

POVERTY: A CONCEPT THAT IS BOTH ABSOLUTE AND RELATIVE BECAUSE HUMAN BEINGS ARE AT ONCE INDIVIDUAL AND SOCIAL

Edward J. O'Boyle, PhD
Senior Research Associate
Mayo Research Institute
www.mayoresearch.org

ABSTRACT

Poverty is a condition wherein resources are insufficient to meet physical need. Since physical need is a normative concept that reflects the values of the person who uses it, so too is poverty. Over the years the official poverty standard has withstood numerous assaults on its adequacy. One controversy centers on the question Is poverty to be defined in absolute terms or in relative terms? We establish that a poverty standard which is at once absolute and relative is superior conceptually to a standard that is just one or the other. We present empirical evidence that indicates that the official standard includes some persons and families who are not needy and excludes others who are.

**This paper was published in the *Review of Social Economy*, Spring 1990.
To retrieve the published article go to**

<https://www.tandfonline.com/doi/abs/10.1080/00346769000000001>

Questions and comments should be directed to:
Edward J. O'Boyle, PhD
Mayo Research Institute
318-381-4002 **edoboyle737@gmail.com**

“... the definition and measurement of poverty ... are central because unless we can agree on a yardstick for measuring change, it will be impossible to say what has happened.”

Isabel V. Sawhill

Human material need consists of two central elements: physical need and the need for work itself. Poverty is a condition wherein resources are insufficient to meet physical need, and since need is a normative concept that reflects the values of the persons who use it, so too is poverty. For that reason, it is virtually impossible to reach universal agreement as to the proper definition of poverty.

Nevertheless, for the past 25 years one definition -- the so-called Orshansky index which from the very beginning has been tied to the Department of Agriculture's Economy Food Plan -- has become widely accepted. Over the years this standard has managed to withstand numerous assaults on its adequacy. One question in particular commands our attention: Is poverty to be defined in absolute terms (as with the official standard) or in relative terms?

We intend to establish that a poverty standard that is at once absolute and relative is superior conceptually to a standard that is one dimensional. We prescind herein from all other poverty issues on grounds that the absolute vs. relative controversy is fundamental, and any light that is shed on that question has central implications conceptually and empirically.

Though flawed, the official poverty standard is employed as our starting point for three key reasons. First, we concur with the way poverty is defined in terms of an insufficiency of economic resources to meet physical need. Second, the official poverty figures provide a benchmark against which the performance of other poverty standards can and should be judged. An alternative standard must actually outperform the official standard before it can be recommended as a fitting replacement. Indeed, we provide empirical evidence from the very same survey which the Census Bureau uses for purposes of estimating the poverty population to demonstrate that some persons in need at present are excluded from the official poverty estimates. Third, although there are many who challenge the official poverty standard as an accurate measure of subsistence, the official standard is very widely accepted especially in the public domain. This does not mean that we regard that standard as absolutely accurate. Rather, we recognize the centrality of public acceptance in matters that are fundamentally normative.

Sawhill (1988, pp.1073-1119) recently published an exhaustive review of the literature on poverty including the issue of absolute vs. relative poverty. She concluded that "ultimately, it is hard to say whether it is absolute or relative poverty that is the more relevant concept" (1988, p.1077). It is not instructive to duplicate Sawhill's work, and as a consequence, we proceed directly to the conceptual problem without the customary review of the literature. In discussing absolute vs. relative poverty we offer a reason as to why heretofore this foundational issue has not been resolved satisfactorily.

