and 45 percent of single parent EITC recipients were missed in the survey in recent years. Importantly, underreporting has worsened in recent years which is problematic when trying to assess changes in poverty over time.[11] Research also shows that the impact of survey income under-reporting on poverty measurement has increased over time.[12]

The implication of this under-reporting is that poverty rates are overstated in government statistics. Figure 1 shows the share of individuals below the poverty line, using progressively broader income concepts. The rate based on survey data alone is in maroon, while in grey is the rate from survey data combined with a good albeit not complete set of administrative data. The last two bars indicate poverty based on income after taxes, expenses and in-kind transfers (which is close to the SPM income concept). In 2016 the rate was 9.0 percent based on survey data, but only 5.3 percent when we substituted administrative data where available and appropriate. That is a 41 percent lower poverty rate. These figures still do not include administrative data for the Temporary Assistance for Needy Families (TANF) program, General Assistance, Workers' Compensation, and Unemployment Insurance—just to name a few missed transfers. Comparisons of the survey data either at the individual level or by comparing weighted totals to accounting totals from government agencies indicate that over one-third of each of these programs is not reported in the Census Bureau's Current Population Survey. Thus, even the 41 percent lower poverty rate is still certainly overstating the share of people below the Census poverty line.[13] One should also note that the difference between the survey only and combined survey and administrative data poverty rates is larger when one goes from an OPM income definition to the income concept close to that of the SPM. Thus, the SPM makes the problem of income under-reporting worse, likely because the in-kind transfers and taxes it includes are particularly misreported.

[10] Jonathan Rothbaum, 2015; Bee, Adam and Joshua Mitchell. 2017. "Do Older Americans Have More Income Than We Think?" SESHD Working Paper 2017-39. Washington, D.C.: U.S. Census Bureau.
[11] Graton Gathright and T.A. Crabbe, 2014. "Reporting of SSA program participation in SIPP" Working Paper, Washington, D.C.: U.S. Census Bureau; Bruce D. Meyer, Wallace Mok and James X. Sullivan, 2015, "Household Surveys in Crisis." *Journal of Economic Perspectives*, 29(4), 199–226. 2015.
[12] Corinth, Kevin, Bruce D. Meyer and Derek Wu. 2022. "The Change in Poverty from 1995 to 2016 among Single Parent Families." *American Economic Association Papers & Proceedings* 112:345-350 (May).
[13] Accounting for the under-reporting in TANF, the smallest of these programs, using the subset of states for which administrative data are available lowers the final poverty rate from 5.29 percent to 5.23 percent. See Bruce D. Meyer and Derek Wu, "Poverty in the United States." Slides for IRS/Census Workshop on Income Measurement, April 26, 2023.

That income is sharply under-reported has several other important implications. First, since the under-reporting problem has worsened over time, poverty has fallen more over time than reported when relying only on survey data. Second, the static poverty reduction of many programs (not accounting for behavioral changes) is greater than reported in Census Bureau publications. Figure 2 reports how poverty would rise without key government social insurance and welfare programs and tax credits. We see that while the poverty reduction of all anti-poverty programs is understated, the poverty reduction of disability insurance (DI), SNAP and HUD housing benefits are particularly understated in survey data. For example, survey data suggests that without DI poverty would be 17 percent higher, but when one uses administrative data to help correct for under-reporting, we see that without DI poverty would be 32 percent higher.

