



April 21, 2015

Senator Sara Gelser
Members of the Senate Committee on Human Services and Early Childhood
900 Court St. NE
Salem, Oregon 97301

Chair Gelser and Senators,

Children First strives to make Oregon the best place to be a kid. We advocate for policies and programs that strengthen families and keep children healthy and safe.

The Official Federal Poverty Level is an antiquated, blunt measure of child and family well-being. Since its creation in the 1960s, it has not been changed except to update it each year for inflation, despite the fact that its central assumption of the costs families face has changed. Specifically, the measure assumes that food takes up one-third of a family's budget. The poverty level therefore multiplies the cost of food times three to arrive at the estimate of how much income a family would need during the year to meet their basic needs. However, today food is less than 15% of a typical family of four's budget.¹ Meanwhile, costs like housing and childcare are completely ignored by this measure despite the fact that today they are larger portions of a family's budget than food is.

The Federal Poverty Level also ignores geographic differences in costs. Whether a family lives in Manhattan, New York, or Manhattan, Kansas, the poverty level is the same – despite the fact that one family faces considerably higher costs. A family of four would have to earn less than \$24,250 a year to be considered poor, regardless of where they live.²

As a result of its reliance on an outdated assumption and its exclusion of geographic differences, the Federal Poverty Level significantly underestimates the income that families need to meet their basic needs. In fact, the Economic Policy Institute estimates that a family of four in Portland would need to earn three times the poverty level just to get by.

SB 890 would take a step towards finding a more accurate measure of well-being for Oregon families. Only by understanding the problem can we hope to address it. Children First for Oregon asks for your support of SB 890 so that as a state we can ensure that every child is economically secure.

Thank you for your attention and your work on behalf of Oregon's children.

Sincerely,

TJ Sheehy
Research Director

¹ Economic Policy Institute, Family Budget Calculator. <http://www.epi.org/resources/budget/>

² U.S. Department of Health and Human Services, 2015 Poverty Guidelines. <http://aspe.hhs.gov/poverty/15poverty.cfm>