

Appendix B. Definitions and Explanations

Population coverage. The estimates in this report are restricted to the civilian noninstitutional resident population of the United States and members of the Armed Forces living off post or with their families on post.

Age. The age of the person is based on the age of the person at his last birthday as of December 31, 1985.

Race and Hispanic origin. The population is divided into two groups on the basis of race: White and Black. Persons of Hispanic origin were determined on the basis of a question that asked for self-identification of the person's origin (or the origin of some other household member) from a "flashcard" listing ethnic origins. Hispanics were those who indicated that their origin was Mexican, Puerto Rican, Cuban, Central or South American, or some other Hispanic origin. It should be noted that persons of Hispanic origin may be of any race.

Marital status. The marital status classification identifies five major categories: married, widowed, divorced, separated, and never married. Persons were classified in one of these categories based on the most common marital status in each calendar year. For example, a person who was married and living with his or her spouse for 7 months and widowed for 5 months was classified as married. Persons whose marital status was split between more than one category for an equal number of months were included in the status category that occurred first. The category "married" includes both "married, spouse present," and "other married, spouse absent." A person was classified as "married, spouse present" if the husband or wife was reported as a member of the household, even though he or she may have been temporarily absent on business or on vacation, visiting, in a hospital, etc., at the time of the enumeration. The group "married, spouse absent" includes married persons living apart because either the husband or wife was employed and living at a considerable distance from home, was serving away from home in the Armed Forces, had moved to another area, or had a different place of residence for any other reason except separation as defined above. Persons reported as separated included those with legal separations, those living apart with intentions of obtaining a divorce, and other persons permanently or temporarily separated because of marital discord.

Householder. The instructions call for listing first the person (or one of the persons) in whose name the home is owned or rented. If the house is owned jointly by a

married couple, either the husband or the wife may be listed first, thereby becoming the reference person, or householder, to whom the relationship of the other household members is recorded. One person in each household is designated as the "householder." The number of householders, therefore, is equal to the number of households.

Family. The term "family" refers to a group of two or more persons related by birth, marriage, or adoption who reside together; all such persons are considered as members of one family. For example, if the son of the person who maintains the household and the son's wife are members of the household, they are treated as members of the parent's family. Every family must include a householder; two or more people living in the same household who are related to one another, but are not related to the householder, form an "unrelated subfamily". Persons in unrelated subfamilies are not included in the count of family members in the Current Population Survey, but are included as family members in this report and are classified by family type as if they were families.

Family status. Persons were classified as members of a married-couple family, other family type, or as an unrelated individual based on their most common status during the calendar year. For example, a person who in 1985 was in a married-couple family in January through March but was an unrelated individual in April through December would be characterized here as an unrelated individual in 1985. Ties were broken by using the family status that occurred first. Family size was also based on the most common size during the calendar year.

Married-couple family. A married couple, as defined for census purposes, is a husband and wife enumerated as members of the same household. The married couple may or may not have children living with them. The expression "husband-wife" or "married-couple" before the term "household," or "family" indicates that the household, or family, is maintained by a husband and wife.

Other family type. Families which are not maintained by a married couple are designated "other family" type in this report. These include families in which the householder is a woman with no husband present and families in which the householder is a man with no wife present.

Unrelated individuals. The term “unrelated individuals” refers to persons 15 years old and over (other than inmates of institutions) who are not living with any relatives. An unrelated individual may (1) constitute a one-person household, (2) be part of a household including one or more other families or unrelated individuals, or (3) reside in group quarters such as a rooming house. Thus, a widow living by herself or with one or more other persons not related to her, a lodger not related to the householder or to anyone else in the household, and a servant living in an employer’s household with no relatives are examples of unrelated individuals. The poverty status of unrelated individuals is determined independently of other household members’ incomes.

Years of school completed. Data on years of school completed were derived from the combination of answers to questions concerning the highest grade of school attended by the person and whether or not that grade was finished. The questions of educational attainment apply only to progress in “regular” schools. Such schools included public, private, and parochial elementary and high schools (both junior and senior), colleges, universities, and professional schools (whether day schools or night schools). Thus, regular schooling is that which may advance a person toward an elementary school certificate, a high school diploma, or a college, university, or professional school degree.

