

Major Means-Tested and Income Support Programs for the Working Class, 2009-2019

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Safety nets in recessions and expansions

Expansions of the welfare state in times of recession

Contractions in times of economic growth

How did the safety net evolve over the expansion?

Considerations:

- *Who?* Target populations and eligibility
- *How much?* Benefit generosity and funding
- *How?* Administrative rules and capacity
- *So what?* Caseloads and inclusion

Federalist system means we need to consider federal and state/local roles.

Components of the US safety net for working-age adults with children

We focus on four programs that provide cash or near-cash assistance:

TANF	Temporary Assistance to Needy Families
SNAP	Supplemental Nutrition Assistance Program (“Food Stamps”)
EITC	Earned Income Tax Credit
UI	Unemployment Insurance

Changes to TANF

Temporary Assistance to Needy Families

- Increased allocation in 2009-2010
- Followed by erosion of federal funding
- States shifted funds to other uses
- Inflation-adjusted benefits fell in 42/50 states over 2010-2019

Changes to SNAP

Supplemental Nutrition Assistance Program

- Temporarily boost to benefits 2009-2013
- Administrative modernization
- Expansion of employment and training provisions in 2014
- 2018 – restricted to 3 months for “Able-bodied adults without dependents”

Changes to EITC

Earned Income Tax Credit

- More generous federal credit to families with 3+ children, households with married parents
- NOT rolled back
- States with EITCs: 23 in 2009 to 28 in 2019

