



June 20, 2019

The Honorable Nancy Potok, PhD, Chief Statistician
Office of Management and Budget
725 17th St. NW
Washington, DC 20006

Dear Dr. Potok,

Thank you for the opportunity to comment on the Office of Management and Budget's (OMB) notice regarding differences among various consumer price indexes and their influence on the estimation of the Official Poverty Measure.

The National Association of Social Workers (NASW) is the nation's largest social work membership organization, with over 110,000 members and chapters in every state and U.S. territory. NASW has over 55 years of experience and expertise in responding to policies that pose a significant threat to the well-being of low-income Americans. The OMB notice that contemplates lowering the poverty line by applying a smaller cost of living adjustment each year using either the chained CPI or the Personal Consumption Expenditures Price Index (PCEPI) in place of the CPI-U is one such threat.

NASW strongly urges you to reconsider this change. It is an undisputable fact that the poverty line already understates the financial income families must have in order to meet their basic daily living needs. Therefore, the proposed re-calculations further lowering the poverty line would make poverty measurement less accurate, giving policymakers and the public less credible information about the number and characteristics of individuals and families struggling to get by.

Moreover, the OMB notice fails to consider a range of important issues that would need to be carefully studied before making any change to the poverty line. These include well-documented problems with the Official Poverty Measure that should be addressed if changing the inflation adjustment; rates of inflation for low-income households versus the population, and the impact changes would have on eligibility for federal health, nutrition, and other basic assistance programs. Prior to moving forward with any changes, OMB should undertake an analysis of each of these issues, publish its findings, and solicit public comment.

The official poverty measure is already too low. Currently a family of four persons in a household are considered in poverty with an income of \$25,750 annually and the threshold for a family of two persons is \$16,910 annually.¹ The poverty line is already below what is needed to raise a family, as shown by the high rates of hardship among families with incomes just above the poverty line.

¹ 2019 Poverty Guidelines." ASPE, Office of the Assistant Secretary for Planning and Evaluation. May 22, 2019. Accessed June 20, 2019. <https://aspe.hhs.gov/2019-poverty-guidelines>.

- Among non-elderly adults with income between the poverty line and twice the poverty line, over 60% reported one or more material hardships such as food insecurity, missed payments for utility bills or rent or mortgage, or problems paying family medical bills, according to a 2017 Urban Institute survey —not significantly different than for those in poverty².
- USDA data for 2017 show that, among near-poor households with children in 2017 with income between 1 and 1.3 times the poverty line, 29% couldn't consistently afford adequate food, compared with 40% of those below the poverty line.³

Furthermore, the OMB notice focuses on just one of many questions about the current poverty line – how it is updated for inflation – while ignoring the many other important issues that would need to be considered and analyzed to construct a more accurate measure.

A case in point is that it is not at all clear whether the chained CPI is a more accurate measure for low-income households. OMB is likely to use this methodology which, according to the Center for Budget and Policy Priorities ⁴could lead (in the 10th year) the following disastrous results:

- More than 250,000 seniors and people with disabilities would lose or get less help paying for prescription drug costs;
- More than 300,000 children would lose Medicaid/CHIP coverage;
- More than 250,000 adults would lose coverage through Medicaid expansion
- More than 150,000 marketplace consumers would lose cost-sharing assistance and see higher deductibles – tens of thousands would lose premium tax credits.

The planned change is misguided and because OMB is circumventing the normal public comment process — is being rushed into policy without hearing the concerns of low-income individuals who will be impacted.

NASW strongly urges you to refrain from moving forward until there is a comprehensive analysis on the efficacy and impact of the proposed change to the Official Poverty Measure.

Sincerely,



Anna Mangum, MSW, MPH
Deputy Director of Programs

² Karpman, Michael, Stephen Zuckerman, and Dulce Gonzalez. "Material Hardship Among Nonelderly Adults and Their Families in 2017." Urban Institute. August 2018.

https://www.urban.org/sites/default/files/publication/98918/material_hardship_among_nonelderly_adults_and_their_families_in_2017.pdf

³ Coleman-Jensen, Alisha, Matthew P. Rabbitt, Christian A. Gregory, and Anita Singh. "Household Food Security in the United States in 2017." USDA ERS. Accessed June 20, 2019. <https://www.ers.usda.gov/publications/pub-details/?pubid=90022>.

⁴ "Poverty Line Proposal Would Cut Medicaid, Medicare, and Premium Tax Credits, Causing Millions to Lose or See Reduced Benefits Over Time." Center on Budget and Policy Priorities. May 22, 2019. Accessed June 20, 2019. <https://www.cbpp.org/research/poverty-and-inequality/poverty-line-proposal-would-cut-medicaid-medicare-and-premium-tax>.