

Abstract for “How and Why the Distribution of Poverty Durations has Changed in the United States since the mid-1980s?”

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There has been a relative invariability in the official U.S. poverty rate over recent decades. Raising during the periods of economic recessions and declining in the periods of economic expansions, the poverty rate increased by only one percentage point in 2010 as compared to 1985 (DeNavas-Walt et al., 2012). Nevertheless, the 'stability' of cross-sectional poverty rate does not necessarily mean that the longitudinal patterns of poverty also remained unchanged: the same level of aggregate poverty rate can be achieved under completely different developments in the incidence and duration of poverty episodes.

Although there is a considerably large body of literature analyzing temporal trends in U.S. income inequality and static poverty (e.g. Daly & Valetta, 2006; Dickens & Ellwood, 2004; Larrimore, 2013) little has been done to explore how and why the duration of poverty has changed over time. Those studies which are available in the field (Card and Blank, 2008; Sandoval et al., 2009) focus on specific population subgroups and, most importantly, do not quantitatively explore how shifts in household structures and labor market conditions over the last thirty years have reflected on the amount of time individuals spend in poverty.

This paper aims to fill in the revealed gap in the literature by analyzing how and why the duration of poverty has changed in the U.S. between the mid-1980s and the end of the 2000s. To do that, we combine traditional duration analysis techniques with semi-parametric decomposition methods. In the first place, we document in a descriptive way changes in the duration of poverty episodes over time considering both single and multiple spells of poverty. In the second place, we perform decomposition analysis to uncover how changes in household structures and labor market conditions have affected the distribution of poverty durations over time. The analysis will be performed for both absolute and relative poverty thresholds with data from the Survey on Income and Program Participation.

References

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