

poverty as the differentials between housing standards and educational resources enjoyed by different classes and different types of households. He concluded:

Our general theory, then, should be that individuals and families whose resources, over time, fall short of the resources commanded by the average individual or families in the community in which they live, whether that community is a local, national, or international one, are in poverty.¹¹

While Townsend continued to criticize the subsistence standard, he did not make any suggestions about how to redefine poverty, nor did he recommend new methods for its measurement.

A better example of the relative approach to income deficiency is represented by the work of Victor R. Fuchs who proposes that we define as poor any family whose income is less than one-half the median family income.¹² This standard would be modified to take account of such factors as family size and composition, regional variations, and "other relevant variables." The main advantage of this approach is that it provides a poverty standard that changes with the growth of real national income. Furthermore, it can direct attention to the distribution of income and provide a realistic basis for appraising the success or failure of government redistribution programs.

In the United States, application of the standard of 50 per cent of median family income resulted in a poverty line below which 20 per cent of American families fell.¹³ This figure is somewhat less than the 24-per-cent poverty rate for the same year based on the Orshansky poverty lines. The trend data for the median income standard are more revealing, however, for they show that the percentage of poor has not declined since 1947. Furthermore, between 1959 and 1965, when the average income of four-person families increased by 37 per cent, the S.S.A. poverty line (adjusted only for price increases) increased by only 9 per cent.¹⁴ In other words, during the 1960s in the United States, the budget-oriented estimates have not reflected changes in average styles of life. Many feel that this lag is due to political rather than conceptual constraints.

While the budget-oriented approach is susceptible to adjustment, the relative approach is not. There is nothing magical or inherently correct about the use of 50 per cent of the median income as the cut-off point. This percentage is arbitrary, and 40 per cent or 60 per cent of the median could as easily be justified. Fuchs openly stated that the use of any fraction of the median income would be an arbitrary decision, and suggested that the actual proportion should be established openly through the political process and as a national value-judgement. Such openness, he felt, would at least be preferable to the present budget-oriented approach, "which is subject to political manipulation under the guise of technical budget studies."¹⁵

Other advantages of the relative method include its simplicity and low development-cost, since most of the required data on incomes are collected regularly.