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The Social Safety Net in the Wake of COVID-19

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I. Introduction

The COVID-19 crisis has hit low-income families especially hard. As unemployment rates have spiked overall, they have risen even higher for those with lower levels of education, and for Blacks and Hispanics. Other aspects of the crisis disproportionately impact low-income families as well; for example low-income families are more likely to be headed by a single mother, and a higher share of women have lost jobs than during prior recessions. Closures of schools and child-care centers have meant that large numbers of low-income children have lost access to free- or reduced-price meals. Food prices have increased sharply leading to a reduction in the purchasing power of families limited income.

Two pieces of legislation, the Families First Coronavirus Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, include important provisions to respond to these historic job losses. Four elements are particularly relevant in our context. First, the CARES Act included substantial expansions to unemployment insurance (UI): a $600 per week universal supplement through Federal Pandemic Unemployment Compensation (FPUC), an extension of 13 weeks of federally funded benefits to people who exhaust their regular UI benefits through Pandemic Emergency Unemployment Compensation (PEUC), an expansion of eligibility for self-employed and gig economy workers and those without sufficient earnings for normal UI through the Pandemic Unemployment Assistance (PUA), and other patches to reach workers who were previously excluded from eligibility. Second, a one-time recovery rebate of $1,200 per adult ($2,400 for a married couple) plus $500 per dependent child under 17 was implemented (with phase outs starting at income above $150,000 for married couples and $75,000 for single filers). Third, an Emergency Allotment provision was added to the Supplemental Nutrition Assistance Program (or SNAP, previously food stamps), raising all benefit payments to the maximum benefit level – averaging a $165 increase in monthly benefits for households receiving increased payments. Fourth, a new program called the Pandemic Electronic Benefits Transfer (P-EBT) program was

launched by the USDA to provide payments to the millions of families whose children lost access to free and reduced-price meals while their schools were closed.

Despite these efforts, many individuals and families are suffering. Food insecurity rates have increased almost three times over the pre-COVID rates with almost a quarter of families reporting their food "just didn't last" and they did not have money to buy more. Seven percent of adults reported receiving help from a food pantry in the prior week, with Feeding America (the national organization of food pantries) reporting a 70% increase in need and many news outlets documenting miles-long lines of individuals waiting to obtain for food assistance. Adverse mental health conditions have worsened, with rates of depression and anxiety doubling over pre-COVID levels. While it will be many months before we have a clear picture of how family incomes are changing, it is evident from the available real-time data that there currently remains tremendous unmet need.

Why, in the face of $2 trillion dollars of new spending, do we see high levels of hardship? Some of it is due to slow relief payments, in part driven by overwhelmed UI systems in some cases and the need to engineer a new program in others (e.g., Pandemic EBT and PUA/PEUC). To the extent that this is a factor, we should see some improvement in measured hardship as payments increase across time—though we may expect to see hardship increase again once emergency payments are sunset. Some is due to holes in the safety net that mean that some who were hit by the economic shock had no recourse from existing safety net programs like UI or received no additional benefits from SNAP.

Many workers do not receive UI, with lower rates of eligibility among those with low levels of education—driven both by insufficient prior earnings and by immigration status. Estimates from the COVID Impact Survey show that in June, 50 percent of recently unemployed workers overall, and 47 percent of low-educated unemployed, reported receiving unemployment benefits. Notably, these relatively low rates of accessing UI and the disparities by education, are strikingly similar to those that

we saw during the Great Recession. Further, for many more disadvantaged Americans, accessing the recovery rebates requires an application process, while more advantaged groups received the payment automatically as a direct deposit to their financial institution. Inadequate state administrative systems and bureaucratic barriers have also slowed down the distribution of funds. Outdated state computer systems and cumbersome application processes have slowed some state's UI applications. States had to apply to USDA to receive approval to set up their P-EBT programs and had to set up a system to identify eligible families and distribute EBT cards to recipients, with some states not scheduled to make (retroactive) payments until July. States also had to apply to FNS to be able to distribute Emergency Allotment payments which set SNAP benefits to the maximum level for everyone. These factors caused delays that could not be weathered without hardship (or emergency charity aid) for those who lacked savings or access to credit.