THE CONCEPTUAL ISSUE

An absolute standard of poverty is built around physical need and the cost of the goods and service required to meet that need in some minimal fashion. The most widely used absolute standard of poverty originated in 1964 at the Social Security Administration. This standard is based on the current cost of the Department of Agriculture's 1961 Economy Food Plan. The cost

of the other goods and services to satisfy physical need minimally is estimated on the basis of the Department of Agriculture's 1955 Survey of Food Consumption which found that families, on average, spend almost one-third of their income on food. Thus, the total cost of the full set of goods and services required to meet physical need at the poverty level is fixed officially at three times the current cost of the Economy Food Plan. Critics of the official poverty standard point to this aspect of its construction as one of its main weaknesses as an accurate measure of subsistence. For a family of four persons in 1987, the poverty standard or poverty threshold was \$11,611. For a person living alone, the threshold was \$5,778. (Census Bureau 1989, p.157).

A relative standard of poverty is built around the economic resources that a person possesses in relation to the resources of others. To illustrate, a person with income that puts him/her in the lowest quintile of an income distribution might be classified as poor. Or, poverty might be defined as income that is less than one-half of the median income for the entire population. According to the relative standard, a person who does not have what others possess, however much or little that may be, is impoverished. Sawhill notes an important difference, however. Poverty can be eliminated, at least theoretically, when it is defined in terms of some percentage of the median. It cannot be eliminated when being poor is defined in terms of the bottom fractile of the income distribution. (Sawhill 1988, p.1076).

For our purposes, there are two problems with the conventional wisdom regarding the poverty concept. The first is a matter of semantics. The second is a matter of substance.

Even though one is called absolute and the other is called relative, both in fact are relative. The relative standard defines poverty relative to the economic resources that people typically have at their disposal. The absolute standard defines poverty relative to the cost of the goods and services required to meet physical need at some minimum level. We suggest and employ hereafter two other terms: "minimal-living standard" in place of absolute poverty and "income-distribution standard" for relative poverty.

The second problem is that, conventionally, poverty is defined from two different perspectives. One perspective counts a person as poor if he/she does not have enough money to purchase the minimum market basket of goods and services. The other considers a person as poor if his/her income puts that person at the lower end of the income distribution. The first ignores income distribution. The second disregards the critical minimum. Of the two, the first perspective is the more widely accepted.

The absolute poverty vs. relative poverty controversy recalls Marshall's famous insight as to the determinants of the market price.

We might as reasonably dispute whether it is the upper or under blade of a pair of scissors that cuts a piece of paper, as whether value is governed by utility or cost of production. It is true that when one blade is held still, the cutting is effected by moving the other, we may say with careless brevity that the cutting is done by the second; but the statement is not strictly accurate, and is to be excused only so long as it claims to be merely a popular and not a strictly scientific account of what happens. (Marshall 1948, p. 348).

The solution is the same now as then: properly understood poverty is both a minimal-living and an income-distribution concept.

Poverty is two-dimensional because physical need is two-dimensional. Physical need, in turn, is two-dimensional because human beings are two-dimensional. One dimension is individuality wherein the person is unique, independent, and self-determining. The other dimension is sociality wherein the person is like others, dependent, and conditioned by the environment.

Human beings by their very nature are neither individual nor social alone. Rather, they are both at once. Fingerprints attest to the fact that every person is a separate and distinct individual. Speech is evidence that everyone is profoundly social as well.

In order to accommodate the duality and physical need that characterizes all human beings, a proper definition of poverty incorporates *both* minimal-living *and* income-distribution. Thus, a person is poor if (1) he/she cannot afford the minimum market basket of goods and services and (2) he/she is separated from the company of others by a wide gap in income. The more severe the segregation or depletion, the greater the personal impoverishment.

Sawhill's review of the literature does not resolve the absolute poverty vs. relative poverty dispute because, we suggest, students of poverty have been addressing the definitional and conceptual problem by means of the wrong opening question. Understandably, but unfortunately, they begin with the question What does it mean to be poor? They should, instead, begin with What does it mean to be a person? Having begun with the wrong question, they never fully understand the significance of the underlying premise. Students who use the absolute standard are not aware that they implicitly define human beings one-dimensionally as individuals alone. Similarly, those who use the relative standard are unaware that they implicitly construe human beings only as social beings.

