Poverty Rates in the Northwest Area:
A comparison of poverty measures

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This briefing compares state level poverty measures from the Current Population Survey (CPS), American Community Survey (ACS), and the new Supplemental Poverty Measure (SPM) over time.* [Please see “Poverty Measures over Time in the Northwest States” for discussion of the definitions of these measures.]

For each state, we include two graphs: 1) long-term poverty trends for the CPS, ACS, and SPM; and 2) a close up of poverty around the time of the recession (2004-2011). We include unemployment rates to show the association between unemployment trends and poverty.

The three poverty rates are closely related, although they do diverge at times. The national poverty rate in 2011 was 15%. All Northwest area States saw an increase in poverty during the recession and rates have stayed high since then. In general, unemployment rates closely correlate with poverty rates for all States. Poverty rates are lowest in Minnesota, Iowa, North Dakota, and Washington.

In the early to mid 2000s, the ACS poverty rate was higher than the CPS rate in most states, significantly in some (for example, Idaho). The CPS rate, based on smaller sample sizes, fluctuates more at the state level than the ACS rate, particularly in less populous states, like North Dakota and South Dakota. For the more populous states (Minnesota, Oregon, and Washington), the SPM rate in 2009 is similar to the CPS and ACS measures.

*Official CPS poverty rates at the state level were first calculated in 1980 and rates from the ACS (previously the census) are available every 10 years from 1959 to 2001 and annually since then. The 2011 ACS poverty rates will be released by the U.S. Census Bureau on September 20, 2012. State SPM rates were released for 2009 only; state SPM rates for 2010 and 2011 will be released on November 13, 2012.
CPS poverty rates are more volatile than the ACS rates, though both rates are flat or trend downward in most states from 2002-2007, then increase from 2007 to 2010.

Minnesota, Iowa, and recently, North Dakota and Washington have had the lowest rates. Montana and Minnesota had the largest increases since 2007 (3.4 and 3.3 percentage points).
Idaho’s CPS poverty rate fluctuated widely from 1980 until it hit a low in 2007. Since 2007, poverty in Idaho was close to the rate for the nation as a whole. Idaho’s SPM rate was lower in 2009 than the CPS and ACS measures and the national SPM rate of 15.3%.
Iowa’s poverty measures have usually been lower than the national rate and have tracked state unemployment rates closely. Iowa’s ACS rate is higher than the CPS rate (except in 2004 and 2005). The SPM rate was significantly lower than both CPS and ACS rates (by 3 and 4 percentage points, respectively), and half that of the national SPM rate.
Minnesota’s poverty rate has remained well below the national rate. Both the CPS and ACS poverty rates have climbed since 2000.

Minnesota’s SPM poverty rate was similar to that of the official CPS and ACS measures—far below the national SPM rate of 15.3%.
Montana has usually had higher poverty rates than the nation as a whole though rates have been similar since 2009. The ACS rate has largely tracked the CPS measure.

Montana’s SPM rate was much lower than the CPS and ACS measures and the national SPM rate.
Historically, North Dakota’s poverty rates are similar to the national rate, but have been lower recently, particularly since 2009, likely because of very low state unemployment rates.

North Dakota’s SPM rate is significantly lower than CPS and ACS measures and the national SPM rate.
Oregon’s poverty rate has generally fluctuated around the national rate and tracked the state unemployment rate. Oregon’s SPM rate is consistent with the CPS rate and is slightly lower than the ACS measure. Since 2007, Oregon’s ACS rate has spiked nearly 4.5 percentage points, staying above the CPS rate and rising higher than the national rate.
South Dakota’s poverty rate has steadily declined over time, from a high of 30% to a low in 2004 of 11% (measured by ACS). However, this is still relatively high compared to the other Northwest area states. The SPM rate is somewhat lower, and lower-than-average unemployment rates in the state suggest potential future drops in poverty.
Historically, Washington has had lower poverty than the nation. Since 1980 onward, the ACS measure has been higher and fluctuates less than the CPS rate, spiking in 2002 and 2010 along with unemployment.

Washington’s SPM rate in 2009 was only slightly lower than the ACS rate and the CPS measure, but well below the national SPM rate.