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## Older, Suburban and Struggling, ‘Near Poor’ Startle the Census

[http://www.nytimes.com/2011/11/19/us/census-measures-those-not-quite-in-poverty-but-struggling.html?pagewanted=1&\\_r=1](http://www.nytimes.com/2011/11/19/us/census-measures-those-not-quite-in-poverty-but-struggling.html?pagewanted=1&_r=1)

By JASON DePARLE, ROBERT GEBELOFF and SABRINA TAVERNISE

WASHINGTON — They drive cars, but seldom new ones. They earn paychecks, but not big ones. Many own homes. Most pay taxes. Half are married, and nearly half live in the suburbs. None are poor, but many describe themselves as barely scraping by.

Down but not quite out, these Americans form a diverse group sometimes called “near poor” and sometimes simply overlooked — and a new count suggests they are far more numerous than previously understood.

When the [Census Bureau](#) this month released a [new measure of poverty](#), meant to better count disposable income, it began altering the portrait of national need. Perhaps the most startling differences between the old measure and the new involves data the government has not yet published, showing 51 million people with incomes less than 50 percent above the poverty line. That number of Americans is 76 percent higher than the official account, published in September. All told, that places 100 million people — one in three Americans — either in poverty or in the fretful zone just above it.

After a lost decade of flat wages and the worst downturn since [the Great Depression](#), the findings can be thought of as putting numbers to the bleak national mood — quantifying the expressions of unease erupting in protests and political swings. They convey levels of economic stress sharply felt but until now hard to measure.

The Census Bureau, which published the poverty data two weeks ago, produced the analysis of those with somewhat higher income at the request of The New York Times. The size of the near-poor population took even the bureau’s number crunchers by surprise.

“These numbers are higher than we anticipated,” said Trudi J. Renwick, the bureau’s chief poverty statistician. “There are more people struggling than the official numbers show.”

Outside the bureau, skeptics of the new measure warned that the phrase “near poor” — a common term, but not one the government officially uses — may suggest more hardship than most families in this income level experience. A family of four can fall into this range, adjusted for regional living costs, with an income of up to \$25,500 in rural North Dakota or \$51,000 in Silicon Valley.

But most economists called the new measure better than the old, and many said the findings, while disturbing, comported with what was previously known about stagnant wages.

“It’s very consistent with everything we’ve been hearing in the last few years about families’ struggle, earnings not keeping up for the bottom half,” said Sheila Zedlewski, a researcher at the Urban Institute, a nonpartisan economic and social research group.

Patched together a half-century ago, the official poverty measure has long been seen as flawed. It ignores hundreds of billions the needy receive in food stamps, tax credits and other programs, and the similarly large sums paid in taxes, medical care and work expenses. The new method, called the [Supplemental Poverty Measure](#), counts all those factors and adjusts for differences in the cost of living, which the official measure ignores.

The results scrambled the picture of poverty in many surprising ways. The measure shows less severe destitution, but a bit more overall poverty; fewer poor children, but more poor people over 65.

Of the 51 million who appear near poor under the fuller measure, nearly 20 percent were lifted up from poverty by benefits the official count overlooks. But more than half were pushed down from higher income levels: more than eight million by taxes, six million by medical expenses, and four million by work expenses like transportation and child care.

Demographically, they look more like “The Brady Bunch” than “The Wire.” Half live in households headed by a married couple; 49 percent live in the suburbs. Nearly half are non-Hispanic white, 18 percent are black and 26 percent are Latino.

Perhaps the most surprising finding is that 28 percent work full-time, year round. “These estimates defy the stereotypes of low-income families,” Ms. Renwick said.

Among them is Phyllis Pendleton, a social worker with Catholic Charities in Washington, who proudly displays the signs of a hard-won middle-class life. She has one BlackBerry and two cars (both Buicks from the 1990s), and a \$230,000 house that she, her husband and two daughters will move into next week.

Combined, she and her husband, a janitor, make about \$51,000 a year, more than 200 percent of the official poverty line. But they lose about a fifth to taxes, medical care and transportation to work — giving them a disposable income of about \$40,000 a year.

Adjust the poverty threshold, as the new measure does, to \$31,000 for the region’s high cost of living, and Ms. Pendleton’s income is 29 percent above the poverty line. That is to say, she is near poor.

While the phrase is new to her, the struggle it evokes is not.

“Living paycheck to paycheck,” is how she describes her survival strategy. “One bad bill will wipe you out.”

It took her three years to save \$3,000 for the down payment on her house, which she got with subsidies from a nonprofit group, Capital Area Asset Builders. But even after cutting out meals at Red Lobster, movie nights and new

clothes, she had to rely on government aid to get health insurance for her daughters, 11 and 13, and she is already worried about college tuition.

“I’m turning over every rock looking for scholarships,” she said. “The money’s out there, you just have to find it.”

The findings, which the Census Bureau plans to release on Monday, have already set off a contentious debate about how to describe such families: struggling, straitened, economically insecure?

Robert Rector, an analyst at the conservative Heritage Foundation, rejects the phrase “near poverty,” arguing that it conjures levels of dire need like hunger and homelessness experienced by a minority even among those actually poor.

“I don’t have any objection to this measure if you use the term ‘low-income,’ ” he said. “But the emotionally charged terms ‘poor’ or ‘near poor’ clearly suggest to most people a level of material hardship that doesn’t exist. It is deliberately used to mislead people.”

Bruce Meyer, an economist at the University of Chicago, warned that the numbers are likely to mask considerable diversity. Some households, especially the elderly, may have considerable savings. (Indeed, nearly one in five of the near poor own their homes mortgage-free.) But others may be getting help with public housing and food stamps.

“I do think this is a better measure, but I wouldn’t say that 100 million people are on the edge of starvation or anything close to that,” Mr. Meyer said.

But Ms. Zedlewski said the seeming ordinariness of these families is part of the point. “There are a lot of low-income Americans struggling to make ends meet, and we don’t pay enough attention to them,” she said.

One group likely to gain attention is older Americans. By the official count, only 22 percent of the elderly are either poor or near poor. By the alternate count, the figure rises to 34 percent.

That is still less than the share among children, 39 percent, but it erases about half the gap between the economic fortunes of the young and old recorded in the official count. The likeliest explanation is high medical costs.

Another surprising finding is that only a quarter of the near poor are insured, and 42 percent have private insurance. Indeed, the cost of paying the premiums is part of the previously uncounted expenses they bear.

Belinda Sheppard’s finances have been so battered in the past year, she finds herself wondering what storm will come next. Her adult daughter lost her job and moved in. Her adult son does not have one and cannot move out.

That leaves three adults getting by on \$46,000 from her daughter’s unemployment check and the money Ms. Sheppard makes for a marketing firm, placing products in grocery stores. Take out \$7,000 for taxes, transportation and medical care, and they have an income of about 130 percent of the poverty line — not poor, but close.

Ms. Sheppard pays \$2,000 in rent and says her employer classifies her as part time to avoid offering her health insurance, even though she works 40 hours a week. Unable to buy it on her own, she crosses her fingers and tries to stay healthy.

“I try to work as many hours as I can, but my salary, it’s not enough for everything,” she said. “I pay my bills with very small wiggle room. Or none.”

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