Defining poverty one dimensionally misleads us because it suggests that poverty deals just one blow. Defining it two-dimensionally reminds us that it delivers two blows: too little food for the table and too much distancing from one's neighbor.

CRITERIA OF UNMET NEED

Before a definition of poverty or norm of physical need can be used analytically or even descriptively for that matter, it is first necessary to express physical need in measurable form. A criterion of unmet need expresses the norm of physical need in measurable form by assigning a critical value to the amount of unmet need that is incompatible with physical well-being. When "criterion" is used in this fashion, the official poverty standard is seen as a set of critical values ("thresholds" is the word most commonly used) that express the norm of physical need of the individual person in measurable form. Whenever economic resources fall short of the critical value, unmet need is said to exist, and the person is classified as living in poverty.

Given the widespread acceptance of the official poverty standard, it is reasonable to begin construction of such a criterion of unmet need with the official poverty index, using for example \$11,611 as the critical value of minimal living for a family of four in 1987. The official standard, however, incorporates a two-way classification scheme – poor/non-poor – which operates arbitrarily: a family of four is poor if annual income is \$11, 610 but not poor if annual income is \$11,612. To help reduce this built-in arbitrariness, we employ a three-way classification scheme as follows.

Need Classification	Poverty Classification
needy	poor
marginally needy	marginally poor
not needy	not poor

Our scheme demands a much larger difference in annual income for a family or person to pass back and forth between the status of needy and not needy.

The next step in the construction of a satisfactory criterion of poverty is to fit the two-dimensional character of physical need -- minimal living and income distribution -- into our three-part classification scheme. In this regard, we suggest three criteria, all three of which are alike in terms of minimal living but different in terms of income distribution. Criterion 1A, Criterion 1B, and Criterion 1C are specified in Table 1.

The minimal-living portion of each of these criteria employs the poverty thresholds from the official standard, which, as we suggested previously, are higher for larger families and households. The income-distribution portion defines “needy” in terms of the lowest and the second lowest deciles in the income distribution.¹

In constructing our three criteria, we have combined minimal living and income distribution in such a way that, as regards Criteria 1A, a person or a family to be classified as needy must have income below the poverty threshold *and* in the lowest decile of the income distribution. To be classified as needy under Criterion 1B, income must be below the poverty threshold *and* in the lowest or next lowest decile. Criteria 1C sets forth a different set of conditions: a needy person or family is one with income below the poverty cutoff *or* in the lowest decile.

It is easier to be counted as needy under Criterion 1C than under the other two. To illustrate, large families with multiple wage earners may meet the minimal-living requirement but not the income-distribution requirement. Under Criterion 1A and Criterion 1B those families would not be classified as needy because they do not meet *both* requirements. Under Criterion 1C, however, such families would be counted as needy because to qualify *only one* requirement must be met.

The income-distribution data are national in scope which for our purposes means in effect that persons and families are ranked against all other persons and families in the United States. In a nation in which information is so widely and quickly shared and upward socio-economic mobility is so valued and still achievable, a good case can be made that a criterion of need which is fully national in scope is less arbitrary than any other.²

¹ The income-distribution data are constructed in a way that disregards size of family and size of household. Thus, a person with a small amount of annual income who lives alone is counted in one of the lower deciles of the income distribution. The same person with the same personal income but living in a multiple-worker family would be placed in a higher decile.

² A criterion of need constructed on regional income distribution, it can be argued, reflects more accurately the comparisons people make when they match what they have against what others have than a criterion that uses national income distribution. Demonstrating how such a criterion actually operates is the subject of another paper.