In response to the problem of under-reported survey income, the Social Security Administration stopped publishing two survey-based publications in 2014 because of income misreporting.[14] The most important conclusion I draw from the pronounced income under-reporting in Census Bureau household surveys, is that like the Social Security Administration, the Census Bureau should consider discontinuing the publication of poverty statistics until it has the combined survey and administrative data in place to measure income accurately. A recent federal committee recommended using combined survey and administrative data to measure poverty, and two large scale projects are underway within the Census Bureau or with Census Bureau support to combined survey and administrative data to improve income measurement.[15]

3. Consumption Poverty Measures have Key Advantages

Given that it is difficult to obtain all of the administrative sources of income and will not be possible to fully develop historical time series, I suggest an alternative to correcting underreported income, using consumption data. Consumption data provide multiple advantages: they offer a more direct measure of living standards, and they identify a more deprived group of poor individuals, which is the goal of poverty measurement. Using consumption data, my research finds that those who are classified as poor are in worse health, have lower education, live in worse housing, have fewer appliances, and appear less well-off in multiple other ways.[16] Consumption data are also particularly useful when trying to identify the very worst off, because *at the very bottom* of the *recorded* (but not necessarily true) income distribution, under-reporting is especially pronounced. One of the common ways for someone to appear to be poor in a survey when they are not, is for a main income source to not be recorded. The implication of this

[14] The discontinued Social Security Administration publications are "Income of the Population 55 or Older" https://www.ssa.gov/policy/docs/statcomps/income_pop55/index.html
and "Income of the Aged Chartbook" https://www.ssa.gov/policy/docs/chartbooks/income_aged/index.html

[15] Carla Medalia, Bruce D. Meyer, Amy O'Hara and Derek Wu. 2019. "Linking Survey and Administrative Data to Measure Income, Inequality, and Mobility" *International Journal of Population Data Science*. Published online: Jan 31, 2019. Adam Bee, Joshua Mitchell, Nikolas Mittag, Jonathan Rothbaum, Carl Sanders, Lawrence Schmidt, and Matthew Unrath. 2023. "National Experimental Wellbeing Statistics." SESHD Working Paper 2023-02. Washington, D.C.: U.S. Census Bureau.

[16] More specifically, suppose you consider classifying people as poor two different ways, first with income, then with consumption data. Suppose you do it in a way to keep constant the share called poor so you are considering the same share of the population in each case.

observation is that the BLS should continue to publish consumption poverty measures (which they started doing this year)[17] and should be given the resources to do it well.

4. Much Publicized Poverty Reduction Claims for the Expanded CTC are Overstated

Many politicians, media outlets and academics have claimed that poverty of children doubled in 2022 because of the expiration of the 2021 temporary changes to the Child Tax Credit (CTC).[18] This setting provided a good lesson in how statistics may be skewed by income data quality issues. Before getting to these issues, let me first note that even taking the numbers reported in the Census Bureau poverty report at face value, the CTC changes were responsible for only 29 percent of the increase in child poverty between 2021 and 2022 not most or all of the change.[19] The role of Economic Impact Payments, often called stimulus payments, was much larger as those payments were bigger than the increase in the CTC for almost all families. Even the 29 percent is probably about double what is appropriate as will be explained more below because it counts both expanded CTC payments received in 2021 and 2022 as having been received in 2021.

The SPM child poverty rate did in fact more than double between 2021 and 2022, though this claim needs qualifications. A concern in tracking poverty over recent years is the way the Census Bureau calculates how much people pay in taxes and receive in tax credits. These tax imputations are responsible for almost all of the difference between OPM and SPM changes in the last two years. Rather than rely on tax records or ask respondents about their taxes, the Census Bureau tries to calculate them itself. But without the information that families use to fill out their tax return it gets things wrong. For instance, in recent years the Census Bureau missed almost half the payments that single parents receive from the Earned Income Tax Credit. These Census Bureau tax imputations are particularly inaccurate for income groups near the poverty line most affected by the CTC.

In addition, tax credits are not counted in the year that they are received. Instead, the Census Bureau assigns tax credits to the year they are earned. That might make sense as an accounting rule, but it doesn't accurately capture changes in well-being from year to year. This convention exaggerated the drop in poverty in 2021 and the rebound in 2022 since half of the Child Tax

[17] Garner, Thesia et al. Monthly Labor Review, 2023.

