

In your break-out room, briefly introduce yourself to your classmates then read through the assignment together. As you come across the discussion prompts, briefly discuss it as a group then individually write a short 2-3 sentence response to that prompt. Please record your individual responses on a separate, saved document (e.g., Microsoft Word) then copy and paste them into the Brightspace portal.

Please **complete this exercise by 6:00pm** so we have time for class discussion about the readings (however, the Brightspace portal will stay open until 6:35pm).

The US gov't uses a poverty line (or threshold) measure to determine the number of people in poverty.

- The official **US poverty measure (OPM)** is calculated as 3 times what the average family size of 'x' spends on food (Economy Food Plan).
- A family is considered to be "in poverty" if their *pre-tax* cash income falls below a given threshold (based on family size, regardless of geographic location).
- There is a specific definition of "family" the OPM uses that is limited to only those related by birth, marriage, or adoption.
- The poverty guideline, on the other hand, is a simplified version used to determine who is eligible for certain federal programs like the Supplemental Nutrition Assistance Program (SNAP) or the National School Lunch Program, for example. However, "measure" and "guideline" are sometimes used interchangeably.

Discussion prompt #1:
Describe how the OPM paints an inaccurate picture of who is in poverty.

- The **Supplemental Poverty Measure (SPM)** is a research measure used to study an alternative/improvement to the OPM (but not yet replace it as a means to determine benefit eligibility).
- The SPM is calculated based on consumer expenditure data for food, clothing, shelter, utilities, with adjustments by homeownership and mortgage or rental status.
- A family is considered to be "in poverty" if the total of their after-tax cash income, plus tax credits, plus in-kind benefits, minus work, childcare and medical expenses all fall below a given threshold (based on family size and accounts for geographic location/cost of living.)
- The SPM definition of "family" includes those related by birth, marriage, or adoption plus unrelated and foster children, and cohabiting partners and their children or other relative sharing expenses.

➤ **NYCgov** has a version of the SPM so they can get a more accurate picture of how many people are in poverty in NYC and how well welfare programs are helping keep people out of poverty.

Discussion prompt #2:
Describe how the SPM and OPM differ and what makes the SPM a more accurate picture of who is in poverty

Table 2.1. Change in Poverty Rates and Thresholds: NYCgov, U.S. Official, and SPM, 2019–2021

	2019	2021	Percentage Point or Dollar Change 2019–2021
A. New York City, NYCgov			
Poverty Rate	18.7%	13.4%	-5.3
Threshold	\$38,337	\$40,288	\$1,951
B. New York City, U.S. official			
Poverty Rate	14.5%	16.3%	1.8
Threshold	\$25,926	\$27,479	\$1,553
C. National Poverty Rate, SPM			
Poverty Rate*	11.7%	7.8%	-3.9
Threshold	\$29,183	\$31,453	\$2,270

Discussion prompt #3:

Referring to Table 2.1, why do you think the poverty rate went up (1.8) during the time period (2019–2021) using OPM measures.

Families have both similar and different needs depending on a variety of variables and circumstances. Similar needs (like transportation) can be met in different ways depending on income and location (i.e., car or public transport). Families certainly differ in size, composition, age, income, earning capacity, health outcomes, etc.

Discussion prompt #4:

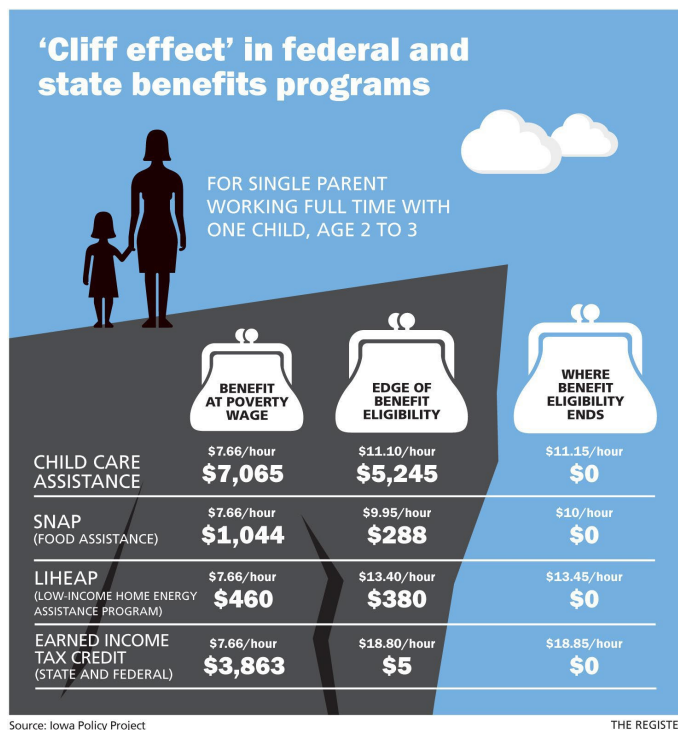
Come up with a realistic monthly food budget for a fictional family. Include some of the factors that inform this budget (e.g., family size). Multiply this food budget by 12 for an annual food budget. The OPM is based on 3x the food budget so multiply this annual food budget by 3 to get your family's

Discussion prompt #5:

Compare the family annual income you just calculated to the OPM for a family of the same size. Do you think either of these incomes could meet the basic needs of a family that size? What are considered basic needs in 2026? What factors influence these needs?

2026 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
1	\$15,960
2	\$21,640
3	\$27,320
4	\$33,000
5	\$38,680
6	\$44,360
7	\$50,040
8	\$55,720
For families/households with more than 8 persons, add \$5,680 for each additional person.	



- Benefits cliffs (the “cliff effect”) refer to the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings. This happens when families receive benefits through a public assistance program, earn a raise and then become ineligible to continue receiving benefits despite being unable to sustain their household.
- The minimum wage in NYC as of 1/1/2026 is \$17.00/hour
- In states with no minimum wage laws, employers must follow the Fair Labor Standards Act and pay the current Federal minimum wage of \$7.25/hour

Discussion prompt #6:

Please review this and discuss with classmates...no need to write a response to this one.

Sources:

- <https://www.congress.gov/crs-product/R45031>
- <https://aspe.hhs.gov/topics/poverty-economicmobility/povertyguidelines>
- <https://dol.ny.gov/minimum-wage>
- <https://www.dol.gov/agencies/whd/minimum-wage/state>