Using a new measure of poverty, the anchored Supplemental Poverty Measure (SPM), this fact sheet compares poverty rates in Montana to national poverty rates, and shows the role that taxes and transfers play in reducing poverty in Montana.

We find:

- The poverty rate in Montana declined from 17.3% in 1976 to 12.0% in 2014. The national poverty rate declined from 18.5% to 16.0%.
- Taxes and transfers today reduce the national poverty rate by 12.0 percentage points. Taxes and transfers today reduce the Montana poverty rate by 12.5 percentage points.
- The role of taxes and transfers in Montana has grown from 5.5 percentage points in 1976 to 12.5 percentage points in 2014, which highlights the growing importance of government programs in reducing poverty in the state.

The next three graphs present the impact that taxes and transfers have on poverty for children (ages 0-17), working-age adults (ages 18-64) and the elderly (ages 65 and above).
In 1976, the child poverty rate in Montana before counting taxes and transfers was 20.1%. After including taxes and transfers, the poverty rate remains at 20.1%.

By 2014, taxes and transfers reduced child poverty substantially. Before counting taxes and transfers, the child poverty rate in Montana was 23.0%. After counting taxes and transfers, the child poverty rate falls to 12.4% in Montana.

In 1976, the working-age adult poverty rate in Montana before counting taxes and transfers was 17.3%. Including taxes and transfers reduced the poverty rate for working-age adults in 1976 to 14.7%.

By 2014, taxes and transfers reduced working-age adult poverty substantially. Before counting taxes and transfers, the working-age adult poverty rate in Montana was 18.5%. After counting taxes and transfers, the working-age adult poverty rate falls to 12.0% in Montana.

In 1976, the elderly poverty rate in Montana before counting taxes and transfers was 66.2%. Including taxes and transfers reduced the poverty rate for elderly adults in 1976 to 24.8%.

By 2014, taxes and transfers reduced elderly poverty substantially. Before counting taxes and transfers, the elderly adult poverty rate in Montana was 50.9%. After counting taxes and transfers, the elderly poverty rate falls to 11.6% in Montana.

*The range of the y axis on this graph for the elderly is larger than it is on graphs for children and working-age adults; this reflects the exceedingly high levels of pre-tax/pre-transfer poverty in this age group*