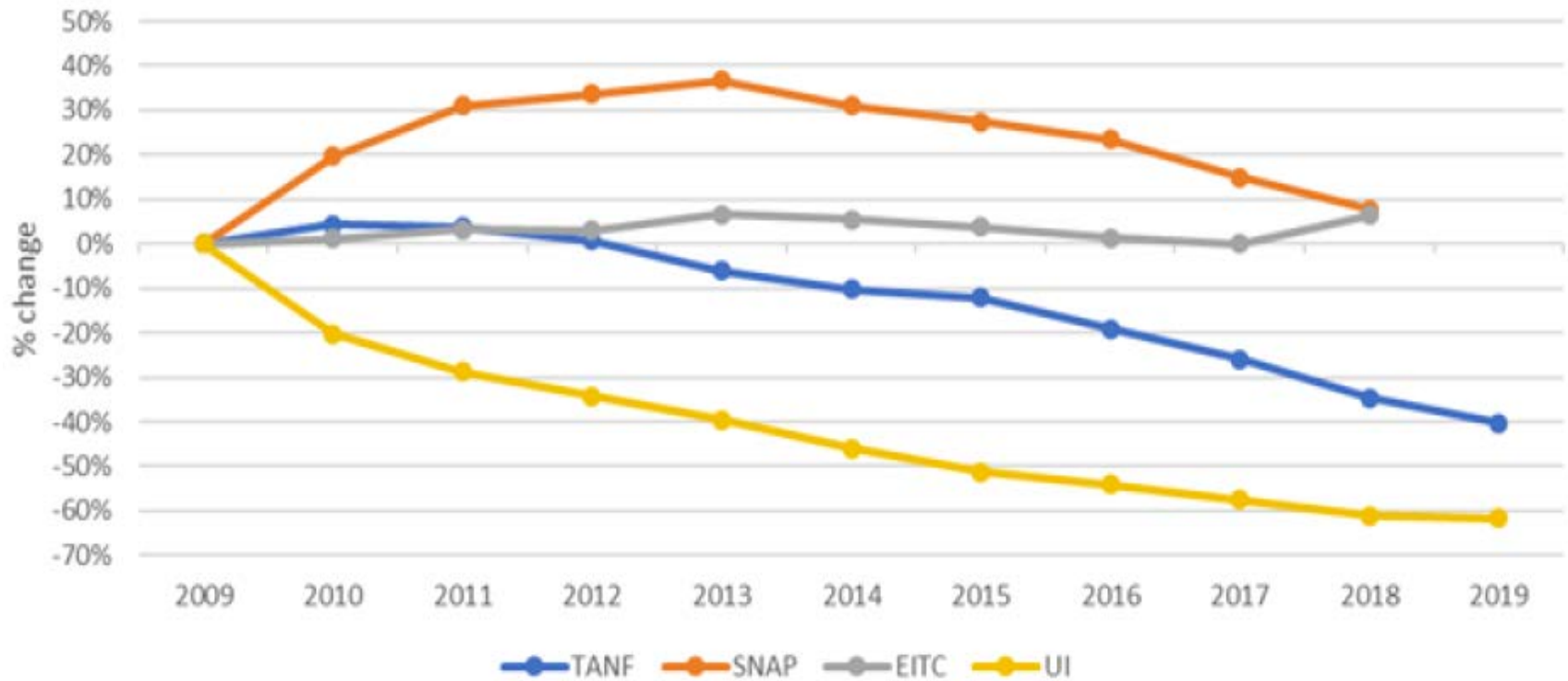
Changes to UI

Unemployment Insurance

- Expansion from 26 to 99 weeks in effect 2008-2013
- Modernization incentive to cover more low-wage workers, not all states took this up
- Some states subsequently cut benefits or imposed bureaucratic hurdles