Furthermore, and more structurally, over the past several decades the U.S. has steered its social safety net, which has always been less far-reaching and less funded compared to other rich countries, to focus on work. Through the shift from cash assistance to the Earned Income Tax Credit, and through adding work requirements to SNAP and Medicaid (less universally), we have built a social safety net that delivers less insurance with more emphasis on incentivizing work and topping up low earnings. This may meet need during times of low unemployment, but it is ill suited to times of high unemployment. As we show, cash welfare payments for the non-disabled are extremely limited and are not countercyclical. While SNAP payments typically can quickly increase in response to rising need, its benefits are modest, and recent policy changes—tying SNAP receipt to work for some groups and making it more difficult for immigrants to participate—could dampen SNAP's counter-cyclical impact if not waived. As a result, there are many who are likely falling through holes in the safety net.

This analysis leads us to two sets of recommendations. First, we discuss policies that need to be addressed now. Many of the most important elements of the CARES Act are due to expire as early as

July 2020 – even though unemployment rates are higher now than at any time during the Great Recession. The PUC ($600/week supplement) expires July 31, 2020 and the PUA (covering the self-employed) expires December 31, 2020. Temporary increases to SNAP payments have already ceased in some states (with state-declared health emergencies ending) and the P-EBT program only makes payments during the school year when schools are closed. Many of these should be extended and adapted to the ongoing crisis. In addition, following the successful policies of the 2009 stimulus, we suggest that maximum SNAP benefits should be increased by 15 percent. Because UI and SNAP only serve a limited subset of those in need, another round of stimulus payments may also be in order, potentially targeted more narrowly to low-income families, potentially measures as those receiving P-EBT payments, those who received the Earned Income Tax Credit (EITC) in recent years, or those on SNAP or Medicaid.

Second, we suggest more structural policy changes for our social safety net. In order to support a work-based safety net, the UI system should be redesigned to reach a larger share of disadvantaged unemployed workers. More automatic stabilizers should be put into place and triggered by increases in the unemployment rate, including an automatic increase in maximum SNAP benefits and triggers to set payments equal to maximum allotments for everyone. The UI system should adjust to our new work environment with many self-employed or gig workers. States' administrative capacities need to be increased, and more benefits should be paid automatically, instead of relying on application systems that may be antiquated. Because of what is known about the long-term impacts of economic distress on children, we also support a monthly child allowance that provides an unconditional consumption floor to families with children as described in a recent National Academy Report (NASEM 2019).

These issues are described at more length in the remainder of the paper. In Section II, we describe aspects of the economic shock experienced by low-income households during COVID-19, and the early evidence on their economic situation, need, and well-being. In Section III, we present real-time

data on the core four policy changes affecting lower income families (UI, SNAP EA, P-EBT, & Recovery Rebates). We then go on in Section IV to try to understand why the current efforts are not enough, documenting limits to UI eligibility and receipt and hurdles and barriers to program receipt. In Section V, we circle back to connect these findings to the broader structure of our social safety net and the inherent limitations to provide insurance. We conclude in Section VI with proposals to strengthen the safety net now and during future downturns.

II. The COVID-19 Shock to Economic Wellbeing

We will not be able to observe the impact of COVID-19 on official poverty statistics until the 2020 poverty rates are released in September 2021. Furthermore, since poverty rates are measured as a function of annual income, they may be of limited use for understanding the extent of hardship being experienced due to recovery payments (e.g., for UI, SNAP, and missed school meals) that were slow to be paid out and left holes in family budgets in the first weeks and months of the crisis. Furthermore, to the extent that economic shocks harm those who would have otherwise been below the poverty threshold, we will not see an increase in poverty rates but instead would see an increase in the poverty gap. Here, we deploy the available data to monitor the current, real-time measures of household well-being.

