

## **Small Area Income and Poverty Estimates (SAIPE) Fact Sheet**

### **Revised January 2015**

The U.S. Census Bureau recently released 2013 Small Area Income and Poverty Estimates (SAIPE) for each of the nation's Title I-eligible school districts. These estimates are an input into the U.S. Department of Education's allocation formula for the fiscal year 2015 (school year 2015-2016) Title I allocations. SAIPE data are model-based estimates of the number of related children ages 5-17 in families in poverty. Below are some commonly asked questions about SAIPE. If after reviewing this information you have remaining questions or concerns, please see the SAIPE Web site at:

<http://www.census.gov/did/www/saipe/index.html> or contact the Small Area Estimates Branch of the U.S. Census Bureau at [did.saipe@census.gov](mailto:did.saipe@census.gov) or (301) 763-3193.

#### **How are the SAIPE program estimates constructed?**

The SAIPE program constructs estimates in two stages. First, models are used to relate state and county estimates of income and poverty from the American Community Survey (ACS) to other indicators of income and poverty. These indicators are based on summary data from federal income tax returns, SNAP benefits data (formerly known as Food Stamp Program data), decennial census data, postcensal population estimates, Supplemental Security Income reciprocity, and economic data from the Bureau of Economic Analysis (BEA). These estimates are then combined with direct estimates from the ACS sample to provide figures which are more precise than either set alone. This is a standard method for making statistical estimates for small areas. The SAIPE county-level estimates of poverty are allocated to the school districts within the county using estimated within-county shares. These within-county shares are estimated by combining shares from two sources: estimated shares from the sample data collected with the prior decennial Census and tax poverty shares calculated from aggregate federal individual income tax returns. You can find more information on SAIPE methodology on the Web at:

<http://www.census.gov/did/www/saipe/methods/index.html>. For more information on data inputs see: <http://www.census.gov/did/www/saipe/data/model/info/index.html>.

#### **What is the definition of poverty?**

Poverty status is defined by family; either everyone in the family is in poverty or no one in the family is in poverty. The characteristics of the family used to determine the poverty threshold are: number of people, number of related children under 18, and whether or not the primary householder is over age 65. Family income is then compared to the poverty threshold; if that family's income is below that threshold, the family is in poverty. For more information on poverty: <http://www.census.gov/hhes/www/poverty/poverty.html>.

#### **Why does the SAIPE estimate not match the Free and Reduced-Priced Lunch (FRPL) count for my school district?**

Free and Reduced-Priced Lunch (FRPL) numbers use a different income threshold than the SAIPE estimate, and are therefore not comparable. The SAIPE program poverty estimates are based on the official measure of poverty as defined by the federal government. FRPL program counts, although informative about the economic status of a school district, will not match the official federal poverty measure. Based on income guidelines published by

the U.S. Department of Health and Human Services, FRPL has different income levels for eligibility; 130% for free and 185% for reduced-priced lunches. For the 2013 SAIPE estimates, the official poverty threshold for a family of four containing two related children under age 18 was \$23,624, compared with \$23,850 set by the 2014 poverty guidelines. Children in a similar family would be eligible for the free-lunch program as long as family income did not exceed \$31,005, and eligible for the reduced-price lunch program if family income was below \$44,123. (These guidelines refer to eligibility criteria for school year 2014-2015.)

**Why does the population estimate for children age 5-17 not match my school district's enrollment number?**

The SAIPE estimate is not an enrollment number; rather it is an estimate of school age population for children living within school district boundaries. This estimate excludes children who live outside the district but attend schools within your district boundaries since all children are counted in the district in which they reside.

**Why is my school district's poverty estimate different than the neighboring school districts?**

We expect to see differences between poverty rates for school districts within a county, even among those with similar demographic and economic profiles. Differences in sub-county poverty ratios are one reason why Congress directed the U.S. Department of Education to make fund allocations directly to school districts. Differences that exist among the SAIPE program's school district poverty estimates within a county are based on federal tax return information as well as income information from the 5-Year American Community Survey (ACS).

**Why does the SAIPE estimate not reflect the current year?**

SAIPE program estimates are as current as possible given the timescale of availability of the various survey and administrative data used. For example, the SAIPE program's 2007 estimates utilized federal tax return data for 2006, which were filed in 2007, and were available to our program in 2008. The 2007 SAIPE estimates also used data from the 2007 ACS which were collected throughout 2007, tabulated and made available to the SAIPE program in August 2008. Estimates reflect the reference year, not the current year.

**What should I do if I believe a SAIPE estimate is wrong?**

If you believe a SAIPE estimate is incorrect, please contact the Small Area Estimates Branch at (301) 763-3193. A staff member will further discuss your SAIPE estimate and explain what constitutes a successful challenge submission. Challenges to your SAIPE estimate can be submitted up to 90 days after the release of the 2013 data. This year the challenge period ends on March 17, 2015.

**If I have further questions, whom should I contact?**

For assistance, please contact the Census Call Center at 1-800-923-8282 (toll free) or visit <https://ask.census.gov/newrequest.php> for further information.