

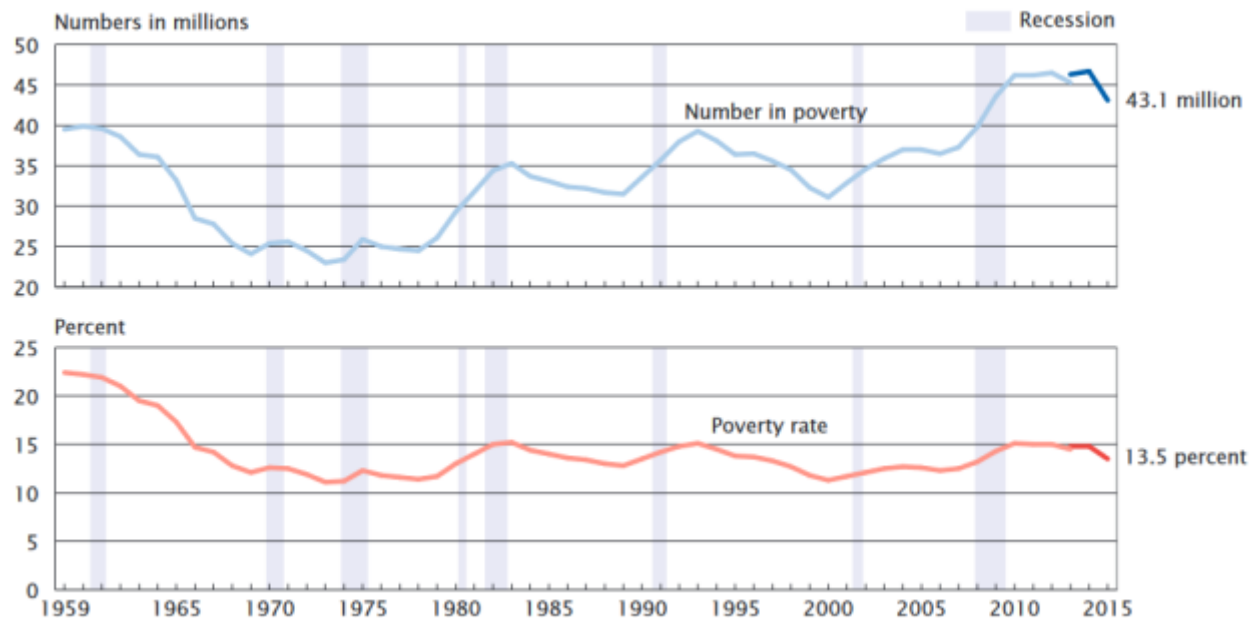
CONCEPT: POVERTY

- The **poverty line** is a level of income set by the government. Any family _____ this threshold is in poverty.

- ☐ The poverty line depends on the size of the household

- The 2017 poverty line for a four-person household is: _____

- ☐ The **poverty rate** is the _____ of the population that is in poverty.



Source: U.S. Census Bureau, Current Population Survey

- Data about poverty excludes some sources of income for the poor.
 - ☐ **In-kind transfers** – a program that provides goods and services (i.e. food) rather than _____ to poor families
- Some significant trends associated with poverty include:
 - ☐ Poverty is correlated with race. Blacks and Hispanics are _____ times more likely to live in poverty than whites.
 - ☐ Poverty is correlated with age. Children are _____ likely to be members of poor families than the elderly.
 - ☐ Poverty is correlated with family composition.
 - Families headed by a single female (no spouse) are _____ times more likely to live in poverty.
- The conditions of poverty are generally self-_____
 - ☐ The **poverty trap** is the mechanisms that cause poor people to _____
 - **Credit constraint** – inability to get a loan even if the person expects to pay it back
 - Poor children generally attend worse schools (low funding) → _____ human capital