We’d like to thank:
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The Russell Sage Foundation, Alfred P. Sloan Foundation, Charles Koch Foundation, and the Menard Family Foundation for their support of the Comprehensive Income Dataset Project at the University of Chicago.
Motivation

We’ve seen a sharp decline in economic activity...
Motivation

and an unprecedented government response
Motivation
and an unprecedented government response

Numbers of Initial Weekly Claims, 2020
(Regular UI and PUA)
Questions

What is the net effect of these dramatic disruptions on family income?

Problem: Official statistics aren’t available until September 2021

Some aggregate numbers are available, but it is important to have near real-time information on:

• What is the impact on the poor and other parts of the income distribution?

• Are some demographic groups disproportionately affected?
What We Do

• Use data on family income from the Monthly CPS
  • Global question about cash income from all sources for the past 12 months
• Compare family income to official poverty thresholds to estimate poverty before and after the start of the pandemic
• Examine several percentiles of the income distribution
• Consider the contribution of key government programs
Wait, aren’t these the consumption guys?

In a series of papers we have argued that consumption is a better measure of well-being at the bottom (Meyer and Sullivan 2003, 2004, 2008, 2012a,b)

Both consumption and income are important

Concerns about under-reporting of income remain
What should we expect to find?

The Effect of the Economic Impact Payments and UI on Income, Family of 4 with Pre-separation Earnings Below FPL

- Federal Poverty Line (FPL)
- Pre-separation income: 60% FPL
- Pre-separation income: 75% FPL
- Pre-separation income: 90% FPL

Unemployment spell begins

EIP & PUC & PUA/UI

PUA/UI
How Does Income from the Monthly CPS Match Up?

Figure 8: Poverty Rates from the Monthly CPS and the Annual Social and Economic Survey of the CPS, 2005-2019
How Does Income from the Monthly CPS Match Up?

Figure 10: Poverty Rates from the Monthly CPS and the Consumer Expenditure Surveys, 2014-2018
## Results, Full Sample

### Poverty Rates and 25th Percentile, Monthly CPS, 2020

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>(April+May)-(Jan+Feb)</th>
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</thead>
<tbody>
<tr>
<td>Poverty</td>
<td>0.109</td>
<td>0.108</td>
<td>0.101</td>
<td>0.086</td>
<td>0.085</td>
<td>-0.023</td>
</tr>
<tr>
<td></td>
<td>(0.005)</td>
<td>(0.005)</td>
<td>(0.005)</td>
<td>(0.006)</td>
<td>(0.006)</td>
<td>(0.005)</td>
</tr>
<tr>
<td>25th Percentile</td>
<td>$46,139</td>
<td>$45,822</td>
<td>$47,452</td>
<td>$51,111</td>
<td>$51,340</td>
<td>$5,244</td>
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<tr>
<td></td>
<td>(822)</td>
<td>(865)</td>
<td>(1,033)</td>
<td>(1,296)</td>
<td>(1,246)</td>
<td>(1,042)</td>
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<tr>
<td>Number of individuals</td>
<td>20,029</td>
<td>20,825</td>
<td>16,739</td>
<td>14,387</td>
<td>14,243</td>
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</tr>
</tbody>
</table>


Results, Heterogeneity

Change in Poverty
(From Jan & Feb to April & May)
The Role of Government Policy

Counterfactual poverty estimates for May
Other Evidence

Other sources indicate incomes have risen
• Disposable income grew 13.4% in April

Spending has declined
• Real personal consumption expenditures fell by 6.7%
• Declines also evident in bank account and aggregate credit records

Some evidence of increased hardship
Final Thoughts

That poverty has fallen and incomes have risen is good news, but

This is a short-run finding

Increases in income don’t address all the challenges people face
• Health concerns
• Disruptions in social interactions
• Uncertainty about the economy and future income

More to come in 3 weeks!