

# The 1985 Federal Poverty Income Guidelines\*

In March, the Department of Health and Human Services published the 1985 Federal poverty income guidelines.<sup>1</sup> These poverty income guidelines, shown in table 1, are a simplified version of the Federal Government's official poverty thresholds. Both thresholds and guidelines are a series of income levels with different values for families of different sizes, below which the families are considered poor for statistical or administrative purposes.

The principal differences between the thresholds and the guidelines involve the issuing office and purpose. The **poverty thresholds** are issued by the Bureau of the Census and are used for statistical purposes—for example, to determine the number of persons in poverty and to present data classifying them by type of residence, type of family, and other social, economic, and demographic characteristics. The **poverty guidelines** are issued by the Department of Health and Human Services and are used for administrative purposes—for example, to determine financial eligibility for assistance or services under a particular Federal program.

The principal reason for issuing poverty guidelines distinct from the statistical poverty thresholds is that the poverty thresholds for a given calendar year are generally not published in final form until late summer of the following calendar year. Issuing poverty guidelines dur-

\* By Gordon M. Fisher, Office of the Secretary, Department of Health and Human Services. For a more detailed description of the poverty income guidelines, see Gordon M. Fisher, "The 1984 Federal Poverty Income Guidelines," *Social Security Bulletin*, July 1984, pages 24-27.

<sup>1</sup> See *Federal Register*, March 8, 1985, pages 9517-9518. (A minor correction appeared in the March 14, 1985, issue, on page 10319.)

**Table 1.—Federal poverty income guidelines for 1985**

Size of family unit <sup>1</sup>	Poverty guidelines		
	Contiguous (48) States and District of Columbia	Alaska	Hawaii
1	\$5,250	\$6,560	\$6,040
2	7,050	8,810	8,110
3	8,850	11,060	10,180
4	10,650	13,310	12,250
5	12,450	15,560	14,320
6	14,250	17,810	16,390
7	16,050	20,060	18,460
8	17,850	22,310	20,530

<sup>1</sup> For family units with more than 8 members, add the following amount for each additional family member: \$1,800 (contiguous States and the District of Columbia), \$2,250 (Alaska), and \$2,070 (Hawaii).

ing the first few months of the year avoids the need to use 2-year-old poverty thresholds for half the year in determining financial eligibility for certain Federal programs.

Table 2 shows how the poverty guidelines are calculated from the most recently published poverty thresholds each year. The steps between statistical poverty thresholds for successive family sizes are of different amounts. (Column 4 shows these differences multiplied by 1.0426—the price inflator described in footnote 3.) To make the poverty guidelines easier to use for administrative purposes, a simple mathematical procedure (described in footnote 5) is used to equalize the steps between guideline figures for successive family sizes.

For definitions of "family," "family unit of size 1," and "income," see either the *Federal Register* notice of March 8, 1985, or "The 1984 Federal Poverty Income Guidelines," *Social Security Bulletin*, July 1984, pages 25-26.

**Table 2.—Computations for the 1985 annual update of the poverty income guidelines for all States (except Alaska and Hawaii) and the District of Columbia<sup>1</sup>**

Size of family unit (1)	Poverty thresholds in 1983 (weighted averages) <sup>2</sup> (2)	Column 2 multiplied by 1.0426 price inflator <sup>3</sup> (3)	Difference between column 3 entries (4)	Average difference in column 3 <sup>4</sup> (5)	March 1985 guidelines (6)
1	\$5,061	\$5,277			\$5,250
2	6,483	6,759	\$1,482	\$1,800	7,050
3	7,938	8,276	1,517	1,800	8,850
4	10,178	10,612	2,336	1,800	10,650
5	12,049	12,562	1,950	1,800	12,450
6	13,630	14,211	1,649	1,800	14,250
7	15,500	16,160	1,949	1,800	16,050
8	17,170	17,901	1,741	1,800	17,850

<sup>1</sup> For Alaska and Hawaii, scaling factors of 1.25 and 1.15, respectively, are applied to the 1985 guideline for a family of 4 for the contiguous States, and the results are rounded to multiples of \$10. The same factors are applied to the average difference for the contiguous States (column 5) to obtain average differences for Alaska and Hawaii for deriving guidelines for other family sizes. For family units with more than 8 members, add the following amount for each additional person: \$1,800 (contiguous States and the District of Columbia), \$2,250 (Alaska), and \$2,070 (Hawaii).

<sup>2</sup> Data are from table A-1 of Bureau of the Census, *Current Population Reports* (Series P-60, No. 145), "Money Income and Poverty Status of Families and Persons in the United States: 1983 (Advance Data From the March 1984 Current Population Survey)," August 1984.

<sup>3</sup> Price inflator derived from Department of Labor, CPI Press Release, USDL-85-29, January 23, 1985, table 1-A. (The Consumer Price Index for all items (CPI-U) was 298.4 for calendar year 1983 and 311.1 for calendar year 1984, an increase of 4.26 percent.)

<sup>4</sup> The arithmetic average of column 4 entries, rounded to the nearest multiple of \$20.

<sup>5</sup> Obtained by multiplying the average poverty threshold for a family unit of 4 persons in 1983, as published in table A-1 (\$10,178), by the inflation factor from calendar year 1983 to calendar year 1984 (1.0426) and rounding the result upward to the nearest whole multiple of \$50. All other entries in column 6 are obtained by successive addition or subtraction of the average difference (\$1,800) to the size-4 1985 guideline entry (\$10,650).