

## **Income and Poverty Estimates**

### *Guidance on When to Use Each Survey*

When should you use income and poverty estimates from the American Community Survey (ACS) and the Current Population Survey (CPS)?

#### **United States - Use the CPS**

For national figures, we recommend using data from the CPS — the source of the official national estimates of poverty as designated by the Office of Management and Budget. It is also the source for widely used estimates of income.

#### **States - Use the ACS**

To compare states with each other, we recommend using the ACS one-year estimates. To examine the most recent state trends, use the ACS one-year estimates. The CPS has value as a means of examining historical trends (back more than a few years) by state. Some of the differences between the two sources of data (CPS and ACS) are the length and detail of questions, sample size, geography and reference period.

#### **Local Areas - Use the ACS**

There are three different ACS data sets available, each covering different time frames and different geographic areas based on population size: one-year, three-year, and five-year. The size of the areas being compared will determine which of these data sets you should use. Single-year income and poverty estimates are available for all areas with a population of 65,000 or more, including counties, cities and all congressional districts. Three-year estimates are available for all areas with a population of 20,000 or more. There are five-year estimates for the nation's smallest areas, such as census tracts and block groups. When making comparisons, always use the same data set for all geographies, even if some areas qualify for more than one data set. For example, if only some counties in a state have one-year data but all have three-year data, use the three-year data for all. More guidance on comparisons can be found on the ACS website (<[census.gov/acs](http://census.gov/acs)>).

#### **Examples of when to use CPS and ACS**

<b>Area Comparison</b>	<b>CPS</b>	<b>ACS</b>
United States	<b>X</b>	
State	<b>X</b> - use for historical trend analysis	<b>X (use one-year estimates)</b> – use for recent trends (since 2000)

<b>Area Comparison</b>	<b>CPS</b>	<b>ACS</b>
United States with state		<b>X (use one-year estimates)</b>
>United States with state/metropolitan area/county/place		<b>X</b>
State with metropolitan area/county/place		<b>X</b>
American Indian/Alaska native areas		<b>X</b>
Congressional districts		<b>X (use one-year estimates)</b>
Metropolitan area with county/place		<b>X</b>
County with place		<b>X</b>
Places (cities)		<b>X</b>
Census Tracts		<b>X (five-year estimates only)</b>
Block Groups		<b>X (five-year estimates only)</b>

### **Income and Poverty Data from the ACS and CPS: Some Notable Differences**

- The ACS is conducted throughout the year and respondents answer questions that pertain to income received in the 12 months prior to interview. The CPS is conducted in the spring of each year and respondents answer questions that pertain to the previous calendar year.
- Households selected to participate in the ACS receive a letter in the mail with instructions about how to log in to a secure website and complete the survey online. If households selected to participate in the survey do not use the online response option, the Census Bureau sends them a paper questionnaire, or contacts them by phone or in person to obtain answers. The CPS is conducted entirely by trained interviewers.
- The CPS uses a much more detailed set of questions on income.

**An additional source of local estimates: Small Area Income and Poverty Estimates (SAIPE) program**

The SAIPE program produces single-year estimates of median household income and poverty for states and all counties, as well as population and poverty estimates for school districts. Since SAIPE estimates combine ACS data with administrative and other data, SAIPE estimates generally have lower variance than ACS estimates but are released later because they incorporate ACS data in the models. For counties and school districts, particularly those with populations below 65,000, the SAIPE program provides the most accurate subnational estimates of poverty. For counties, SAIPE generally provides the best single year estimates of median household income.

**Examples of when to use SAIPE vs. CPS and ACS**

<b>Data Source Recommendation</b>	<b>Cross-Sectional Estimates</b>		
<b>Geographic Level</b>	<b>Number in Poverty/Poverty Rate</b>	<b>Detailed Characteristics</b>	<b>Year-to-Year Change</b>
United States	CPS ASEC	CPS ASEC ACS for detailed race groups	CPS ASEC
State	ACS	ACS	ACS/CPS ASEC 2-year averages <sup>1</sup>
Substate (areas with populations of 65,000 or more)	ACS / SAIPE for counties and school districts	ACS	ACS / SAIPE for counties
Substate (areas with populations of 20,000 to 65,000)	SAIPE for counties and school districts / ACS using 3-year period estimates for all other geographic entities	ACS using 3-year period estimates	ACS 3-year <sup>2</sup> / SAIPE for counties
Substate (areas with populations less than 20,000)	SAIPE for counties and school districts / ACS using 5-year period estimates for all other geographic entities	ACS using 5-year period estimates	ACS 5-year <sup>3</sup> / SAIPE for counties

**Footnote**

<sup>1</sup> Use CPS ASEC 2-year averages when examining state trends that include years prior to 2000.

<sup>2</sup> ACS recommends using non-overlapping periods for trend analysis with multiyear estimates.

For example, comparing 2005-2007 ACS 3-Year estimates with 2008-2010 ACS 3-Year estimates is preferred.

<sup>3</sup> ACS recommends using non-overlapping periods for trend analysis with multiyear estimates. For example, comparing 2006-2010 ACS 5-Year estimates with 2011-2015 ACS 5-Year estimates is preferred for identifying change.