Region. The four major regions of the United States for which data are presented in this report represent groups of States as follows:

Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Metropolitan areas. The population residing in metropolitan statistical areas (MSAs) as defined in June 1984 constitutes the metropolitan population. MSAs are defined by the Office of Management and Budget for use in the presentation of statistics by agencies of the Federal Government. An MSA is a geographic area consisting of a large population nucleus, together with adjacent communities which have a high degree of economic and social integration with that nucleus. The definitions specify a boundary around each large city so as to

include most or all its suburbs. Entire counties form the MSA building blocks, except in New England where cities and towns are used. The former term SMSA was changed to MSA in 1983.

An area qualifies for recognition as an MSA if (1) it includes a city of at least 50,000 population, or (2) it includes a Census Bureau-defined urbanized area of at least 50,000 with a total metropolitan population of at least 100,000 (75,000 in New England). In addition to the county containing the main city or urbanized area, an MSA may include other counties having strong commuting ties to the central county. If specified conditions are met, certain large MSAs are designated as consolidated MSA’s (CMSA’s) and divided into component primary MSA’s (PMSA’s).

Nonmetropolitan areas. The territory outside metropolitan statistical areas is referred to here as nonmetropolitan.

Central cities. The largest city in each MSA is always designated a central city. There may be additional central cities if specified requirements, designed to identify places of central character within the MSA, are met. Although the largest central cities are generally included in the title of the MSA, there may be central cities that are not part of the title. The balance of the MSA outside the central city or cities often is regarded as equivalent to “suburbs.”

Outside central cities. The territory outside central cities of metropolitan statistical areas but within MSAs is referred to here as outside central cities or “suburban areas.”

Mobility status. A person is defined to be a mover if at anytime during the calendar year he/she changed address.

Work experience. A person with work experience is one who, during the preceding calendar year, did any civilian work for pay or profit or worked without pay on a family-operated farm or business at any time during the year, on a part-time or full-time basis.

Year-round, full-time worker. A year-round, full-time worker is one who worked primarily at full-time (that is 35 hours or more per week) civilian jobs for 50 weeks or more during the preceding calendar year.

Income. The cash income concept used in this report includes the sum of all income received from any of the sources listed in figure B-1. Rebates, refunds, loans and capital gain or loss amounts from the sale of assets, and interhousehold transfers of cash such as allowances are not included.

Accrued interest on Individual Retirement Accounts, KEOGH retirement plans, and U.S. Savings bonds are also excluded. This definition differs somewhat from that used in the annual income reports based on the March CPS income supplement questionnaire. The data

Table B-1. Income Sources Included in Monthly Cash Income

Earnings from Employment

- Wages and salary
- Nonfarm self-employment income
- Farm self-employment income

Income from Assets (Property Income)

- Regular/passbook savings accounts in a bank, savings and loan or credit union
- Money market deposit accounts
- Certificate of deposit
- NOW, Super NOW, or other interest-earning checking accounts
- Money market funds
- U.S. Government securities
- Municipal or corporate bonds
- Other interest-earning assets
- Stocks or mutual fund shares
- Rental property
- Mortgages
- Royalties
- Other financial investments

Other Income Sources

- Social Security
- U.S. Government Railroad Retirement
- Federal Supplemental Security Income
- State Administered Supplemental Security Income
- State unemployment compensation
- Supplemental Unemployment Benefits
- Black Lung payments
- Worker's compensation
- State temporary sickness or disability benefits
- Employer or union temporary sickness policy
- Payments from a sickness, accident, or disability insurance policy purchased on your own
- Aid to Families with Dependent Children (AFDC), (ADC)
- General assistance or General relief
- Indian, Cuban, or Refugee assistance
- Foster child care payments
- Other welfare
- Child support payments
- Alimony payments
- Pensions from a company or union
- Federal Civil Service or other Federal civilian employee pensions
- U.S. Military retirement
- National Guard or Reserve Forces retirement
- State government pensions
- Local government pensions
- Income from paid-up life insurance policies or annuities
- Estates and trusts
- Other payments for retirement, disability or survivors, G.I. Bill/VEAP education benefits
- Income assistance from a charitable group
- Other unemployment compensation (Trade Adjustment Act benefits, strike pay, other)
- Veterans' compensation or pensions
- Money from relatives or friends
- Lump sum payments
- Income from roomers or boarders
- National Guard or Reserve pay
- Incidental or casual earnings
- Other cash income not included elsewhere

in those reports, published in the Current Population Reports, Series P-60, are based only on income received in a regular or periodic manner and, therefore, exclude lump-sum or one-time payments, such as inheritances, or insurance settlements which are included as income in SIPP. Educational assistance, which is included in the March CPS income concept, is not included in the SIPP income concept.

