

time to the members of a particular society.<sup>7</sup> He further criticized the subsistence concept, including the poverty lines he himself had earlier devised on the basis of nutritional requirements, saying that they "are rough estimates subject to wide margins of error."

Researchers in other countries, however, especially those employed by government, have been less willing to break with the subsistence approach in developing standards of income deficiency.

In the United States, for instance, a poverty formula was suggested by the President's Council of Economic Advisers in their *Annual Report* (1964). This formula classified as poor a family whose annual income was under \$3,000, and a single person whose annual income was below \$1,500. By the Council's own admission, however, these figures could be considered only as crude and approximate measures.

Since 1964, the most commonly-used and now-official set of poverty lines in the United States are those which, like Rowntree's earlier in the century, define and measure poverty using a subsistence or "market-basket" approach, in terms of food, clothing, shelter, and services. Such a "market-basket" budget-orientation leads to the identification of those goods and services which comprise this basket, and it follows that people in poverty are those whose incomes are too small to acquire the market basket. These poverty lines were developed by Mollie Orshansky of the Social Security Administration (S.S.A.) of the U.S. Department of Health, Education, and Welfare.<sup>8</sup> (This method was adopted for official purposes by the Office of Economic Opportunity.) Not only did it appear to be well-documented, but it satisfied the more important criterion of political acceptability, for the application of these poverty lines to 1964 data did not change the numbers of poor from those enumerated by the Council of Economic Advisors.

To develop a minimum-subsistence-income standard, Miss Orshansky based her calculations on the amount of money needed to purchase the food for a minimum adequate diet, as determined by food consumption studies done by the U.S. Department of Agriculture. This food budget was the lowest that could be devised to contain all the essential nutrients, using foods readily available in the United States. The minimum standard, or poverty line, was then calculated as three times the amount needed to purchase the components in this food budget. Adjustments were made for families of differing size and composition, as well as for the lower cash requirements of families on farms who could produce some of their own food.

The "times 3" formula for translating food costs into total income requirements harked back to Engel's law, which states that the smaller the family income the greater the proportion of income spent on food. Miss Orshansky assumed that the equivalent levels of adequacy were reached when one-third of total income was sufficient to purchase an adequate diet.

A number of value-judgments were built into this S.S.A. line, although on the surface it appears to be based on actual data. Some of the more obvious of these assumptions were: the significance of each additional family