There is nothing compelling about *three* criteria as opposed to a larger or smaller number. Three criteria, for sure, provide more data than one and should help us decide how the official standard might be improved. Even so, that decision turns no less on human judgment than on empirical evidence because, as we mentioned at the beginning, poverty is a concept that unavoidably normative. Thus, there is a point of diminishing returns in proposing additional criteria and amassing more data in order to address the question, What is the proper definition of poverty? – a question that is quite distinct from others such as How many persons are poor? and What are the origins of poverty? which have wholly different data requirements. In the task before us, it is not clear *a priori* where diminishing returns begin, but it is clear that we cannot hope to offer an improved standard of poverty without demonstrating how that criterion actually operates. This means estimating the numbers of persons and families classified needy under the proposed criterion and comparing those estimates with the official poverty figures.

EMPIRICAL EVIDENCE: UNMET NEED COMPARED WITH POVERTY

Table 2 provides estimates of the number of needy persons and families in the United States in 1985 using Criterion 1A, Criterion 1B, and Criterion 1C. All of the data reported in this section derive from the micro-data files of the March 1986 Current Population Survey. The poverty-level variables (100 percent, 125 percent) and the income-distribution variables (family income, household income) were extracted directly from those files without modification. Separate estimates are shown in Table 2 for persons in families in which income distribution is specified in terms of family income and for persons in households in which income distribution is specified in terms of household income.³ Strictly speaking, estimates of persons in families are not to be compared with estimates of persons in households.

Criterion 1C produced the highest estimates of needy persons (in households as well as in families) and of needy families. Criterion 1A produced the lowest estimates. Criterion 1C yielded the lowest number of marginally needy persons (in households) and marginally needy families (using household income in specifying income distribution). Criterion 1A gave the lowest estimate of the number of marginally needy persons (in families) and of marginally needy families (based on family income). At the same time, Criterion 1A gave the highest number of marginally needy persons (in households) and families (using household income to specify income distribution).

Table 3 supplies estimates of the number of needy and marginally needy persons in families and in households by poverty level (100 percent and 125 percent)⁴ using Criterion 1A, Criterion 1B, and Criterion 1C. Under the three criteria of unmet need all of the persons classified as poor at the 100-percent poverty level, by definition, are counted as needy or marginally needy. Even so,

³ Family income is the combined annual income of all persons who are related to one another by birth, marriage, or adoption who at the time of enumeration are living together. Household income is the annual income of all persons living together at the time of enumeration whether those persons form a family or not. Persons living alone or with others to whom they are not related are included in the count of persons in households but not in the count of persons in families. All persons who are not members of household are regarded as living in group quarters. (Census Bureau 1989, pp. 154-158).

⁴ An alternate poverty developed by the Census Bureau some years after the official poverty standard in order to meet the “needs of the analysts of the data.” (Census Bureau 1989, p. 156).

large numbers of the needy and the marginally needy are not included in the official poverty population. The number excluded is estimated as high as 13.6 million persons in families under Criterion 1B and Criterion 1C. As in the case of the 100-percent poverty level, millions of the marginally needy are excluded from the poverty population when poverty is defined at the 125-percent level. On the other hand, millions of persons (as high as 10.3 million) classified as poor under the 125-percent standard are counted as not needy under Criterion 1A, Criterion 1B, and Criterion 1C.

Table 4 presents comparable data for families in which income distribution is specified in terms of family income and in terms of household income. As with persons, all of the families classified as poor at the 100-percent level by definition are counted as needy under Criterion 1A, Criterion 1B, and Criterion 1C.

Large numbers of marginally needy families under Criterion 1B and 1C are not classified as poor at the 100-percent level, especially when income distribution is specified in terms of family income. Even when poverty is defined at the 125-percent level, millions of marginally needy families are classified as not poor. Further, as many as 2.5 million poor families are classified as not needy.

Table 5 shows that 923,000 of the 32,847,000 persons living in households officially classified as poor at the 100-percent level are in the upper half of the household-income distribution. At the 125-percent poverty level, 1,330,000 persons classified as poor are in the upper half of the household-income distribution. In contrast, all of the poor persons living in families are in the lower half of the family-income distribution, whether poverty is defined at the 100-percent level or the 125-percent level.

