

 **TODAY'S "SHORT TOPIC"**
**POVERTY: BE CAREFUL
WHEN INTERPRETING
STATISTICS!**

By Stephen L. Bakke  June 30, 2015



Here's what provoked me:

First there was an article by which reported on a Metropolitan Council report about the burgeoning poverty levels in the metro suburbs. I reacted to that with a response you may already have read. Then came an official editorial about the same report and they drew conclusions that were not appropriate given the information provided – or not provided. Here is my second response on this topic. This one is very much enhanced with more information now available than was in the original article.

Here's my response:

Poverty: Be Careful When Interpreting Statistics!

First there appeared Shannon Prather's 6-21 report, "Poverty nearly doubles in metro suburbs." Then came a 6-29 Editorial, "Suburbs feel impact of income inequality." The editorial concludes that this reflects growing income inequality.

The original article was based on a Metropolitan Council report which relied on census data. Some highlights:

- Suburban and rural poverty has been growing proportionately much faster than urban poverty. Urban rates are still much higher.
- Far more suburbanites live in poverty than in the urban core.
- The number of suburban children taking free or subsidized lunches has almost doubled.

Rather than the federal poverty level of \$23,834, the Met Council chose to use \$44,093. A Met Council representative claimed that "the results of the study would have been virtually the same with the lower standard." Observations and questions:

- It's absurd to claim the result would have been the same using the lower federal poverty level.
- The \$44,093 is before medical benefits. Is that a poverty wage?
- Is the income measurement taken before or after food and housing benefits, and other low income transfer payments? That would dramatically affect the result.
- To the extent the suburban increase represents relocation from the inner city, the net increase is "zero."
- How do undocumented persons affect the numbers?
- What base year poverty levels were used?
- Regarding subsidized school lunches, did they make adjustments for the effect of program expansion?

A true evaluation requires much more information than has been disclosed.

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