

The Change in Poverty from 1995 to 2016 Among Single Parent Families

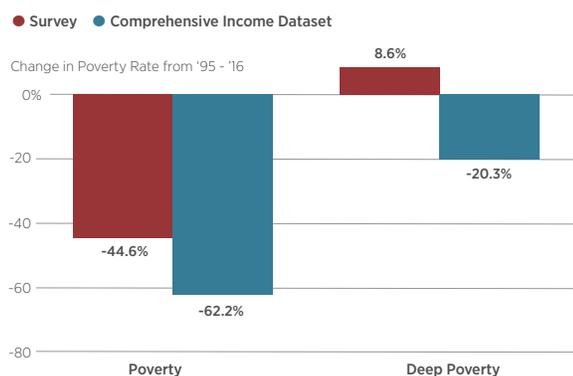
Based on BFI Working Paper 2022-45, [“The Change in Poverty from 1995 to 2016 Among Single Parent Families,”](#)
by Kevin Corinth, Bruce D. Meyer, and Derek Wu, UChicago Harris School of Public Policy

Single parent family poverty declined by 62% from 1995-2016, according to a new data analysis, an improvement that exceeds the 45% decline reflected in misreported survey data.

Whether poverty has risen or fallen over time is a key barometer of societal progress in reducing material deprivation; likewise, accurate measurement is key. While many existing estimates of poverty try to address such factors as price index bias when computing poverty rates, their reliance on surveys means that those estimates suffer from substantial and growing income misreporting.

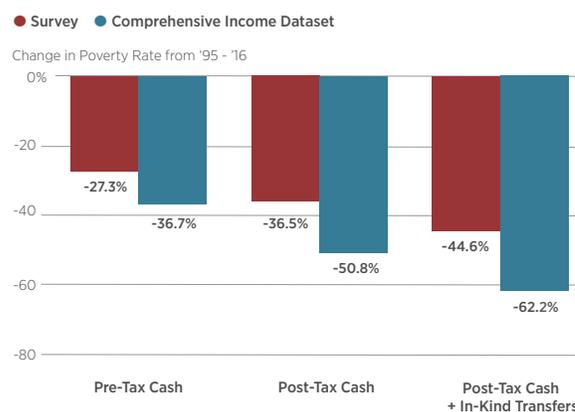
This paper is the first to use comprehensive income data to examine changes in poverty over time in the United States, meaning that survey data are linked to an extensive set of administrative tax and program records, such as those of the Comprehensive Income Dataset (CID) Project. Using the CID allows the authors to correct for measurement error in survey-reported incomes while analyzing family sharing units

Figure 1 • Poverty and Deep Poverty Fell by 62% and 20% for Single Parents from 1995-2016



Sources: 1996 & 2017 CPS ASEC, Various Administrative Data
Approved for release by the Census Bureau's Disclosure Review Board, authorization number CBDRB-FY2022-CES005-005

Figure 2 • Decrease Over Time in Single Parent Poverty Larger using Comprehensive Income Dataset (CID) for Every Income Concept



Sources: 1996 & 2017 CPS ASEC, Various Administrative Data
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identified using surveys. In this paper, the authors focus on individuals in single parent families in 1995 and 2016, providing a two-decade-plus assessment of the change in poverty for a policy-relevant subpopulation.

Single parents were greatly affected by welfare reform policies in the 1990s that imposed work requirements in the main cash welfare program and rewarded work through refundable tax credits. Single parents are also targeted by many current and proposed policies, including a 2021 proposal to expand the Child Tax Credit to all low- and middle-income families regardless of earnings. The authors find that:

- Single parent family poverty (income below 100% of the threshold), after accounting for taxes and non-medical in-kind transfers, declined by 62% between 1995 and 2016 using the CID. In contrast, it fell by only 45% using survey data alone.

- Deep poverty (income below 50% of the threshold) among single parent families decreased between 1995 and 2016 by more than 20%, after accounting for taxes and non-medical in-kind transfers. This finding contrasts with survey-reported results, which show a 9% increase.

For policymakers, these findings provide strong evidence that correcting for underreported incomes can substantially change our understanding of poverty patterns over time and, thus, they hold powerful implications for current and future policies affecting assistance to low-income families.

READ THE WORKING PAPER

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