The data on persons that are displayed in Table 5 reflect the fact that the official poverty standard operates differently for persons living in families as opposed to persons not living in families. In the case of persons in families the income of all family members is regarded as pooled. Thus, if total annual income of all family members puts the family above the poverty threshold, every person in that family is regarded as non-poor. In contrast, the total annual income of all persons not living in families routinely is regarded as not pooled, and for a person in this situation to be classified as non-poor it is necessary that his/her personal income be greater than the poverty threshold for one person. (Census Bureau 1989, p.158). These data strongly suggest that there would be a substantial decrease in the official estimate of the number of persons in poverty if the income of persons living in nonfamily households were regarded as pooled rather than non-pooled and if persons living as nonrelatives in a family household were regarded as family members.

Table 5 also shows that when income distribution is specified in terms of household income, only a very small number of poor families are in the upper half of the distribution, whether poverty is defined at the 100-percent level or the 125-percent level. When family income is used to specify income distribution, there are no poor families in the upper half of the distribution.

In interpreting the data on poor families by family income as opposed to household income, one should be aware that some family households consist of more than one family, and for a small number of those families the combined income of the families that form one household is sufficient to place them in the upper half of the income distribution

CONCLUSIONS

A proper criterion of poverty or unmet physical need should be direct, comprehensive, consistent, and convenient. By “direct” is meant that the criterion measures unmet physical need directly rather than estimating it indirectly. A criterion or threshold is “comprehensive” if it encompasses every relevant aspect of unmet need; it is “selective” if it leaves out some aspect of need or resources. By “consistent” is meant that the criterion assigns everyone in the same circumstances with regard to unmet physical need in the same need classification. Finally, a criterion of poverty ideally is “convenient,” -- that is, it is relatively simple to apply to the data and to generate estimates of poverty or unmet need. These four characteristics are instructive as to the performance of the three proposed criteria of need vs. the official poverty standard (100 percent) and the alternate level (125 percent).

By including both the minimal-living and the income distribution dimensions of need, Criterion 1A, Criterion 1B, and Criterion 1C are more comprehensive than both 100-percent standard and the 125-percent standard. By adding a second dimension that involves the direct measurement of family-income distribution or household-income distribution to the official poverty concept which measures income directly but estimates need indirectly, these three criteria of unmet need are more nearly direct than either the 100-percent standard or the 125-percent standard. When income distribution is specified in terms of household income, all three criteria of unmet need are more consistent than the two official poverty levels with regard to persons in need because the two poverty standards count among the poor 0.9 million to 1.3 million persons in households in which income exceeds the national median. Finally, since the Census Bureau already generates the data required under Criterion 1A, Criterion 1B, and Criterion 1C, these three criteria of unmet need are as convenient to use as the two official poverty standards.

In 1965 Orshansky described the 100-percent poverty standard as “still relatively crude” and the food-income relationship as an “interim guide” to poverty thresholds (1965, p.3, p.12). Some 23 years later, Sawhill confirmed that even though the poverty concept turns importantly on the absolute vs. relative issue it is difficult to say which of the two is the superior (1988, p.1077). Even today the Census Bureau which collects the data and publishes the official poverty estimates acknowledges the need for an alternate level because the official poverty standard does not meet certain analytical requirements. (Census Bureau 1989, p.156.). Criterion 1A, which produces estimates of persons and families in need that fall between the 100-percent figures and the 125-percent figures, outperforms the 125-percent standard in terms of being more direct, more comprehensive, and more consistent. Since both derive from the same data base, Criterion 1A is as convenient to use as the 125-percent standard.

Criterion 1A is reasoned in its construction and reasonable in its estimates. The 125-percent poverty level is not, especially in the sense that there is no attempt to demonstrate that inflating the poverty thresholds by 25 percent actually relates to unmet physical need and draws in only those persons with unmet physical need.