To understand who is at risk under COVID-19 for needing new or increased access to the social safety net, we first need to know who is experiencing job loss. We follow Blau et al. (2020) and Montenovo et al. (2020) and use the Monthly Current Population Survey (CPS) to compare labor market outcomes from the pre-COVID peak in February with outcomes in April after the recession hit. Figure 1 presents the basic findings. Overall, there was an 11 percentage-point increase in the share unemployed

or not at work but having a job[1] between February and April. The figure also shows that the economic shock is significantly greater for those with lower levels of education. The increase in unemployment for those with high school or less (some college) was 12.8 percentage points (13.3 percentage points) compared to a 7.1 percentage point increase for those with a 4-year college education or more. This result—that recessions increase unemployment more for lower education groups than higher education groups—is a recurring feature of U.S. cycles (Hoynes et al., 2012). Because children's exposure to economic shocks has been shown to have long-lasting health and economic consequences (Hoynes and Schanzenbach, 2018), we also analyze changes in the share at work from the perspective of children's exposure to the crisis.[2] Children in households with a household head with no more than some college saw a 21 percentage point increase in the likelihood they lived with someone who was unemployed or not at work in April compared to February, compared to 13 percentage points for children with a head with a college education or more.

Another aspect worth describing is how quickly economic indicators worsened during the COVID-19 crisis, compared to the Great Recession as shown in Figure 2. The blue solid line and dotted line in the figure report (seasonally adjusted) unemployment rates, by month relative to the economic peaks prior to the COVID-19 recession (February 2020, solid) and the Great Recession (December 2007, dotted). The unemployment rate gradually increased during the Great Recession, while it spiked during COVID-19. The purple solid line and dotted line show increases in food prices—an important factor for well-being in low-income families—relative to the peak recession months. Food prices have also

[1] The BLS has documented that some share of those reporting they have a job but are not at work likely are unemployed given ideal definitions of these measures. We add back these individuals to the unemployed group.
[2] Note that unlike measures about own labor force participation and employment status, this measure is not mutually exclusive, as a child living with more than one adult can live with adults with various employment outcomes.

increased more quickly during COVID-19 than they did during the Great Recession, driven in large part by the largest single-month increase in nearly 50 years in March.[3]

Next we move beyond labor market outcomes to examine real time measures of family economic wellbeing. One short-term measure of hardship is food insecurity. Food security captures a variety of aspects of a household's access to food, ranging from how often the household worried about having enough food to how often a child has gone for a day without eating. Figure 3a displays trends in food insecurity rates for all households, and Figure 3b displays rates for households with children. Two separate measures of food insecurity are regularly collected, and several special measures have been introduced during the COVID-19 crisis. The first measures food insecurity over the prior year and is drawn from the CPS Food Security Supplement (CPS-FSS), collected each December and graphed as the solid blue line. Note that food insecurity increased by 3-5 percentage points after the Great Recession and remained statistically elevated for at least 5 years. In December 2018, the last period with available data, 11.1% of households experienced food insecurity over the prior year.[4] The orange line presents a measure of food insecurity *over the past month* from the National Health Interview Survey (NHIS). As one would expect, food insecurity measured on a monthly basis in NHIS is lower, by 2–3 percentage points, than it is when collected with an annual lookback period in the CPS-FSS. In 2018, food insecurity in the NHIS was 8.8%.

We can use these data to estimate what food insecurity was likely to be on the eve of the COVID-19 health emergency. Food insecurity rates vary persistently with the unemployment rate, and unemployment continued to improve between 2018 and when the economy peaked in February 2020. Based on the usual pattern between unemployment and food insecurity, we predict that food insecurity in February 2020 would be 8.5% on a monthly (red square) and 10.7% on an annual basis (blue square).

[3] These price increases do not include increased time and hassle costs of obtaining food for many families.
[4] December 2019 data are expected to be released in September 2020.

