

A Comparison of Income Poverty and Multidimensional Deprivation: Lessons Learned from the United States

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Abstract

This paper analyzes the relation between the income poverty and multidimensional deprivation in the United States. The paper is the first to provide changes in the incidence of multidimensional deprivation among the poor in the United States over the last decade. Using data from one of the largest household surveys in the United States, namely the American Community Survey, we estimate poverty and deprivation in six indicators, between 2008 and 2017, separately for different income classes and racial/ethnic groups in the society. We estimate that about 40 percent of the poor were deprived in a multidimensional sense. Deprivation levels were especially high among poor Hispanic and poor Asian population. Overall, nearly 50 percent of the poor experienced severe housing burden and 25 percent did not have high-school education. The Affordable Care Act helped reduce the proportion of poor without health insurance, though in recent years, that progress has stagnated. Important from a policy perspective, we find that deprivation was lower among the extremely poor population compared to the rest of the poor population.