[18] For example "The increase in child poverty in 2022, in turn, is largely the result of the expanded Child Tax Credit's expiration" from Center on Poverty and Social Policy, Columbia University, "What Would 2022 Child Poverty Rates Have Looked Like if an Expanded Child Tax Credit Had Still Been in Place?" Policy Brief Sep 12, 2023.
https://www.povertycenter.columbia.edu/publication/2023/what-2022-child-poverty-rates-would-have-looked-like

[19] These numbers are taken from Table B8 in the Census Bureau report
https://www.census.gov/content/dam/Census/library/publications/2023/demo/p60-280.pdf
The difference in the number of children (in 1000s) raised above the poverty line by the refundable CTC in 2022 minus 2021 is 2,919-1,411 or 1,508 while the change in the total number of children in poverty in the two years is 8,983-3,829 or 5,154. The ratio of these two changes then gives the share attributable to the changes in the CTC which is 1,508 divided by 5,154 or 29 percent.

Credit was allocated to 2021 even though it was received in 2022. Since the dramatic changes in SPM poverty in 2021 and 2022 are due almost entirely to the change in taxes that the Census Bureau calculates, badly measuring tax credits and misallocating them across years can have a big effect on changes in poverty.

This accounting convention and the potential for error at least partly explain why consumption poverty numbers indicate little change in the underlying patterns of child poverty due to the temporary institution of the child allowance. As one can see in Figure 3, consumption poverty continued its long-term trend and slowly declined through this period. One can also see that the two after-tax income series, one that includes the CTC and EITC and one that does not, have similar year to year changes, particularly from 2021 to 2022. Thus, again we see that the expiration of the expanded CTC played a secondary role in the income-measured child poverty increase in 2022.

So what explains the difference between income and consumption poverty measures in these two years? Part of the story is that families saved a large part of the large stimulus payments that they received in 2020 and 2021. There was a substantial increase in savings for those near the poverty line, especially families with children.[20] Changes in unreported transfers from family and friends that are rarely reported in surveys is another potentially explanation. A substantial literature has found changes in private transfers from family members in response to changes in income or public transfers. While private transfers may not be a large fraction of income for the typical family, research has indicated that these transfers can account for a large fraction of income for very disadvantaged groups.[21]

5. Proposed Poverty Measurement Changes Should be Based on Evidence

Proposed poverty measurement changes are almost never rigorously evaluated by the National Academy of Sciences or the Census Bureau. The goal of poverty measurement is to identify those who are the most deprived, to count them at a point in time and over time, and record how

[20] Jeehoon Han, Bruce D. Meyer, and James X. Sullivan, 2023. Annual Report on U.S. Consumption Poverty: 2022 https://sites.nd.edu/james-sullivan/files/2023/10/2022-Consumption-Poverty-Report_10_20_2023.pdf. Also see Greig, Fiona, Erica Deadman, and Tanya Sonthalia. 2022. "Household Pulse: The State of Cash Balances at Year End." JPMorgan Chase Institute. https://www.jpmorganchase.com/institute/research/household-income-spending/household-pulse-cash-balances-at-year-end

[21] See Mark R. Rosenzweig and Kenneth I. Wolpin. 1994. "Parental and Public Transfers to Young Women and their Children" *American Economic Review*, 84(5): 1195-1212.; Donald Cox and George Jakubson. 1995. "The Connection between Public Transfers and Private Interfamily Transfers" *Journal of Public Economics*, 57(1): 129-167.; Joseph G. Altonji, Fumio Hayashi, and Laurence J. Kotlikoff. 1997. "Parental Altruism and Inter Vivos Transfers: Theory and Evidence" *Journal of Political Economy*, 105(6): 1121-1166; and Robert F. Schoeni 2002. "Does Unemployment Insurance Displace Familial Assistance?" Public Choice, 110(1-2): 99-119. Estimates indicate that private transfers are reduced by 10 to 40 cents for every dollar of income received. Nonfamily transfers from partners or fathers of children may be more relevant and potentially an additional source for the families in question, see Kathryn Edin and Laura Lein. 1997. *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work*, Russell Sage Foundation, New York, NY.