We compare these predicted rates in February 2020 to food insecurity measured in the Census Household Pulse Surveys (done weekly), which averaged 23.0% over the April 23–May 19 period (this number is represented by the green circle).[5] The post-COVID estimates are 2.7 times those estimated for February 2020. The large increase in unemployment, from 3.9% in February to 14.7% in April (an out of sample value to be used for predicting food insecurity to be sure), predicts that we would have expected the food insecurity rate in April to be 17.3%—in other words, the increase in unemployment explains more than half of the increase in food insecurity. The Bureau of Labor Statistics reports that the official unemployment rate is currently understated due to a large number of workers reporting they were "not at work for other reasons" and were not classified as unemployed; if we recoded these workers as unemployed it would raise the March unemployment rate to 20.5%, and as a result fully 92% of the increase in food insecurity would be explained by the increase in unemployment rate.[6] Some of the remaining unexplained increase in food insecurity may be due to the sharp increase in food prices (Figure 2).[7]

Figure 3b repeats the exercise for households with children, who always have had a higher rate of food insecurity than did households overall. We predict that the February 2020 level of food insecurity will be 9.3% on a monthly basis and 13.6% on an annual basis. During the COVID-19 health emergency, the Census Household Pulse Survey shows that the rate of food insecurity for households with children more than tripled to 29.5%. Approximately half of this increase can be explained by the

[5] The Census Household Pulse Survey collects information on food *insufficiency*, which we translate into food insecurity rates using a method described in more detail in Schanzenbach and Pitts (2020). The increase in hardship follows the same pattern if we measure the share reporting that they "sometimes" or "often" did not have enough to eat.

[6] Some researchers also suggest that Covid-19 has increased the share of the former labor force "out of the labor force."

[7] At the state level, there is a positive correlation between the change in food insecurity between February and April, and the change in unemployment during that time period. Every state has experienced an increase in both food insecurity and unemployment. The increase in food insecurity ranges from less than a 50% increase to 14.1% in Vermont to a tripling of food insecurity to over 30% in Mississippi and Louisiana.

increase in the unemployment rate, and 65% could be explained if the unemployment rate were adjusted to include as unemployed workers reporting they were “not at work for other reasons.” Low-income families with children have been hit particularly hard during this period, between the loss of free and subsidized school meals due to school closures and particularly elevated unemployment rates among women. In 2019, the school meals programs served free or reduced-priced lunches to 22 million students, and breakfasts to 13 million (compared with about 17.5 million school-aged children on SNAP). Subsidized school meals reduce child poverty rates by 1.1 percentage point in a static sense.

Other measures of real-time hardship are also elevated. Figure 4 displays the share of households reporting receipt of emergency food from a food bank, food pantry or church, based on an annual time series 2002-2018 drawn from the CPS-FSS that asks about receipt of emergency food over the past month. The blue and orange lines present these CPS-FSS trends. The previous peak, in 2014, was 2.8% of households receiving emergency food (3.6% for households with children). The point estimates for 2020 represent responses from the Census Household Pulse Survey (pooled across the April 23-June 2 period), which asked respondents to report on emergency food from these sources over the past week. According to both data sources, *weekly* receipt of free food is at or above its peak *monthly* rate during the previous "normal" time period. It is worth noting that another real-time survey, the COVID Impact Survey, asks about receipt of food over the past 7 days from a food pantry and finds even higher estimates—6.8% for respondents overall and 8.3% among those with children, averaged across their 3 waves of data collected from March-June.

Figure 5 displays measures of mental health across three categories: whether the respondent had little interest in doing things; felt down, depressed or hopeless; or felt nervous, anxious or worried. The blue bars represent the share of respondents reporting that they experienced these symptoms in the last week, as measured in the Census Household Pulse Surveys (pooled across April 23-May 26, 2020). The orange bars report the closest pre-COVID-19 comparison, drawn from nationally

representative National Health and Nutrition Examination Survey (NHANES) data from 2017-18.[8] During COVID-19, the share of adults reporting mental health problems in the past week has doubled, suggesting serious distress.

