



The War on Poverty and Material Hardship

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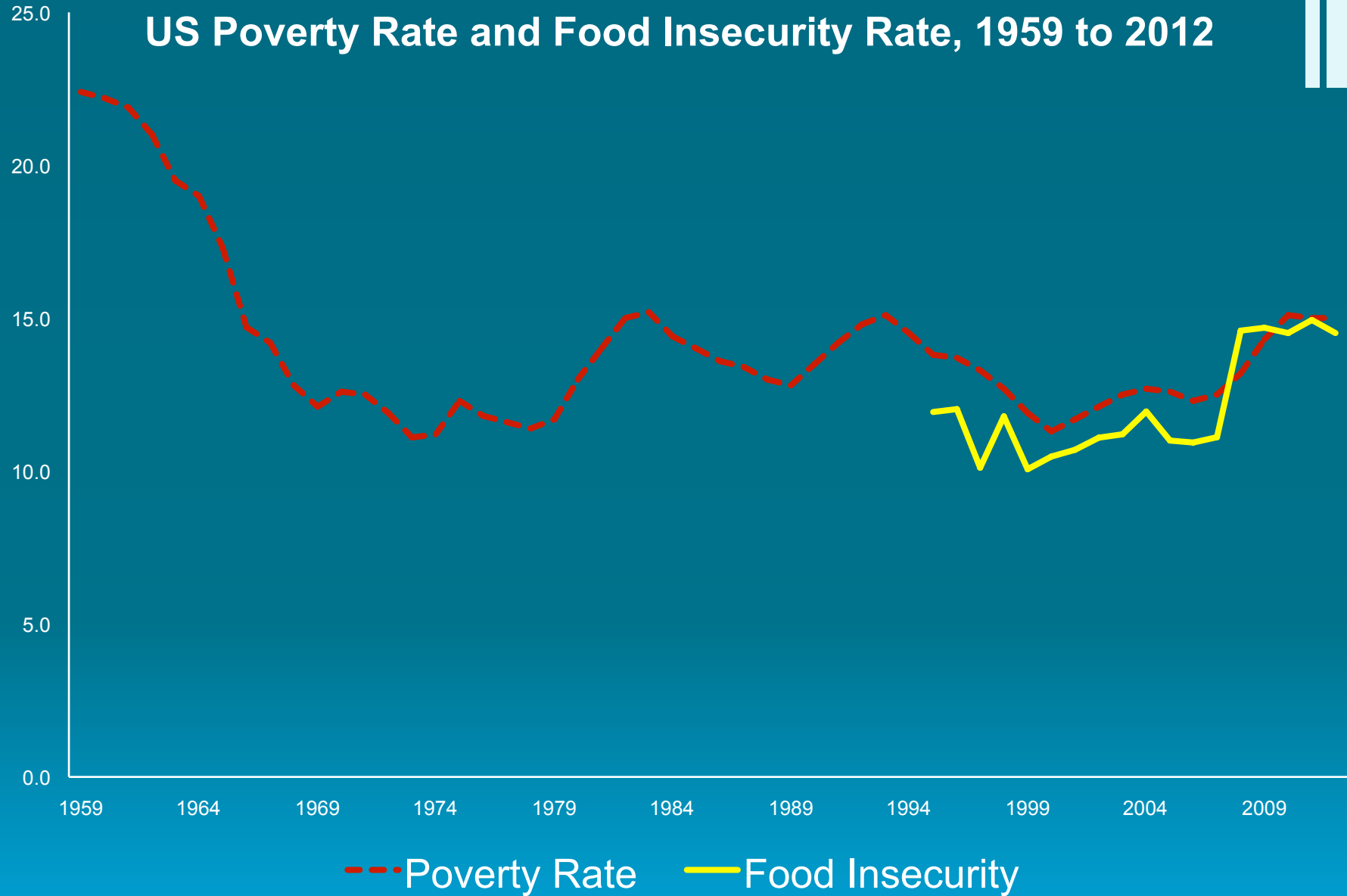


Why Discuss Material Hardship?

- Focus on “intrinsic” versus “instrumental” deprivation
- Rhetorically, basic needs perceived as different from income standard
- Consumption poverty does not track well on income poverty

Source: Sen (1999); Mayer and Jencks (1989); Rector (1998); Meyer and Sullivan (2003 and 2004)

