



In 1963, while working for the Social Security Administration, Mollie Orshansky was assigned to report on “poverty as it affects children”. There was no measure of poverty so Mollie and her team made their own.

Mollie knew poverty. She grew up poor, one of seven daughters of a Jewish immigrant family in the south Bronx. She remembered the Depression; waiting in food lines with her mother, and how her family had to choose between clothes and shoes for their daughters or rent.

Mollie's team found a 1955 Department of Agriculture study that said families of three or more spent about one-third of their after tax income on food – after tax – that’s important... now it's pre-tax...

So, to calculate a poverty line, Mollie simply multiplied a low-income household’s food budget by three, figuring that if a family was tightening its belt, it would proportionally cut all its expenses.

In a 1962 report, Mollie wrote...

**We chose the less costly of the two “low cost” plans the department had developed...a plan that...relied heavily on the cereals, dry beans, peas, nuts, and potato groups...the less expensive items.**

**In 1962, that basket of food cost 18.40 per week for a family of four – in today’s dollars: \$143.79 per week**

It was only for “emergency use,” and not intended to constitute a family’s diet over the long-term.

Mollie said her threshold, based on this budget, should only be used to measure when a family had “inadequate” funds, not adequate funds – it wasn’t meant to define a way of life – it should never be more than temporary.

In 1963, Mollie’s poverty line calculation became the standard measure of poverty in America.

Three times the cost of food...and cheap food at that...

For more than 50 years, Congress has chosen not to revisit Mollie’s formula or the principle that food is a reasonable basis for poverty calculations.

Mollie’s 1963 calculations have simply been increased to keep pace with inflation.

So, today, a family of three, making under \$21,000 is considered to be living in poverty.

But, things have changed – a lot.

In 1963...

- a lot of people could get by without a car – you walked to work. For sure you didn't need two...
- people didn't need to save for childcare or college...
- you could conduct a job search without a cell phone, or even any phone.

The way we spend our money has changed, too.

Now food represents less than one-seventh of a typical family budget – not Mollie's one-third.

If we multiply the cost of food by seven (keeping with Mollie's food-based formula)...

**Today, the poverty line for a family of four  
should be at least \$52,000  
not \$24,250.**



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