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For Immediate Release

Texas Homeless Network Stance on the Poverty Line Change

Austin, TX Thursday, June 6th, 2019 -- Texas Homeless Network is committed to providing a voice to those experiencing homelessness and poverty. The current federal administration is proposing to change the measure of inflation used in the calculation of social benefits. This proposed change would reduce the benefits received by low-income individuals, affecting the income they need to survive and provide for themselves and their families.

Texas Homeless Network is opposed to the proposed changes to inflation measurement and the Chained Consumer Price Index (CPI). A switch to the chained CPI measure would reduce the funding allocation for many social services. When prices of goods rise, the chained CPI includes cheaper substitutions for goods in the calculation, which will result in lower rises in inflation and not reflect the real change in consumption. This proposal would cut funding to those who receive Medicare, Children's Health Insurance Program (CHIP), and we would see increases in insurance prices and copays. As current research shows, the inflation rate for low-income households is already higher than the rest of the population and continues to rise.¹ The current calculation doesn't even include such burdensome costs such as childcare. Utilizing the Supplemental Poverty Measure (SPM) to more accurately measure the cost of current basic living expenses, we see the SPM's poverty line higher than the official poverty line for most types of households, and its poverty rate is slightly higher than the official poverty rate.²

Low-income Americans face enough challenges in getting their basic needs met. Our policies and actions must promote equity and help every person obtain and maintain their desired level of stability. Changes in CPI would greatly impact low-income Americans and Texas Homeless Network urges the federal government to reconsider these proposed changes.

¹ Schulhofer-Wohl, Sam, and Greg Kaplan. Inflation at the Household Level: Web Appendix. No. 732. 2016.

² Constance Citro and Robert Michael, eds., "Measuring Poverty: A New Approach," Committee on National Statistics, National Research Council, 1995, <http://www.nap.edu/openbook.php?isbn=0309051282>.



About Texas Homeless Network

Texas Homeless Network has been working to end homelessness across the state of Texas since 1995. THN works hard to make homelessness rare, brief, and non-recurring by coordinating community-level resources around the state and service providers, conducting research, and educating the public and lawmakers on issues around homelessness.