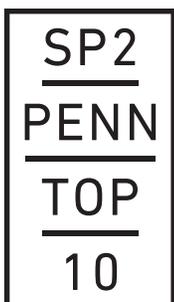


**MOVING BEYOND POVERTY AS THE MAIN
INDICATOR OF SOCIAL WELLBEING**

MARK J. STERN, PHD



Today, many federal assistance programs, like Food Stamps and housing subsidies, and block grants, like the Community Development Block Grants, are tied to the government's official poverty line. Because of this, the official poverty line has real-world impact on people's lives, especially the poor and near-poor.

The official poverty line, however, has become a less accurate indicator of economic need than when it was developed more than 50 years ago. In fact, the poverty line was actually flawed when it was first introduced. Yet, despite its growing inadequacy, the poverty line has remained largely unchanged even as the gap between poverty statistics and the realities of poor Americans has widened.

The poverty line's primary flaw is that it only measures the capacity to consume. Does a household have enough money to pay for a basket of standard goods?

During the last half-century, however, many ideas have emerged about what it means to live a "good life." These include things like good health, a person's education level, their social relationships, and how safely and securely they live. The poverty line misses these critical elements of wellbeing. A new way is needed.

MEASURING MORE THAN MONEY

European and international organizations are leading the way in research on the multidimensional study of social wellbeing. Several influential proposals take measurements across a group of categories that includes things like access to education, ability to enter the labor market, health and social connection. A shortcoming of these models is that they only rate nations across these categories, not communities or individuals. Therefore, they focus on topics like labor market trends and public policy programs while ignoring local factors that exist closer to communities and individuals.

MEASURING AT THE LOCAL LEVEL

A model developed at the University of Pennsylvania, in collaboration with Reinvestment Fund, a community development financial institution, combines elements of the European approach with more fine-grained data to create a neighborhood-based measure of wellbeing. The approach is currently being used to analyze wellbeing in Philadelphia and New York City. The model analyzes:

- Economic wellbeing
- Economic and ethnic diversity
- School effectiveness
- Housing burden
- Social connection
- Security
- Health
- Environment
- Political voice

Many of these categories are aspects of wellbeing that are missed by the traditional approach to poverty. With this more comprehensive, neighborhood-based model, national and local leaders can develop more effective strategies for alleviating poverty and improving wellbeing locally.

WHY IS THIS ISSUE IMPORTANT?

Since the 1960s, national and local leaders have sponsored a variety of strategies to reduce poverty and improve the quality of life in urban neighborhoods. The tools used to identify neighborhoods in need, like the official poverty line, provide an incomplete view of the condition and make it difficult to tailor strategies to a neighborhood's unique needs. A comprehensive, neighborhood-based measurement that focuses on wellbeing rather than poverty alone can provide a more detailed picture of a neighborhood. This allows for more accurate identification of need and provides local leaders direction in using existing neighborhood strengths as starting points to improve overall wellbeing.

THE IMPACT OF SOCIAL WELLBEING ON THE NEIGHBORHOOD

Taking a broader view of wellbeing can have direct positive impact on neighborhoods.

Imagine two low-income communities with official poverty rates twice the national average. In one community, private and public resources have been mobilized to improve the public environment (more trees and public spaces), improve the health of residents (reduced obesity, hypertension, and low-weight births), and increase the sense of trust and belonging among residents. In the other community, none of this has happened. Although both communities would still be considered low-income, the resources available to improve the quality of life would be much higher in the first community.

Measuring and focusing on social wellbeing would provide a more accurate reading of neighborhoods' assets and challenges and improve our ability to identify the right strategies for addressing those challenges.