III. The Policy Response: Where is the Money Going and When?

Between the Families First Coronavirus Act (passed on March 18) and the CARES Act (passed March 27) more than $1.8 trillion dollars have been provided in relief and assistance nationally. As described above, four elements are particularly important for lower-income families: expansions to UI, expansions to SNAP, the one-time recovery rebate, and the new Pandemic EBT program. Here we track what we know about the magnitude of these benefits and the timing of their activation.

By design, and even without Congressional action, SNAP is structured to respond quickly to increased need. Households that newly become eligible due to job loss or other economic shocks can apply for SNAP and generally receive benefits with 30 days. The program functions as an entitlement so benefits can flow as need (eligible persons) increases. Additionally, the Families First Coronavirus Act introduced the Emergency Allotment provision (EA) which temporarily increased SNAP benefits to the maximum benefit level (which varies by family size, and averages about $170 per person per month) while state and federal health emergencies were in progress. This provided additional resources to those on SNAP with higher incomes, such as the working poor (for whom SNAP tops up earnings) who are at particular risk for job loss. The SNAP EA amounted to an average increase in benefits of 40 percent, though it provided no increase for the most disadvantaged SNAP recipients who already receive the maximum benefit. The Act also allowed states temporarily to automatically recertify currently enrolled participants (typically states require that recipients come to the office for

[8] In the NHANES, respondents are asked about the prior 2 weeks for "little interest in doing things" and feeling "down, depressed or hopeless," and the prior year for feeling "anxious, nervous or worried."

recertification at 6 months intervals to continue to receive SNAP), so offices could concentrate on screening new applicants.

SNAP is responding to increased need with unprecedented speed. Although national data on SNAP only come with some lag, in Figure 6 we present increases in the percentage of individuals enrolled in SNAP (orange solid line) across 27 states that have released their data for April and/or May (these states account for about 67 percent of the SNAP participation as of February 2020). These are striking increases. The median state's SNAP participation levels increased by 10 percent by April, and by several additional percentage points by May. The number of participants increased over 35% in Florida and 18% in Texas by May, likely due in part to their strong administrative system for SNAP developed to quickly deploy Disaster-SNAP after hurricanes. For comparison, SNAP participation increases during the Great Recession are shown as the orange dotted line. It took 9 months to see the same SNAP participation increase during the Great Recession, but of course unemployment also grew more slowly during that recession.

SNAP spending has also increased quickly and dramatically, as shown by the green line which is calculated using Daily Treasury Statements and compares spending on SNAP by month relative to spending in February.[9] Some of the spending increase is due to the new P-EBT program, which provides benefits patterned after SNAP to families who lost access to free- or reduced-price meals due to school closures. Since benefit eligibility income cutoffs are higher for some school meals participants than for SNAP (generally income cutoffs of 185% of poverty for reduced-price school meals vs. gross income limits of 130% for SNAP), school meals participants who were also enrolled in SNAP received benefits on their SNAP cards quickly, while states had to start up a new program and issue new benefit cards in the

[9] DTS for June includes data through June 19 (the month's 15th business day). In April and May 2020, 74% of the monthly SNAP spending was incurred by the 15th business day. We assume the same rate of spending and estimate the June total accordingly.

midst of the pandemic to disburse benefits to SNAP non-participants. Between these sources, by the end of June, spending on SNAP has approximately doubled. Our calculations suggest about 20 percent of the increase explained by increases in participation, 40 percent being due to EA payments, and 40 percent being from P-EBT payments which are recorded as SNAP spending. Spending grew much more slowly during the Great Recession but increased substantially when the 15 percent increase in maximum SNAP benefits authorized by Congress as part of the ARRA stimulus package was implemented. Note that EA payments have already been phased out in 11 states because they are tied to both the state applying for them and having a state and Federal health emergency, and P-EBT payments have not been authorized past June due to being tied to school closures (though some states are still expecting to issue delayed payments).[10]

Figure 7 provides some detail on the state by state response of SNAP to the shock. The scatter plot shows the April - February percentage point change in the unemployment rate on the x axis and the April - February percent change in the number of SNAP participants for the 27 states with available recent data on the y axis. The regression line is fitted to this scatter plot using each state's population as weights. Overall, we see that states that experienced a larger economic shock as measured by unemployment increases saw larger SNAP increases.