The evidence from this inquiry argues for a two-dimensional criterion of need, similar to Criterion 1A, that classifies as poor or needy all persons and families (1) below the official poverty threshold and (2) in the lowest decile of the income distribution. A criterion such as that is a better complement to the 100-percent standard than is the 125-percent standard because it probes more deeply into the question What does it mean to be poor?

REFERENCES

Marshall, Alfred (1948). *Principles of Economics*, New York: The MacMillan Company, eighth edition.

Orshansky, Mollie (1965). "Counting the Poor: Another Look at the Poverty Profile," *Social Security Bulletin*, January.

Sawhill, Isabel V. (1988). "Poverty in the U.S.: Why Is It So Persistent?," *Journal of Economic Literature*, September.

U. S. Bureau of the Census (1989). "Poverty in the United States: 1987." Washington, D.C., U.S. Government Printing Office.



TABLE 1. THREE CRITERIA OF UNMET NEED THAT EXPRESS PHYSICAL NEED IN TERMS OF INCOME DISTRIBUTION AND MINIMAL LIVING

<u>Need Classification</u>	<i>Physical Need Expressed Two-Dimensionally</i>	
	<u>Minimal Living</u>	<u>Income Distribution</u>
CRITERION 1A		
Needy	below povertyand in lowest decile	
Marginally needy	I.	below povertyand above lowest decile
	II.	above povertyand in lowest decile
Not needy	above povertyand above lowest decile	
CRITERION 1B		
Needy	below povertyand in first or second decile	
Marginally needy	I.	below povertyandabove second decile
	II.	above poverty andin first or second decile
Not needy	above poverty andabove second decile	
CRITERION 1C		
Needy	below poverty or in lowest decile	
Marginally needy	above povertyand in second decile	
Not needy	above povertyandabove second decile	

**TABLE 2. PERSONS IN FAMILIES AND IN HOUSEHOLDS, AND FAMILIES,
BY NEED CLASSIFICATION AND CRITERION OF UNMET NEED**
(thousands)

	Criterion1A	Criterion1B	Criterion1C
<i>Income Distribution Specified in terms of Family Income</i>			
Persons in Families: Total	203,963	203,963	203,963
Needy	17,896	24,375	27,035
Marginally needy	9,139	14,958	12,298
Not needy	176,928	164,630	164,630
<i>Income Distribution Specified in terms of Household Income</i>			
Persons in Households: Total	236,130	236,130	236,130
Needy	16,007	25,376	33,635
Marginally needy	17,628	16,901	8,642
Not needy	202,495	193,853	193,853
<i>Income Distribution Specified in terms of Family Income</i>			
Families: Total	63,558	63,558	63,558
Needy	5,717	7,044	7,861
Marginally needy	2,144	5,846	5,029
Not needy	55,697	50,668	50,668
<i>Income Distribution Specified in terms of Household Income</i>			
Families: Total	63,558	63,558	63,558
Needy	3,769	6,195	7,223
Marginally needy	3,454	3,019	1,991
Not needy	56,335	54,344	54,344

Source: March 1986 Current Population Survey (micro-data files).

TABLE 3. PERSONS IN FAMILIES AND IN HOUSEHOLDS BY POVERTY STATUS, NEED CLASSIFICATION, AND CRITERION OF UNMET NEED
(thousands)

	100-Percent Poverty		125-Percent Poverty	
	Poor	Not Poor	Poor	Not Poor
<u>Persons in Families</u>				
<i>Income Distribution Specified in terms of Family Income</i>				
Criterion 1A				
Needy	17,896	0	17,986	0
Marginally needy	7,833	1,306	9,139	0
Not needy	0	176,928	7,359	169,569
Criterion 1B				
Needy	24,375	0	24,375	0
Marginally needy	1,354	13,604	6,687	8,271
Not needy	0	164,630	3,332	161,298
Criterion 1C				
Needy	25,729	1,306	27,035	0
Marginally needy	0	12,298	4,027	8,271
Not needy	0	164,630	3,332	161,298
<u>Persons in Households</u>				
<i>Income Distribution Specified in terms of Household Income</i>				
Criteria 1A				
Needy	16,007	0	16,007	0
Marginally needy	16,840	788	17,625	3
Not needy	0	202,495	10,280	192,215
Criterion 1B				
Needy	25,376	0	25,376	0
Marginally needy	7,471	9,430	12,099	4,802
Not needy	0	193,853	6,437	187,416
Criterion 1C				
Needy	32,847	788	33,632	3
Marginally needy	0	8,642	3,843	4,799
Not needy	0	193,853	6,437	187,416

Source: March 1986 Current Population Survey (micro-data files).