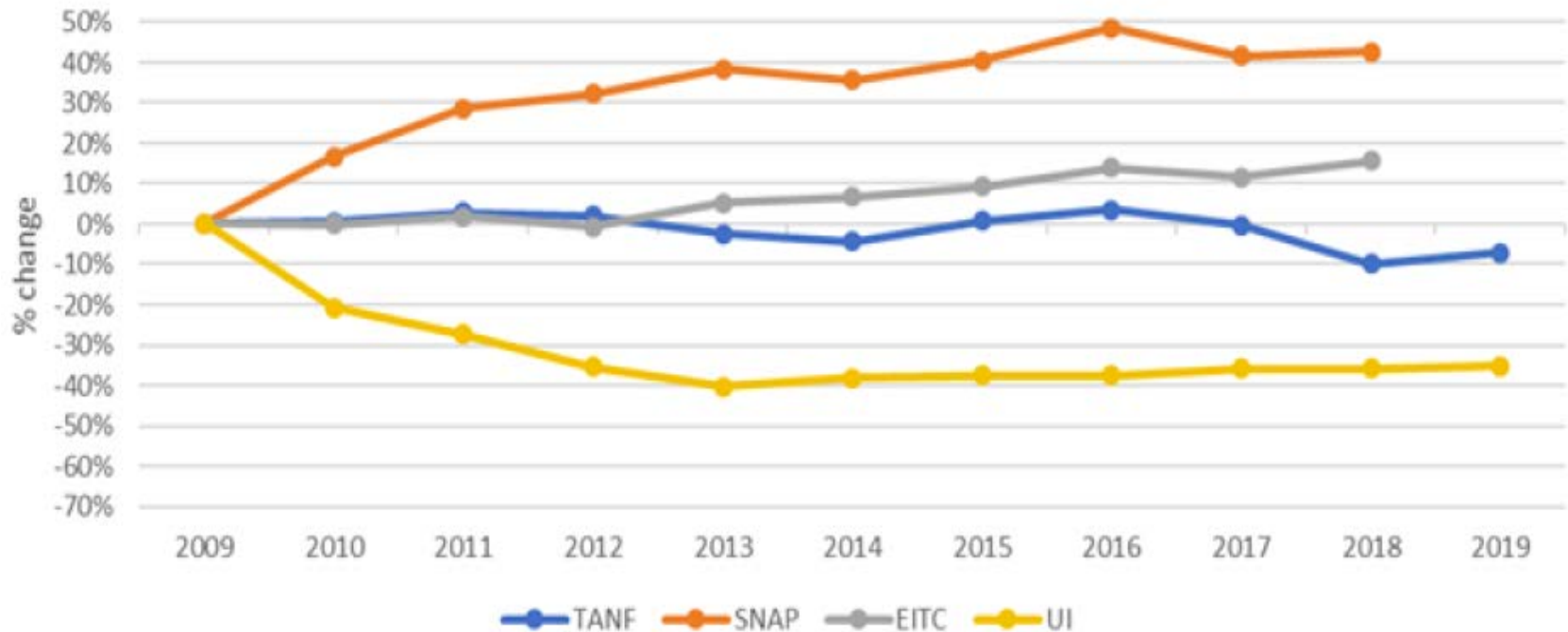
Changes in caseload

A. Caseload, change relative to 2009



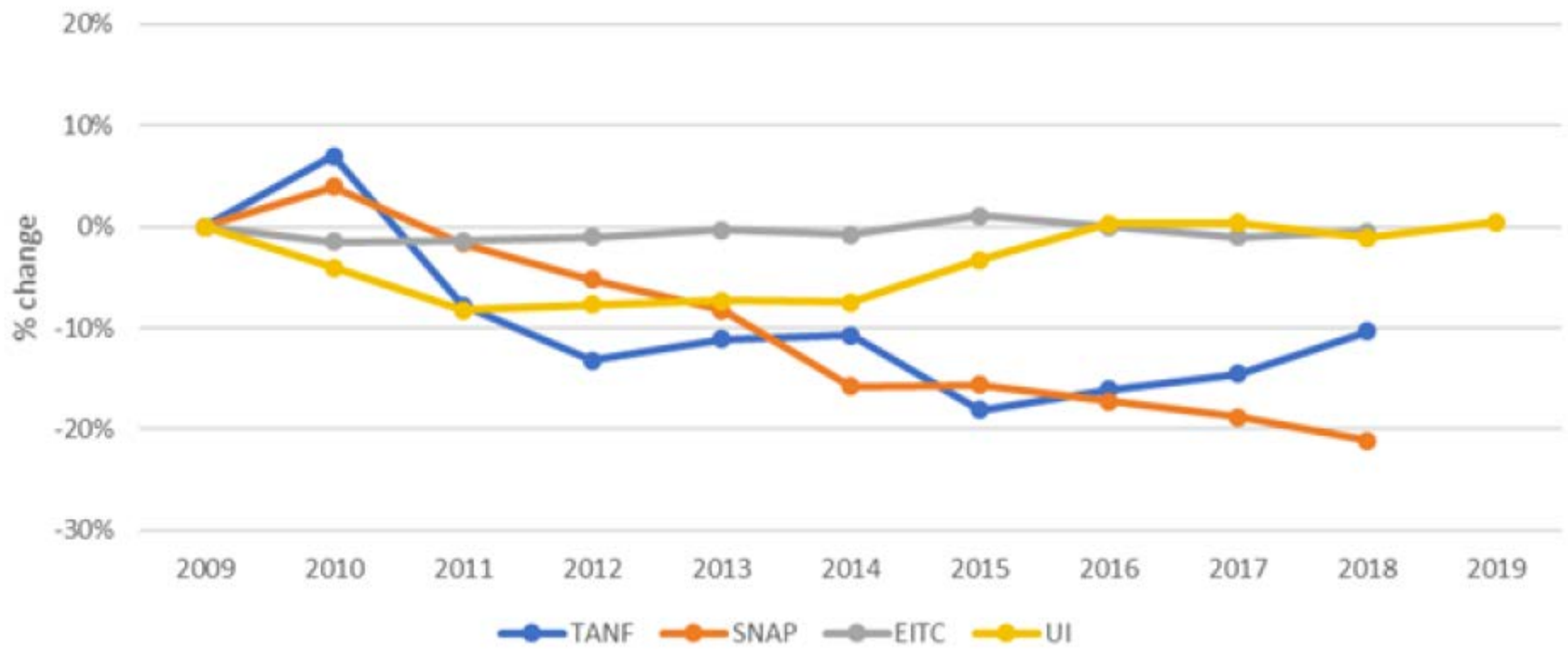
Changes in ratio of caseload to estimated need