the count changes with policies.[22] How well a given measure does this can be evaluated by directly examining how well a measure identifies the most disadvantaged. Research has shown that the SPM does not identify a more deprived population than either the OPM or consumption poverty measures.[23]

The handling of health expenditures and health insurance is one key reason the SPM performs poorly. The SPM subtracts out of pocket spending on health from income, leading those who can afford to spend more on health care to have lower SPM adjusted income, but in practice they tend to be better off.

A second reason the SPM validates poorly is that it takes expenditures on housing in different geographic areas and uses the data to construct an index of living costs across locations which it then uses to adjust poverty cutoffs. However, the areas where people spend more on housing are markedly better areas for the poor according to a wide range of indicators including mortality, health, assets, long-run income, housing characteristics, ability to pay bills, education, food security, and to a lesser extent, government services, and appliance ownership.[24] These general patterns hold after a variety of extensions and robustness checks, including examining alternative measures of regional prices, focusing on those below half the poverty line or 1.5 times the poverty line. These results broadly suggest that low-income individuals in lower-cost areas are more disadvantaged than their counterparts in higher-cost areas.

This finding can be explained by the empirical fact that prices at the state or sub-state level are strongly associated with many characteristics that are important to those with low incomes. Wages have been found to rise almost one for one with prices[25] and many other characteristics differ across local areas and have been shown to be reflected in home prices or rents.[26] Many

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[22] Several key studies have considered this to be the central goal of a poverty measure (Ruggles 1990, cited earlier, and National Academy of Sciences 1995). This goal is also consistent with how researchers and the broader public often think about poverty measures, which are used as indicators of disadvantage and predictors of various negative outcomes. Also see Bruce D. Meyer D. and James X. Sullivan. 2003. "Measuring the Well-Being of the Poor Using Income and Consumption." *Journal of Human Resources* 38(S):1180-1220; Bruce D. Meyer and James X. Sullivan. 2011. "Viewpoint: Further Results on Measuring the Well-Being of the Poor using Income and Consumption." *Canadian Journal of Economics* 44(1): 52-87; Meyer and Sullivan 2012 cited earlier; Fox and Warren 2018 cited earlier; Trudi Renwick. 2018. "Incorporating Amenities into Geographic Adjustments of the Supplemental Poverty Measure Thresholds." SEHSD Working Paper No. 2018-32. Washington, D.C.: U.S. Census Bureau; all who use this approach.

[23] Bruce D. Meyer and James X. Sullivan. 2012. "Identifying the Disadvantaged: Official Poverty, Consumption Poverty, and the New Supplemental Poverty Measure." *Journal of Economic Perspectives*, 26(3): 111-136; Liana Fox and Lewis Warren. 2018. "Material Well-Being and Poverty: New Evidence Across Poverty Measures." APPAM Presentation Slides. Washington, D.C.: U.S. Census Bureau; Brian Curran, Bruce D. Meyer and Derek Wu. 2020. "A Note on Comparisons of Well-Being between the Supplemental Poverty Measure and the Official Poverty Measure." Working Paper, University of Chicago.

[24] Bruce D. Meyer, Derek Wu and Brian Curran. 2021. "Does Geographically Adjusting Poverty Thresholds Improve Poverty Measurement and Program Targeting?" University of Chicago Working Paper. https://bpb-us-w2.wpmucdn.com/voices.uchicago.edu/dist/d/1370/files/2022/06/Geographic-Adjustments-Paper-4.7-NBER-SI_compressed.pdf

[25] J. Michael DuMond, Barry T. Hirsch, and David A. Macpherson. 1999. "Wage Differentials Across Labor Markets and Workers: Does Cost of Living Matter?" *Economic Inquiry*, 37(4): 577-598; Barry Hirsch. 2011. "Adjusting Poverty Thresholds When Area Prices Differ: Labor Market Evidence." Working Paper.