**TABLE 4. FAMILIES BY POVERTY STATUS, NEED CLASSIFICATION, AND
CRITERION OF UNMET NEED**
(thousands)

<u>Families</u>	100-Percent Poverty		125-Percent Poverty	
	Poor	Not Poor	Poor	Not Poor
<i>Income Distribution Specified in terms of Family Income</i>				
Criterion 1A				
Needy	5,717	0	5,717	0
Marginally needy	1,506	638	2,144	0
Not needy	0	55,697	1,892	53,805
Criterion 1B				
Needy	7,044	0	7,044	0
Marginally needy	179	5,667	2,101	3,745
Not needy	0	50,668	608	50,060
Criterion 1C				
Needy	7,223	638	7,861	0
Marginally needy	0	5,029	1,284	3,745
Not needy	0	50,668	608	50,060
<u>Families</u>				
<i>Income Distribution Specified in terms of Household Income</i>				
Criterion 1A				
Needy	3,769	0	3,769	0
Marginally needy	3,454	0	3,454	0
Not needy	0	56,335	2,530	53,805
Criterion 1B				
Needy	6,195	0	6,195	0
Marginally needy	1,028	1,991	2,244	775
Not needy	0	54,344	1,314	53,030
Criterion 1C				
Needy	7,223	0	7,223	0
Marginally needy	0	1,991	1,216	775
Not needy	0	54,344	1,314	53,030

Source: March 1986 Current Population Survey (micro-data files).

TABLE 5. POOR PERSONS IN HOUSEHOLDS AND IN FAMILIES BY INCOME, AND POOR FAMILIES, BY INCOME DISTRIBUTION AND BY POVERTY LEVEL

	100-Percent Poverty Level		125-Percent Poverty Level	
	Poor Persons in Households	Poor Persons in Families	Poor Persons in Households	Poor Persons in Families
<u>Total</u>	32,847,000	25,729,000	43,912,000	34,394,000
lowest decile	16,007,000	17,896,000	16,792,000	19,202,000
second	9,369,000	6,479,000	13,212,000	10,505,000
third	4,608,000	1,199,000	7,922,000	3,969,000
fourth	1,395,000	155,000	3,655,000	538,000
fifth	545,000		1,001,000	180,000
sixth	306,000		540,000	
seventh	242,000		311,000	
eighth	137,000		182,000	
ninth	110,000		151,000	
highest decile	128,000		146,000	
	923,000 poor persons in households with income above national median		1,330,000 poor persons in households with income above national median	

	100-Percent Poverty Level		125-Percent Poverty Level	
	<i>Poor Persons with Income Distribution Specified in terms of:</i>			
	Household Income	Family Income	Household Income	Family Income
<u>Total</u>	7,223,000	7,223,000	9,753,000	9,753,000
lowest decile	3,769,000	5,717,000	3,769,000	6,355,000
second	2,426,000	1,327,000	3,643,000	2,611,000
third	797,000	165,000	1,619,000	703,000
fourth	147,000	14,000	545,000	67,000
fifth	37,000		100,000	17,000
sixth	28,000		45,000	
seventh	5,000		11,000	
eighth	10,000		13,000	
ninth	1,000		5,000	
highest decile	3,000		3,000	
	47,000 poor families with household income above national median		77,000 poor families with household income above national median	

Source: March 1986 Current Population Survey (micro-data files).