# The 2018 HHS Poverty Guidelines

# U.S. Federal Poverty Guidelines Used To Determine Financial Eligibility For Certain Federal Programs

There are two slightly different versions of the federal poverty measure: poverty thresholds and poverty guidelines.

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the **Census Bureau**. The thresholds are used mainly for **statistical** purposes — for instance, preparing estimates of the number of Americans in poverty each year. (In other words, all official poverty population figures are calculated using the poverty thresholds, not the guidelines.) <u>Poverty thresholds since 1973 (and for selected earlier years)</u> and <u>weighted average poverty thresholds since 1959</u> are available on the Census Bureau's Web site. For an example of how the Census Bureau applies the thresholds to a family's income to determine its poverty status, see "<u>How the Census Bureau Measures Poverty</u>" on the Census Bureau's web site.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the Federal Register by the **Department of Health and Human Services** (HHS). The guidelines are a simplification of the poverty thresholds for use for **administrative** purposes — for instance, determining financial eligibility for certain federal programs.

The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important. Key differences between poverty thresholds and poverty guidelines are outlined in a table under <u>Frequently Asked Questions</u> (FAQs). See also the <u>discussion of this topic</u> on the Institute for Research on Poverty's web site.

The January 2018 poverty guidelines are calculated by taking the 2016 Census Bureau's poverty thresholds and adjusting them for price changes between 2016 and 2017 using the Consumer Price Index (CPI-U). The poverty thresholds used by the Census Bureau for statistical purposes are complex and are not composed of standardized increments between family sizes. Since many program officials prefer to use guidelines with uniform increments across family sizes, the poverty guidelines include rounding and standardizing adjustments in the formula.

2018 HHS Poverty Guidelines The 2018 poverty guidelines are in effect as of January 13, 2018			
Persons in Family	48 Contiguous States and DC	Alaska	Hawaii
1	\$12,140	\$15,180	\$13,960
2	\$16,460	\$20,580	\$18,930
3	\$20,780	\$25,980	\$23,900
4	\$25,100	\$31,380	\$28,870
5	\$29,420	\$36,780	\$33,840
6	\$33,740	\$42,180	\$38,810
7	\$38,060	\$47,580	\$43,780
8	\$42,380	\$52,980	\$48,750
For each additional person, add	\$4,320	\$5,400	\$4,970

Source: Federal Register Vol. 83, No. 12, Tuesday, January 18, 2018 Pages: 2642-2644

The separate poverty guidelines for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. Note that the poverty thresholds — the original version of the poverty measure — have never had separate figures for Alaska and Hawaii. The poverty guidelines are not defined for Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and Palau. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office which administers the program is responsible for deciding whether to use the contiguous-states-and-D.C. guidelines for those jurisdictions or to follow some other procedure.

The poverty guidelines apply to both aged and non-aged units. The guidelines have never had an aged/non-aged distinction; only the Census Bureau (statistical) poverty thresholds have separate figures for aged and non-aged one-person and two-person units.

Programs using the guidelines (or percentage multiples of the guidelines — for instance, 125 percent or 185 percent of the guidelines) in determining eligibility include Head Start, the Supplemental Nutition Assistance Program (SNAP), the National School Lunch Program, the Low-Income Home Energy Assistance Program, and the Children's Health Insurance Program.

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Note that in general, cash public assistance programs (Temporary Assistance for Needy Families and Supplemental Security Income) do NOT use the poverty guidelines in determining eligibility. The Earned Income Tax Credit program also does NOT use the poverty guidelines to determine eligibility. For a more detailed list of programs that do and don't use the guidelines, see the Frequently Asked Questions (FAQs).

The poverty guidelines (unlike the poverty thresholds) are designated by the year in which they are issued. For instance, the guidelines issued in January 2016 are designated the 2016 poverty guidelines. However, the 2016 HHS poverty guidelines only reflect price changes through calendar year 2015; accordingly, they are approximately equal to the Census Bureau poverty thresholds for calendar year 2015. (The 2015 thresholds are expected to be issued in final form in September 2016; a preliminary version of the 2015 thresholds is now available from the Census Bureau.)

The poverty guidelines may be formally referenced as "the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)."

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https://aspe.hhs.gov/frequently-asked-questions-related-poverty-guidelines-and-poverty#programs

# What programs use the poverty guidelines?

The HHS poverty guidelines, or percentage multiples of them (such as 125 percent, 150 percent, or 185 percent), are used as an eligibility criterion by a number of federal programs, including those listed below. For examples of major means-tested programs that do not use the poverty guidelines, see the end of this response.

# **Department of Health and Human Services:**

Community Services Block Grant

**Head Start** 

Low-Income Home Energy Assistance Program (LIHEAP)

PARTS of Medicaid (31% of eligibles in Fiscal Year 2004)

Hill-Burton Uncompensated Services Program

AIDS Drug Assistance Program

Children's Health Insurance Program

Medicare – Prescription Drug Coverage (subsidized portion only)

Community Health Centers

Migrant Health Centers Family Planning Services

Health Professions Student Loans — Loans for

Disadvantaged Students

Health Careers Opportunity Program

Scholarships for Health Professions Students from

Disadvantaged Backgrounds

Job Opportunities for Low-Income Individuals

Assets for Independence Demonstration Program

#### **Department of Agriculture:**

Supplemental Nutrition Assistance Program (SNAP) (formerly

Food Stamp Program)

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

National School Lunch Program (for free and reduced-price meals only)

School Breakfast Program (for free and reduced-price meals only)

Child and Adult Care Food Program (for free and reducedprice meals only)

Expanded Food and Nutrition Education Program

#### **Department of Energy:**

Weatherization Assistance for Low-Income Persons

#### **Department of Labor:**

Job Corps

National Farmworker Jobs Program

Senior Community Service Employment Program

Workforce Investment Act Youth Activities

# **Department of the Treasury:**

Low-Income Taxpayer Clinics

# **Corporation for National and Community Service:**

Foster Grandparent Program

Senior Companion Program

**Legal Services Corporation:**Legal Services for the Poor

Most of these programs are non-open-ended programs — that is, programs for which a fixed amount of money is appropriated each year. A few open-ended or "entitlement" programs that use the poverty guidelines for eligibility are the Supplemental Nutrition Assistance Program (formerly Food Stamps), the National School Lunch Program, certain parts of Medicaid, and the subsidized portion of Medicare — Prescription Drug Coverage.

Some state and local governments have chosen to use the federal poverty guidelines in some of their own programs and activities. Examples include financial guidelines for child support enforcement and determination of legal indigence for court purposes. Some private companies (such as utilities, telephone companies, and pharmaceutical companies) and some charitable agencies also use the guidelines in setting eligibility for their services to low-income persons.

# Major means-tested programs that do not use the poverty guidelines in determining eligibility include the following:

Supplemental Security Income (SSI)

Earned Income Tax Credit (EITC)

State/local-funded General Assistance (in most cases)

Some parts of Medicaid

Section 8 low-income housing assistance

Low-rent public housing