B. Ratio of caseload to potentially eligible population, change relative to 2009



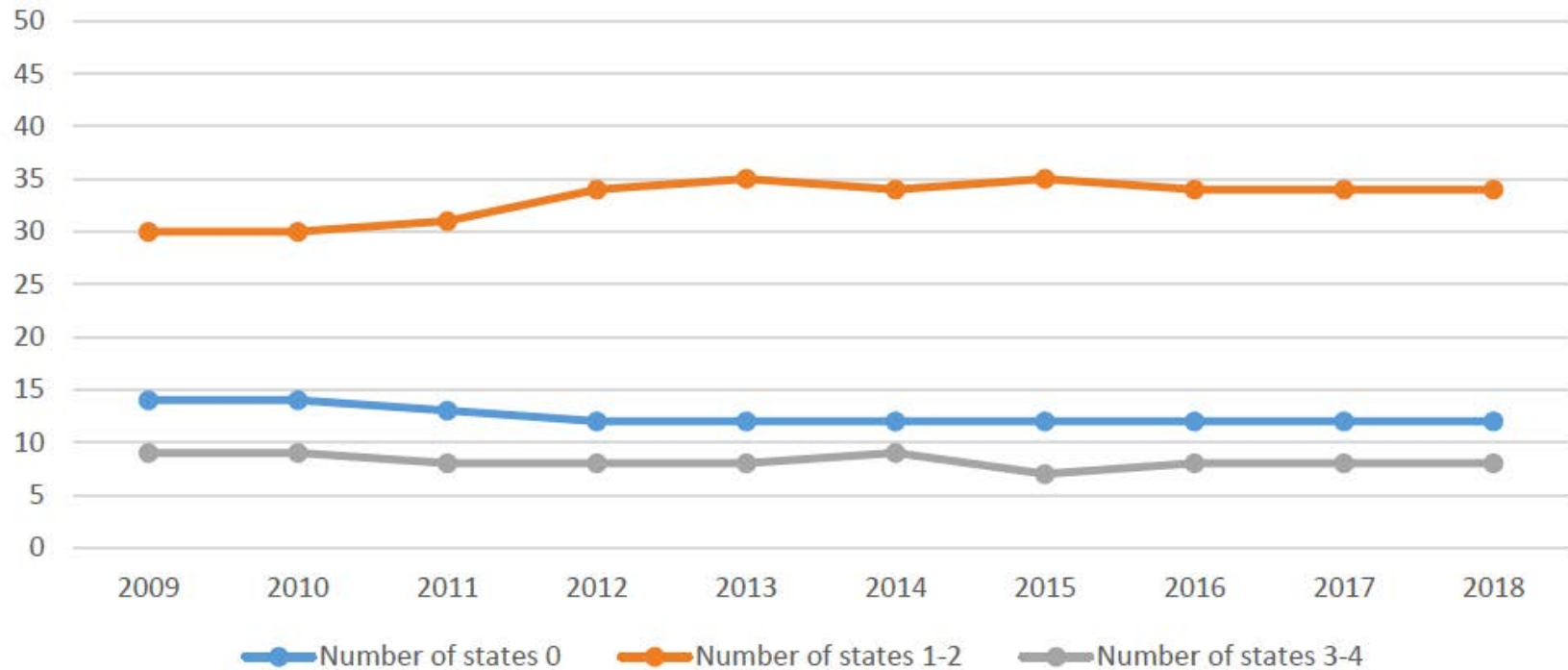
Changes in average benefit amount

C. Average benefit amount, change relative to 2009



Changes in administration burden

B. TANF Documentation Burden, 2009-2018



Summary and discussion

Expansion then contraction

Increased work-contingency (SNAP rules, stricter job search requirements for UI claimants, EITC only increase maintained)

Concern about who is left out...

...amplified by pandemic

State and local innovations

Future directions with the incoming Biden Administration?