Brief History of the Federal Poverty Guidelines & Their Connection to Benefits

The federal poverty guidelines (often referred to as the *Federal Poverty Level* or *FPL*) trace their roots to the 1960s, as part of the War on Poverty. In the mid-1960s, economist **Mollie Orshansky** at the Social Security Administration developed the first *poverty thresholds*, numeric income levels based on the cost of a basic food diet multiplied by three, reflecting the idea that food historically made up about a third of household expenses. **These thresholds were designed to measure poverty statistically, not to set policy.**

They used the Economy Food Plan and identified that roughly 1/3 of income was spent on food. The Economy Food Plan is the cheapest nutritionally adequate diet from the 1960s. It was meant for "temporary of emergency use". It assumed extensive home cooking.

Implied Monthly Budget (1963 Logic)		
Category	Share	Amount (Approx.)
Food	33%	$83
Housing	20%	$50
Other	47%	$117
Total	100%	$250
In 1963 dollars - at the time, the roughly matched reality.		

In 1965, the federal government began issuing the *poverty guidelines*, a simplified version of the statistical poverty thresholds, to be used administratively for program eligibility. Originally issued by the Office of Economic Opportunity, responsibility for publishing the guidelines now lies with the U.S. Department of Health and Human Services (HHS), which updates them annually for inflation by family size.

The Federal Poverty Guideline – 1960 Groceries

Our poverty line is still based on a 1960s grocery budget, multiplied by three, and adjusted for inflation. It has never been rebuilt to reflect modern housing, childcare, or healthcare costs.

The poverty guidelines themselves don't provide benefits, but they are the basis for income eligibility limits in many federal safety net programs. For example:

- Federal SNAP (Supplemental Nutrition Assistance Program) generally uses eligibility up to a percentage of the FPL (commonly 130 % of FPL. In PA gross income 200% and net income 100%).
- Other programs like WIC and Food Programs use different multiples (e.g., 185 % of FPL).
- Medicaid, CHIP, Weatherization, LIHEAP, Child Care Subsidy, rental and utility assistance, and eligibility for certain tax credits are also tied to the poverty guidelines.

Because the guidelines update annually but are built on an original concept from the 1960s, many analysts note that they *do not fully reflect modern costs of housing, health care, childcare, and other essentials*. However, they remain a central reference point for determining who qualifies for publicly funded assistance designed to help families meet basic needs.