[26] These include public goods such as schools (Charles Tiebout. 1956. "A Pure Theory of Local Expenditures." *Journal of Political Economy*, 64(5): 416-424; Wallace E. Oates. 1969. "The Effects of Property Taxes and Local

categories of state and local spending are strongly associated with prices. These characteristics have the potential to offset the increases in resources needed to maintain a given standard of living in the face of higher prices for some goods. Likely due to these patterns, we also find that measures of intergenerational mobility from the Opportunity Atlas of Chetty and co-authors are also positively correlated with local prices.[27]

6. The National Academy of Sciences Process is Broken

Congress has asked the National Academy of Sciences, Engineering and Medicine (NASEM or NAS) to provide advice on many topics over an extended period of time. Unfortunately, this nominally scientific body has accepted projects that mix scientific tasks with political judgements including devising poverty measures and constructing a legislative agenda to reduce poverty. I am reluctant to criticize the NAS because it does important work, but the NAS does not recognize its failings. I come from academe, where a debate is currently raging as to whether academic leaders should take political stands—a complicated issue to be sure. I think what is more clearly wrong is to imply, as NAS has, that recommendations on topics like the level of poverty thresholds and specific policies to reduce poverty are scientific recommendations, when they are at least partly political judgments.

The NAS has been used for political purposes with some participants seeing it as the goal of their activities. This advancement of a political agenda has been aided by the frequent selection of report authors from a narrow group of individuals. Relying on Federal Election Commission and other data, Scott Winship has documented the overwhelming political slant of report authors. The NAS also has a troubling funding model reliant on parties that stand to gain or lose from report recommendations. Potentially as a result, there have been recent instances in which consequential errors in reports have gone unacknowledged and uncorrected, for example the recent Roadmap Report on child poverty.[28] Others have pointed to potential cooption, problematic funding, and political as opposed to scientific stands taken by the NAS.[29] Possible

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Public Spending on Property Values: An Empirical Study of Tax Capitalization and the Tiebout Hypothesis." *Journal of Political Economy*, 77(6): 957-971; Sandra Black. 1999. "Do Better Schools Matter? Parental Valuation of Elementary Education." *Quarterly Journal of Economics*, 114(2): 577-599; Dennis Epple. 2008. "Tiebout Hypothesis." In S.N. Durlauf and L.E. Blume (Eds.), The New Palgrave Dictionary of Economics, 2nd edition.), pollution (Lucas Davis. 2004. "The Effect of Health Risk on Housing Values: Evidence from a Cancer Cluster." *American Economic Review*, 94(5): 1693-1704; Kenneth Y. Chay and Michael Greenstone. 2005. "Does Air Quality Matter? Evidence from the Housing Market." *Journal of Political Economy*, 113(2): 376-424. Chay and Greenstone 2005), and cash welfare (Edward L. Glaeser. "Should Transfer Payments Be Indexed to Local Price Levels?" *Regional Science and Urban Economics*, 28(1): 1-20).

[27] Raj Chetty, John N. Friedman, Nathaniel Hendren, Maggie R. Jones, and Sonya R. Porter. 2018. "The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility." NBER Working Paper No. 25147.

[28] This report incorporated economic responses when they supported what report authors publicly advocated, but ignored them when it would make other policies they advocated look worse. Kevin Corinth, Bruce D. Meyer, Matthew Stadnicki, and Derek Wu "The Anti-Poverty, Targeting, and Labor Supply Effects of Replacing a Child Tax Credit with a Child Allowance." NBER Working Paper No. 29366, Revised March 2022. https://www.nber.org/papers/w29366

[29] For potential conflicts between funding and recommendations see https://www.nytimes.com/2023/04/23/health/sacklers-opioids-national-academies-science.html NYT stories; For a discussion of a political stand taken by the NAS see https://whyevolutionistrue.com/2023/07/17/the-national-

solutions to these problems include the NAS not taking on political tasks, broadening panel membership, and considering alternative funding models. Congress may also want to reflect on whether they are getting truly scientific advice as requested, not politically-motivated findings and recommendations.