US Poverty Rate and Food Insecurity Rate, 1959 to 2012



Source: USDA and US Census Bureau various years

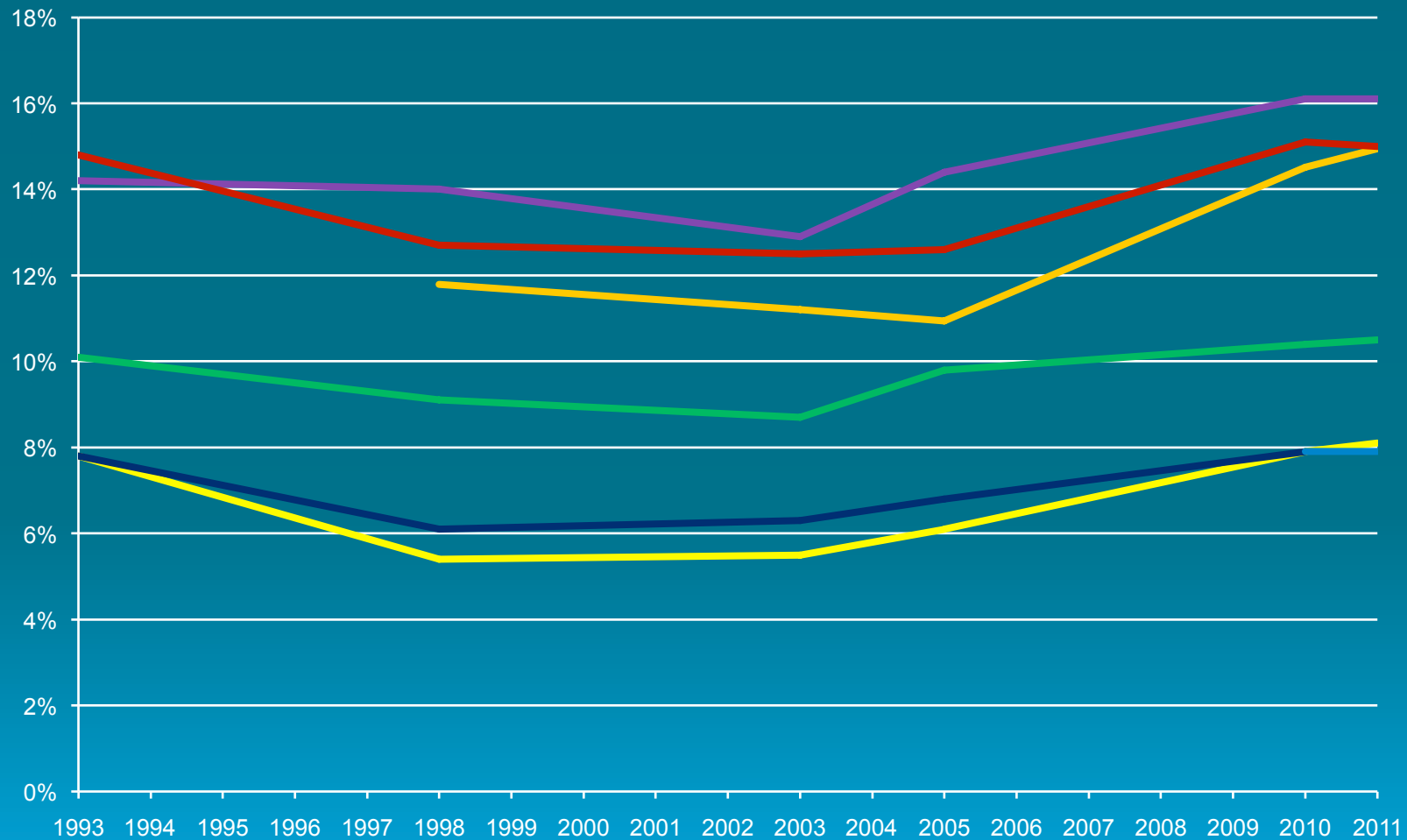
US Poverty Rate and Food Insecurity Rate, 1995 to 2012



Source: USDA and US Census Bureau various years

Poverty and Hardship: 1993 - 2011

- Difficulty Meeting Essential Expenses
- Difficulty Paying Rent or Mortgage
- Difficulty Paying Utilities
- Difficulty Seeing a Doctor