The income amounts represent amounts actually received during the month, before deductions for income and payroll taxes, union dues, Part B Medicare premiums, etc.

The SIPP income definition includes three types of earnings: wages and salary, nonfarm self-employment, and farm self-employment. The definition of nonfarm self-employment and farm self-employment is not based on the net difference between gross receipts or sales and operating expenses, depreciation, etc. The monthly amounts for these income types are based on the salary or other income received from the business by the owner of the business or farm during the 4-month period. Earnings from all jobs and self-employment are included.

While the income amounts from most sources are recorded monthly for the 4-month reference period, property income amounts such as interest, dividends, and rental income, were recorded as totals for the 4-month period. These totals were distributed equally between months of the reference period for purposes of calculating poverty status in this report.

Income-to-poverty ratio. The income-to-poverty ratio used in this report incorporates an adjustment in every month for family size and composition. The poverty threshold for each family is calculated based on the size and composition of that family in each month. For unrelated individuals, individual income is divided by the appropriate one-person-family poverty threshold. The income of each person's family is summed over each month and divided by the sum of the monthly poverty thresholds for the particular family to obtain the annual income-to-poverty ratio.

Poverty definition. The poverty definition used in this report is based on the government's official definition but was calculated on a monthly basis using the family composition at that time rather than fixing it throughout the year as is done in the Current Population Survey. These data differ from the official figures and are not part of the standard data series on poverty established by Directive 14 from the Office of Management and Budget. Official figures are published annually from the March Current Population Survey in the P-60 series of Current Population Reports.

The poverty definition is based on an index developed at the Social Security Administration in 1964 and revised by Federal interagency committees in 1969 and

1981. The poverty concept is a statistical measure based on the Department of Agriculture's 1961 Economy Food Plan. It reflects the different consumption requirements of families in relation to their size and composition, and the age of the family householder. A ratio of food expenditures to income of one-third, based on the Department of Agriculture's 1955 Survey of Food Consumption, was used to derive the original poverty thresholds from the economy food plan. The poverty thresholds have been updated annually based on changes in the Consumer Price Index.

Average weighted poverty thresholds for 1985 and 1986 are shown below in table B-2.

A person's annual poverty status in this report was determined by comparing the sum of the person's family income each month against the sum of the appropriate monthly poverty thresholds. If the person's family income (a personal income if an unrelated individual) was below the sum of the monthly poverty thresholds, the person was classified as below the poverty level for the year shown. For further discussion of differences between the CPS and SIPP poverty estimates shown here, see the technical note on page 17. For further discussion of the poverty definition, see Current Population Reports, Series P-60, No. 163, *Poverty in the United States: 1987*.

Symbols. A dash (—) represents zero or rounds to zero, "B" means that the base for the derived figure is less than 200,000, and "X" means not applicable.

Rounding. Percentages are rounded to the nearest tenth of a percent; therefore, the percentages in a distribution do not always add to exactly 100.0 percent. The totals, however, are always shown as 100.0. Moreover, individual figures are rounded to the nearest thousand without being adjusted to group totals, which are independently rounded; percentages are based on the unrounded numbers.

Table B-2. **Weighted Average Poverty Thresholds in 1985 and 1986**

Characteristic	Thresholds	
	1985	1986
One person (unrelated individual)	\$5,469	\$5,572
15 to 64 years	5,593	5,701
65 years and over	5,156	5,255
Two persons	6,998	7,138
Householder 15 to 64 years	7,231	7,372
Householder 65 years and over	6,503	6,630
Three persons	8,573	8,737
Four persons	10,989	11,203
Five persons	13,007	13,259
Six persons	14,696	14,986
Seven persons	16,656	17,049
Eight persons	18,512	18,791
Nine persons or more	22,083	22,497