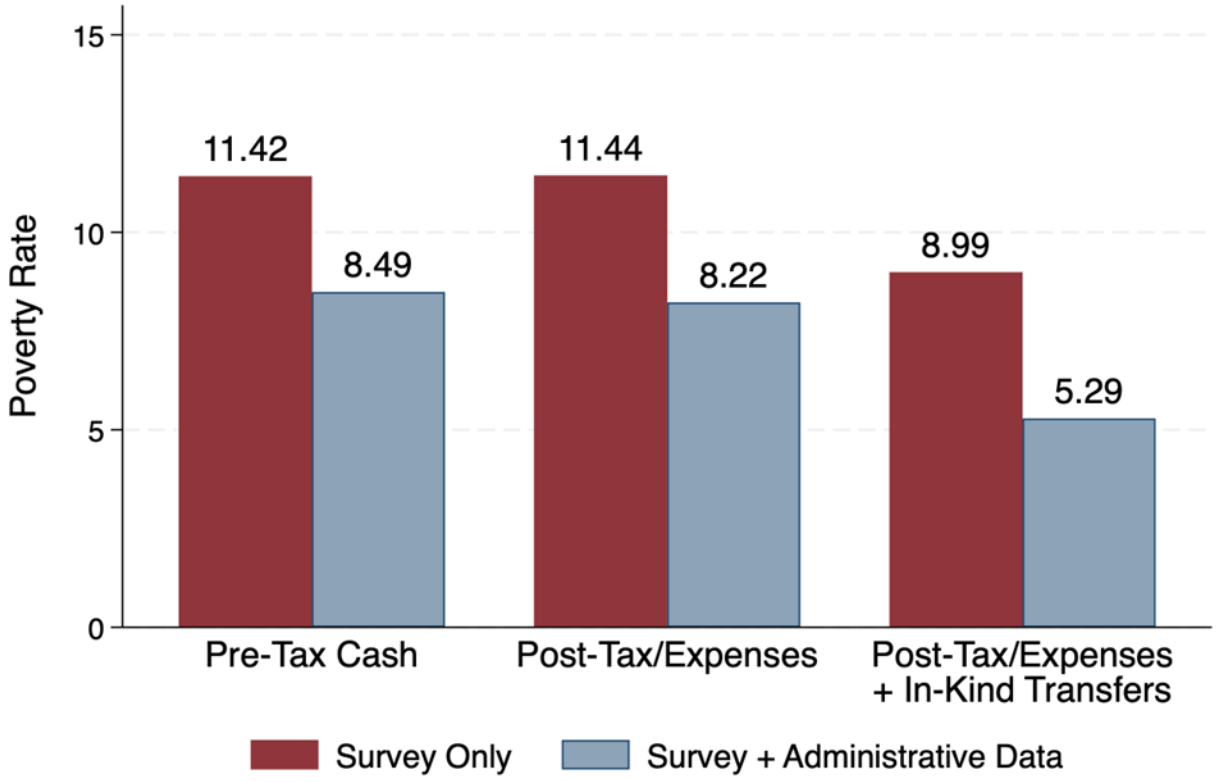
Conclusions

I have focused on six observations that inform how poverty statistics should be constructed and used. Much of the recent NAS report on poverty measurement is subjective rather than scientific. Better ways to measure poverty which rely on administrative data and expenditure data are already feasible. These approaches indicate that poverty is currently overstated and the poverty-reducing effects of the existing safety net understated. The NAS-proposed changes to poverty measurement would produce a measure of poverty that does a worse job identifying the most disadvantaged, calling poor those who are better off and not including others suffering more deprivation. This measure has been recently used to claim that the CTC led child poverty to double, a claim rejected by both the Census Bureau's data and more appropriate consumption data. Finally, the process that has produced recent NAS reports has led a narrow group of authors to use NAS reports for political purposes.

