

Glossary of Key Poverty Terms

Glossary of Key Poverty Terms

May 2023

Prepared for the Rise Together Innovation Institute by Scioto Analysis

Business Cycle - The seasonal trends in the economy. Generally speaking, the economy is strongest in the spring and the fall, and is weaker during the winter and summer months.

Child Tax Credit - A cash program provided to families with children who file taxes.

Columbus Metropolitan Area - A metropolitan area is defined by the U.S. Office of Management and Budget as a geographical region with a relatively high population density at its core and close economic ties throughout the area. The Office of Management and Budget considers Ohio's Delaware, Fairfield, Franklin, Hocking, Licking, Madison, Morrow, Perry, Pickaway, and Union counties to be the "Columbus Metropolitan Area."

Chronic Poverty - Persistent poverty status that lasts anywhere from multiple years to spanning generations.

Deep Poverty - "Deep poverty" is when a household has income that is less than 50% of the federal poverty level.

Earned Income Tax Credit (EITC) - A cash benefit provided to low-income working households who file taxes. The largest anti-poverty program in the United States for working-age people.

Federal Poverty Measure - The official methodology for calculation of how much income is needed for a household to be out of poverty and what percentage of the population is in poverty. Developed by economist Mollie Orshansky in the 1960s, the base threshold is the cost of a thrifty food plan times three and is updated for inflation every year.

Gross Domestic Product - A monetary measure of the market value of all the goods and services produced and sold in a specific time period within an area.

Housing Cost Burdened - Families are considered housing cost burdened when they spend more than 30% of their income on rent, mortgage and other housing needs.

Intermittent Poverty - Temporary poverty among households that move above or below the federal poverty line year to year.

Labor Force Participation Rate - The percentage of working-age people who are either employed or looking for work among all working-age people. Calculated by dividing the sum of employed people and people looking for work by the total of all people age 15 to 64.

Near Poverty - If a household goes from \$1 below the federal poverty line to \$1 above the federal poverty line, their well-being does not change very much. Households with incomes slightly above the federal poverty line often face many of the same challenges as those with incomes below the federal poverty line. "Near poverty" has been described in different reports as households making anywhere from 100% to 125% up to 200% of the federal poverty line. For the purposes of this report, we consider households with incomes between 100% and 150% of the federal poverty line to be "near poverty."

Public Assistance - Cash or other benefits provided to people by federal, state, or local government to alleviate income constraints and fulfill basic needs.

Social Security - A cash assistance program for retirement-age people provided and administered by the federal government. Social Security is the largest anti-poverty program in the United States.

Supplemental Nutrition Assistance Program (SNAP) - Formerly "food stamps," this federal program gives dollar-value credits to low-income families to purchase food for home preparation.

Supplemental Security Income (SSI) - A cash assistance program providing benefits to people with disabilities that provide significant barriers to work.

Temporary Assistance to Needy Families (TANF) - A job training and cash assistance program for low-income people.

Unemployed - An individual who does not currently have paid employment but is available for work is considered "unemployed." For instance, someone recently laid off and looking for work is "unemployed," but a full-time father who is not looking for work would not be.

Underemployed - An individual who has a job, but is limited in how much they are able to work and would work more if they could. This would include part time workers who get their hours cut, but not students who only work part time because they are busy with school.

Uninsured - An individual without health insurance is considered "uninsured."