

NEWS

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HOW POVERTY IS MEASURED MATTERS FOR SCHOOL FUNDING AND SERVICES

As poverty rates grow in the wake of the COVID-19 pandemic a new study evaluates the shortcomings of commonly used child poverty measures and proposes alternatives

[Measuring Student Socioeconomic Status: Toward a Comprehensive Approach](#)

At last count, 1 in 5 children lived in low-income families—a number that [has grown exponentially](#) since the COVID-19 pandemic hit. Many of these students relied on schools for daily meals but, because of the way most systems assess students' eligibility, many students are not getting the meals they qualify for and could benefit from. This is critically important as school meals are sometimes the only substantial food children in poverty receive consistently.

For decades, students' families applied for meals through the federal Free or Reduced-Price Lunch (FRPL) program and this became the measure policymakers and researchers used to determine school poverty levels. These determinations are important because they can influence where policymakers direct school funds, such as Title I allocations intended to support students from low-income families. A new study from the Learning Policy Institute looks at the limitations of FRPL as a sole proxy for student poverty and discusses more effective approaches.

[Measuring Student Socioeconomic Status: Toward a Comprehensive Approach](#) discusses the limitations of the popular measure and examines alternatives for state policymakers who are seeking to accurately count students from low-income families.

“Changing how we measure and address student poverty is more important than ever,” said LPI Senior Researcher Peter Cookson, who authored the study. “A shift away from the FRPL measure was already long overdue and taking place in some states. This takes on deeper urgency now as learning for a generation of students has been upheaved by the COVID-19 pandemic. Accurately measuring family incomes is necessary if policymakers are to allocate school resources that meet the educational needs of students.”

Among the key concerns with using FRPL as the sole measure are the following:

- The data are generally self-reported.
- The data do not capture fluctuations in family income.
- The data do not represent all students: Depending upon the extent of school or district outreach, some families that may be eligible for FRPL may not be aware that they can apply. In

addition, some families may be wary of providing financial or other personal information to a governmental entity.

- The data do not capture meaningful economic differences between students: Because FRPL is a dichotomous measure, it does not capture meaningful differences between students in extreme poverty and students from families that have some stable income.
- The data may be limited: Experts have also argued that the federal poverty guidelines upon which FRPL eligibility is determined need continuous updating and can become outdated. Experts also have expressed concern with how the sole reliance on income overlooks other social factors that may negatively impact educational experiences and outcomes, including parental education, neighborhood resources, and residential stability.

Beginning in the 1990s, many districts and states began to use “direct certification”—a process that identifies student eligibility for free meals based on family enrollment in the Supplemental Nutrition Assistance Program (SNAP). This process may also consider eligibility based on enrollment in other public programs, including Temporary Assistance for Needy Families, Medicaid, the Food Distribution Program on Indian Reservations, foster care, programs for students experiencing homelessness, and Head Start. Direct certification also has shortcomings as a measure: students in poverty can be undercounted when a narrow set of programs is used for calculations and when eligible families are not enrolled in the programs, due to funding shortfalls or fear of becoming ineligible due to their immigration status and recently enacted “public benefit” restrictions.

The study addresses methods that state policymakers can consider in order to get a more accurate count of students from low-income families. Among the many options:

- **Expand the range of programs considered to identify students eligible for free meals and Title I-funded programs.** Currently, all states rely on SNAP at a minimum. In order to capture a greater share of students from low-income families they can consider additional programs that rely upon income verification, including:
 - The Special Supplemental Nutrition Program for Women, Infants, and Children
 - Participation in the Affordable Care Act Health Insurance Marketplace
 - Medicare and Medicaid
 - The Public Housing Program and Housing Choice Voucher Program
 - The Low-Income Housing Energy Assistance Program
 - The Weatherization Assistance Program
 - The Earned Income Tax Credit
- **Use a multiplier to adjust school-level counts of children from low-income families.** Because research showing that for every 10 students directly certified for free meals, about six more come from families that would be approved for subsidized meals if they completed an application, the U.S. Department of Education has provided guidance on how schools enrolled in the CEP can measure the numbers of these students. The guidance recommends that LEAs multiply the number of students identified by direct certification in a school by a 1.6 multiplier and divide by the enrollment in the school as a way to help account for the difference in poverty rates when using FRPL data for some schools and direct certification data for others.
- **Retain the option for families to fill out a traditional application for FRPL or alternative family income forms in addition to direct certification.** Many states require families not enrolled in eligible public programs to fill out an application for FRPL, which provides self-reported

individual student family income data. States can continue to offer families the option of filling out an FRPL application in addition to directly certifying students. While self-reported data carries the risk of inaccuracies, it also provides an opportunity for interested and eligible students to enroll in FRPL and share income status. Ensuring that the notification letters that are sent home to students are linguistically and culturally appropriate—and that families are aware that the forms are available throughout the year—can also aid in program participation.

- **Enable schools to collect alternative student family income forms, which are paid for by the state and districts.** This is being done in a number of areas. California has developed five such alternative forms for schools to use, translated into multiple languages. One potential challenge of using alternative student family income forms is the administrative burden of distributing and collecting forms. CEP schools in Detroit, MI, and in New York City and Buffalo, NY, have addressed this challenge by restricting the collection of alternative forms to only those students who are not identified through direct certification in CEP schools.
- **Using community income as a proxy for student SES.** This approach might yield reliable results in areas of concentrated poverty, but it would do less well in communities where impoverished families live among families with higher incomes. Another challenge is posed by the method of data collection: Community income data—like that collected through the U.S. Census Bureau’s American Community Survey—is often drawn from samples, rather than the entire population, and later aggregated, thereby obscuring individual student family income data.

The report is authored by [LPI Senior Researcher Peter W. Cookson, Jr.](#)

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