academies-post-a-position-statement-on-affirmative-action-followed-by-an-email-exchange-between-steven-pinker-and-na-president-marcia-mcnutt/

Figure 1

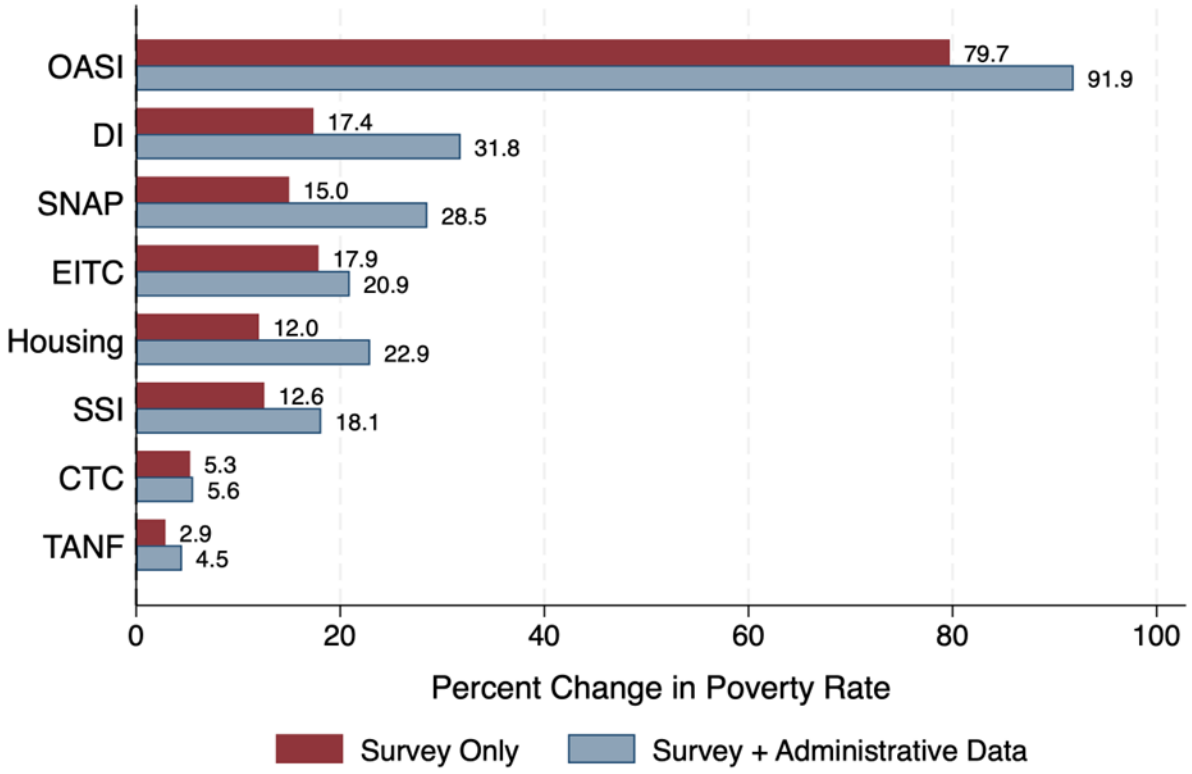
Poverty Rates Under Different Income Concepts, Survey Only Income or Income from Combined Survey and Administrative Data Correcting for Misreporting, 2016



Source: 2017 CPS ASEC linked to various administrative records
Approved for release by the Census Bureau's Disclosure Review Board, authorization number CBDRB-FY2022-CES005-016