The CARES Act also included large expansions to UI including the $600 per week supplement (the FPUC), the 13 week extension of federally funded benefits (the PEUC), an expansion of eligibility for self-employed and gig-economy workers (the PUA), and other patches to reach workers who were previously excluded from eligibility (also PUA). Figure 8 shows the continuing claims for regular state, Federal, and Extended Benefit and other UI and for the new Pandemic programs (PUA and PEUC). These are unprecedented expansions of UI and the by the end of May (the last week of data), about 30 million

[10] USDA's FNS has also issued waivers to facilitate more summer meals but takeup of these programs is quite low.

total claims were continuing. The Pandemic benefits (e.g., PUA for self-employed workers) arrived with considerable delay compared to the regular state program (in fact, 8 states reported no PUA claims as of May 30).

The one-time recovery rebates included in the CARES Act provide $1,200 per adult ($2,400 for a married couple) and $500 per dependent under 17. This was structured as a fully refundable tax credit and is available to those regardless of taxes owed. The credit was phased out beginning at annual incomes of $150,000 for married couples, $112,000 for head of household filers, and $75,000 for single filers. In terms of implementation and payment, Treasury provided automatic payments for all who filed federal taxes in tax years 2018 or 2019 as well as those receiving social security, Supplemental Security Income (cash welfare for low income elderly and disabled) and pension and disability recipients through the Veteran's Affairs programs.[11] However, immigrant adults without SSNs, many with citizen dependents and spouses (if not in the military) were excluded from these payments, a more harsh restriction than during the Great Recession. The initial payments were made to those with direct deposit information during the week of April 17 and paper checks followed more slowly after that.

Putting this all together, Figure 9 shows net cumulative spending on recovery rebates, UI, and SNAP (inclusive of P-EBT) relative to the same week in 2019, calculated from the Daily Treasury Statements.[12] Between these three categories of spending, over $400 billion in new expenditures has occurred since April (results are through the week ending June 15). As can be seen in the figure, since April, almost $200 billion has gone to recovery rebates and another almost $200 billion to increased UI spending. By comparison, less than $10 billion in new spending came through SNAP.

[11] Some of the SSA groups had to submit forms for dependents.
[12] We difference the expenditures from the same week in 2019 to net out any seasonality in payments. For example, tax filers who receive refunds (e.g. EITC recipients) tend to file their taxes in February and March leading to a seasonal pattern in tax payments.

There is some correlational evidence that these increased payments are helping alleviate hardship. For example, unemployed workers who report receiving UI have lower levels of food insecurity than do those who unsuccessfully attempted to receive UI. Food insecurity rates as reported in the COVID Impact Survey dropped from 23% in April to 20% in June overall, and from 35% to 28% among respondents with children. And the Census Household Pulse survey shows improvements in the share of respondents stating that they are "very confident" they will be able to afford to purchase the foods they need over the next four weeks, increasing from 55% of households at the beginning of May to 60% at the beginning of June. Despite noteworthy improvements, these measures are still extremely elevated, and are generally worse for families with children, and for Black and Hispanic respondents.

IV. With This Policy Response, Why Is There Need?

Given the policy response to date, why do we see such large unmet economic need? There are two driving factors: delays in families receiving payments that were authorized, as well as clear holes in who is covered by programs and the amounts they have access to. Families may also be concerned about health and financial effects of contracting COVID-19.[13] In this section, we describe elements of the policy implementation, including slow rollout, cumbersome administrative processes, as well as more structural deficiencies.

