



June 20, 2019

Nancy Potok, Chief Statistician  
Office of Management and Budget  
[Statistical\\_Directives@omb.eop.gov](mailto:Statistical_Directives@omb.eop.gov)

Re: Directive No. 14 Comments to OMB 2019-0002-0001 – Request for Comment on the  
Consumer Inflation Measures Produced by Federal Statistical Agencies

Dear Ms. Potok:

Missourians to End Poverty is a coalition of individuals, advocates, businesses, faith-based organizations, non-profits and government agencies that have come together around a shared vision of taking action to end poverty in our state. We believe a just society of shared responsibility by individuals, communities, businesses, and government is possible. In such a society, all individuals would be respected, have opportunities to reach their full potential, and be embraced as participants in thriving, diverse, sustainable communities. We are committed to making this vision a reality.

We join in writing to express our deep concern about the May 6 notice from the Office of Management and Budget (OMB) requesting comments on a possible change to the way that inflation is calculated when the Federal Poverty Level (FPL) is updated annually. Discussion is apparently taking place regarding the use of an alternative, lower measure of inflation than the traditional Consumer Price Index — either the “chained” CPI or the Personal Consumption Expenditures Price Index (PCEPI). The outcome would be lower poverty thresholds, with the gap between the current and proposed methodology increasing each year. According to Congressional Budget Office projections, after 10 years, use of the chained CPI would reduce the poverty line by 2%, while use of the PCEPI would reduce the poverty line by 3.4%.

Our coalition knows that an honest assessment of wages as compared to the cost of living is necessary if we are to compassionately and effectively respond to poverty in our state and nation. Presently the FPL is calculated through an outdated formula that uses the value of a thrifty food plan as the sole basic human need for which price is considered. The flaws of this approach have long been recognized, for example in **“Measuring Poverty: A New Approach,”** a major report edited by Constance Citro and Robert Michael for the Committee on National Statistics, National Research Council in 1995.

We ask that the OMB consider two points:

- 1) The need to update the Federal Poverty Level so that it reflects modern realities and the cost of basic human needs, which far outweighs the need to tweak how inflation is calculated. Far more harm is being done to families by the way the current FPL undercounts poverty and creates “cliff effects” by which benefits are lost before adequate income is generated for a family to reach stability than by the variances in how inflation is calculated. The OMB should put first things first and focus on calculating an honest poverty measure.



**and**

- 2) Missourians to End Poverty carefully researches how poverty impacts five key issue areas – economic and family security, education, health, food and nutrition, and housing and energy. Reducing the harm done by poverty in these issue areas requires both charity and governmental safety net programs, because of the size of the need and the challenges before us. The assistance of LIHEAP, SNAP, TANF, the Foster Grandparent Program, the Summer Food Service Program, CHIP, Medicaid, Family Planning, Head Start and so many other programs is essential to the health and well-being of more than one million Missourians, or approximately 16% of the entire state's population. The use of the chained CPI or the PCEPI would lower the income-eligibility cutoffs for all these programs, reducing or eliminating assistance to some individuals and families. Many of our neighbors would be harmed, and this is unacceptable to us.

The change being considered would clearly have a far-reaching and devastating impact on Missouri and other states. Missouri's health system already ranks eighth worst among the 50 states and the District of Columbia, according to a report released by the Commonwealth Fund on June 12. We oppose changes that would worsen economic conditions and health outcomes in Missouri, and we are united in resolve that any proposed change to how poverty or inflation is calculated must include thorough research and analysis and extensive public comment regarding the potential impact of the policy change on vulnerable individuals and families.

Sincerely,

Jessica Hoey, Chairperson  
Missourians to End Poverty

On behalf of these members of the Missourians to End Poverty coalition:

- Catholic Charities of St. Louis
- Douglass Community Services
- Empower Missouri
- Jessie M. Dryden, Common Sense for an (un)Common Bond
- Missouri Budget Project
- Missouri Catholic Conference
- Missouri Community Action Network
- Missouri Family Health Council, Inc.
- Patrick Dougherty, Former Missouri State Senator
- Rev. Dr. John H. Bennett, Disciples of Christ clergy, retired

cc: Senator Roy Blunt, Senator Josh Hawley