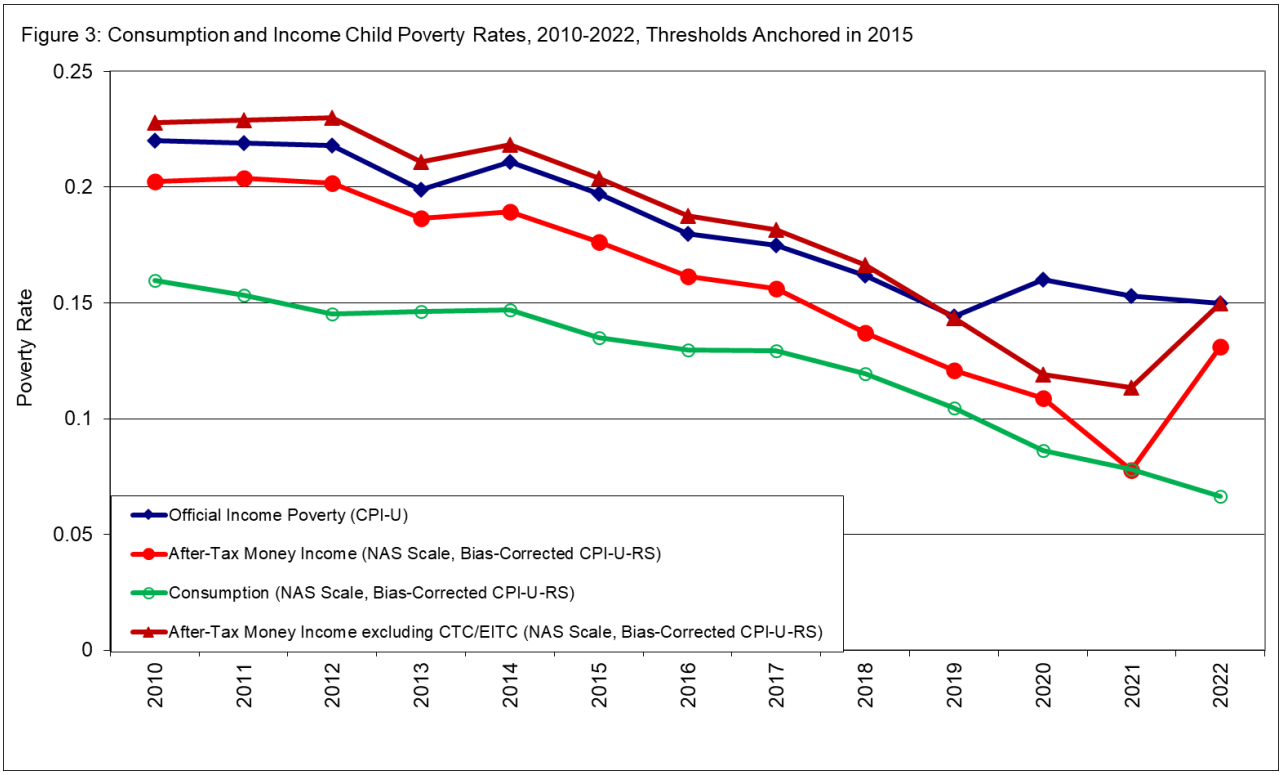
Figure 2

Percent Increase In Poverty Without a Given Transfer Program, Survey Only Income or Income from Combined Survey and Administrative Data Correcting for Misreporting, 2016



Source: 2017 CPS ASEC linked to various administrative records
Approved for release by the Census Bureau's Disclosure Review Board, authorization number CBDRB-FY2022-CES005-016

Figure 3
Child Income and Consumption Poverty Rates, 2010-2022



Sources: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey; U.S. Census Bureau, Current Population Survey Annual Social and Economic Supplement. Jeehoon Han, Bruce D. Meyer, and James X. Sullivan, 2023. Annual Report on U.S. Consumption Poverty: 2022 https://sites.nd.edu/james-sullivan/files/2023/10/2022-Consumption-Poverty-Report_10_20_2023.pdf