The available real-time evidence shows that despite high levels of aggregate claims, nonetheless many workers, especially those with low levels of education, are not receiving UI. This finding comes from both survey and administrative data sources and is consistent with experiences during previous recessions. Figure 10 presents data from week 3 of COVID Impact Survey data collected in April 30 – June 6 (Wozniak et al. 2020). We tabulate data on receipt of UI and SNAP among workers reporting

[13] Costs of testing and being diagnosed with Covid and treatment costs should not fall excessively on individuals give the relief bills. It is less certain what happens if you are not sick but sought care.

being on furlough. The survey asks "In the past 7 days, have you either received, applied for, or tried to apply for any of the following forms of income assistance, or not?" and the interviewer asks about UI and SNAP. The figure tabulates that response separately for those with a high school education or less, some college, or a college degree or more. The results show striking disparities in access to UI – among unemployed persons with a high school degree or less, 42 percent were receiving UI compared to 52 percent for those with a college degree or more. SNAP participation is largest for those with some college 24 percent compared to 9 percent for those with a college degree or more. This disparity in access to UI is consistent with prior recessions. Figure 11 presents a similar gradient for the Great Recession using the 2008 Panel of the Survey of Income and Program Participation. Using the sample of individuals in short-term unemployment near the trough of the Great Recession, we find that 29 percent of those with a high school degree or less were receiving UI compared to 47 percent of college graduates.[14]

Why might UI not reach all unemployed workers, now and in previous recessions? In order to answer this we have to access data from prior to the COVID-19 Crisis. We use the 2019 CPS ASEC (which covers 2018 calendar year) and the 2020 UI calculator in Ganong et al. (2020) to simulate the share of individuals age 20-59 with positive earnings, in 2018, who would be eligible for UI if they became unemployed.[15] Figure 12 shows that there are sharp disparities, with much lower eligibility rates for

[14] For the SIPP analysis, we start with individuals ages 20-59 who were unemployed and looking for work for at least a week in the first month of wave 6 of the 2008 SIPP, which corresponds to calendar months January – April 2010 (to focus on the period with the peak unemployment rate). The sample is further limited to those who had been unemployed for less than 4 months. Receipt of UI and SNAP is measured for the first month of wave 6. UI refers to own receipt and SNAP refers to the household.

[15] The code for the Ganong et al (2020) calculator is available at https://github.com/ganong-noel/ui_calculator. Ganong et al. (2020) also present eligibility estimates using their calculator; their approach differs slightly from ours. They focus on all workers who are U.S. citizens, have hourly wage and salary earnings above the federal minimum wage, and who are eligible for UI based on their earnings history. Our sample differs in that we restrict the sample to workers ages 20-59 and expand it to include all workers regardless of immigration status and with any positive earnings, not just those with wage and salary earnings above the federal minimum wage. When estimating potential eligibility should they be laid off and average weekly benefits, we treat workers who are likely

those in lower-income families. For workers in families with income below 100% of poverty, only 63 percent are eligible compared to 87% among all workers (and 77 percent among those with income below 200% poverty). 14 percent of poor workers are ineligible because they are undocumented, another 7 percent are ineligible due to being self-employed, and 17 percent are documented and have wage and salary earnings, but do not meet the work history requirements.[16] The PUA provisions in the CARES Act have attempted to fill the gap in eligibility for the self-employed and those with insufficient work history so it is possible that more of these 7 + 17 percent now have UI eligibility; changes have not altered ineligibility rates for undocumented workers.