Source: Siebens 2013

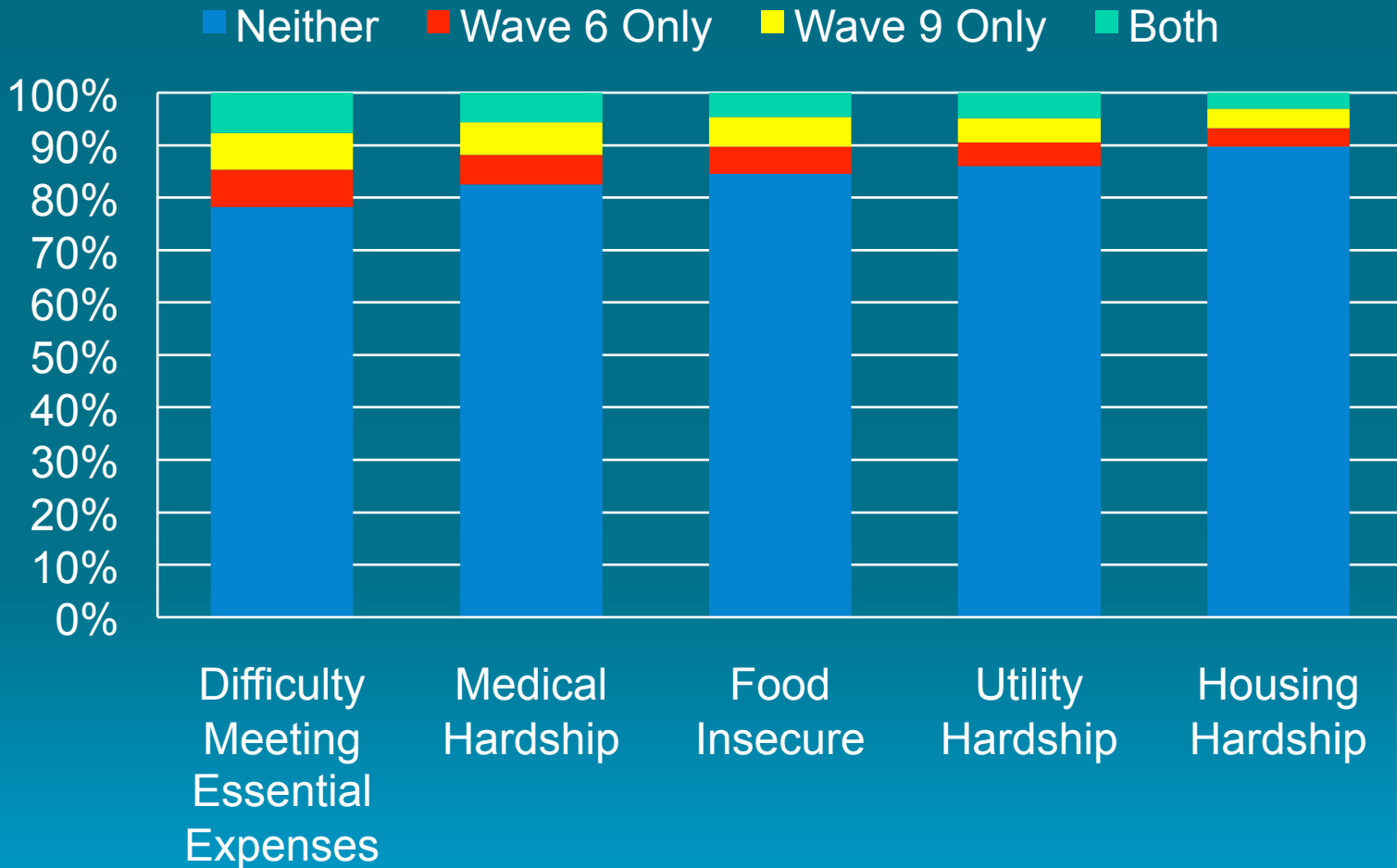
Other measures of material well-being

- Reports of appliances and electronic goods increasing steadily from 1992 to 2011
 - Land lines down to 70.5%
 - Cell phones up to 89%
 - Computers present in 78% of households
- Quality of housing stock improving from 1992-2011
- Satisfaction with housing shows less improvement
 - 95.7 vs. 96.6
- Objective neighborhood conditions show improvement
- Satisfaction with neighborhood shows little change
 - 95.8% vs. 96.7%

Material Hardship Measures

- ***Food Insecurity***: affirmation of 2 or more food security problems from a list of 5
- ***Medical hardship***: if unable to visit a doctor, dentist, or hospital when needed
- **Utility hardship**: did not pay all of gas, oil, or electricity bill
- **Home hardship**: did not pay rent or mortgage
- **Essential expense hardship**: inability to meet “essential expenses”

Transitions in Material Hardship



Source: Author's calculations based on the 2008 SIPP

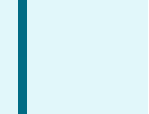
Shocks Associated with Transitions

- Income
 - Earnings changes more important than total household income
- Household composition changes
 - Formal changes in marital status not significant
 - Total number of adults and children present significant
- Change in disability status strong predictor

Source: Author's calculations based on the 2008 SIPP

Summary

- Exit from each hardship type matched by entry into hardship
 - Cross-sectional measures of material hardship have under-stated the population experiencing material deprivation
- Persistent material deprivation among half observed at point in time (70% poverty)
- Much to learn about triggers of entry into and exit from material hardship



Material hardship measures important for measuring success of public policy

- Recent policy reforms not designed to improve income but address material conditions
 - SNAP
 - Affordable Care Act
 - Low-Income Heating Assistance Program
 - Mortgage reforms