

FPG vs. FPL: What's the Difference?

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The terms "FPG" and "FPL" are often used interchangeably, but they are not actually the same thing; there are, in fact, important functional differences between the two concepts.

The **federal poverty level (FPL)** is the income threshold below which a family, and every individual in it, is considered to be in poverty. The poverty definition is based on money income before taxes and does not include capital gains or non-cash benefits. The official FPL is calculated annually by the Census Bureau and is used primarily for statistical purposes—for example, to estimate the number of Americans in poverty each year. FPL varies by family size, number of children, and—in the case of one-person and two-person households—elderly status. The figure is the same for all 50 states and Washington, D.C.

The **federal poverty guideline (FPG)** is a poverty threshold issued by the Department of Health and Human Services for administrative purposes—for example, determining financial eligibility for federal programs. FPG, like FPL, varies by family size. However, FPG is not uniform nationally: The 48 contiguous states and D.C. use the same FPG, while Alaska and Hawaii each have their own FPG. Additionally, elderly status is not considered in FPG calculations.

Ultimately, FPL and FPG identify different numbers of people below the same poverty threshold, with FPG generally placing more people in lower poverty categories than FPL. Additionally, the two measures are released at different times relative to the year to which they apply: The Census Bureau issues its final FPL calculations in the year *after* the year for which poverty is being measured (e.g., the 2010 FPL was issued in 2011). FPG, on the other hand, is issued by HHS in late January of the year for which poverty is being measured (with the 2011 FPG issued in January 2011).

Current and future eligibility for Medicaid is based on FPG, as are the exchange-based cost-sharing and premium subsidies that take place under the federal Affordable Care Act. Given that these programs affect a growing and substantial number of people in the coming years, it is important to acknowledge that FPG is distinct from FPL in ways that have significant ramifications on a practical level.

Resources on FPL and FPG

Assistant Secretary for Planning and Evaluation (ASPE), Department of Health and Human Services (HHS). *Poverty Guidelines, Research, and Measurement*. Available at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references>

U.S. Census Bureau. "How the Census Bureau measures poverty." *About Poverty*. Available at <https://www.census.gov/topics/income-poverty/poverty/guidance/poverty-measures.html>