Another source of data on the reach of UI is to compare the number of continuing UI claims to the number of unemployed workers. Figure 13 shows our estimate for this using DOL Continuing claims data and CPS estimates of those unemployed (adjusted for changes in those with a job but not at work and not in the labor force). We present estimates of the ratio of number of claims for unemployment over number of unemployed for monthly CPS reference weeks: February 15, 2020, March 14 20202, April 18 2020, and May 16 2020. This measure is far from perfect and it overestimates the number of persons in a week receiving a UI payment. Claims are not people, and they are not payments. First, the count of continuing claims is the number of weeks not number of people. So, for example, if it takes 4 weeks to process the claim when the first payment is made it will count as "4" in continuing claims that week due to the back pay. Second, continuing claims can include claimants who are still pending a determination, some of whom might ultimately be denied. Hedin et al. (2020) show that this can represent as much as 10 percent of claims. In this time of backlogs and implementing new systems (PUA), we conclude that continuing claims may be a poor measure of the number of people receiving UI

unauthorized immigrants as ineligible for UI benefits. We also ignore self-employment income in determining UI eligibility and benefits.

[16] We identify survey respondents as unauthorized immigrants if they are Hispanic, non-citizens, arrived in the United States after 1986, have a high school degree or less, and are 15 years of age or older.

this week especially when the program first starts accepting applications. And it clearly is an overestimate of the number of people receiving benefits. Overall, the combination of real-time survey and administrative data, the historical patterns, and policy changes during COVID-19 suggest that while UI is serving an important and sizeable share of the unemployed, there is nonetheless a sizeable share—disproportionately those with low levels of education—who are not receiving benefits.

According to the Daily Treasury Statements (Figure 9), cumulative payments for the one-time recovery rebates ($1,200 per adult and $500 per child under 17) through mid-June 2020 are almost $200 billion. However, despite the apparent universality of the payment for those with income below the high income phase out, the design of the payment scheme has left out the most disadvantaged Americans. First, the law excludes immigrant families who are deemed ineligible if any adult or spouse lacks a Social Security number.[17] Second, the payments were sent automatically, with no additional action, for tax filers (in 2018 or 2019) and those receiving benefits from SSA or the VA. Marr et al. (2020) estimate that 12 million nonfilers (and who are not receiving SSA/VA benefits) are eligible for a recovery rebate but are not automatically receiving it. Instead to receive these payments individuals are required to file a 2019 tax return or the IRS non-filer tool. This is a disadvantaged group with low earnings, and an estimated three quarters of them are eligible for SNAP or Medicaid.

In sum, while UI is the first line of defense in an economic downturn, benefits were delayed many months in some cases. The available pre-COVID evidence suggests that incomplete UI take-up is more prevalent among disadvantaged workers although it seems like a larger share of unemployed persons have applied for UI than during previous bad recessions. Additionally, about half of applicants to UI typically lack eligibility due to employment or earnings history, some of which has been ameliorated

[17] Also ineligible are adult dependents, 17-year-olds, and college students whom their parents can claim as dependents.

during the COVID-19 crisis due to the CARES Act which expanded access to UI among self-employed and gig workers and those with too low earnings. The other half lack eligibility due to immigration status, and these policies remain unchanged during COVID-19. Limitations of UI due to low replacement rates and limited weeks of eligibility have been temporarily improved by the CARES Act, but when these expire the insurance value of UI will fall dramatically, leaving many low-income workers and their children with little economic protection (Appendix Figure 1).

More generally, why in the face of the severe crisis do we lack complete take-up of these programs? This is a direct result of the "application-based" policy environment. Looking back at these different provisions, some are automatic (recovery rebate for previous tax filers, increase in SNAP benefit for existing participants) and others require application (UI, recovery rebate for non-filers / non SSA/VA benefit recipients). Decades of research shows that take-up rates are incomplete when application is required. Individuals need to know about the program to access them (Currie 2006). Administrative hassles are built into many programs and contribute to the less than complete take-up (Herd and Moynihan 2019). Importantly, the COVID-19 crisis has highlighted that states have made policy choices that result in differential capacity to quickly enroll unemployed individuals. Furthermore, some groups are explicitly excluded from the policies, for example families with any ITIN filer are not eligible for the recovery rebates and unauthorized workers are not eligible for UI.

V. Putting the Policy Response in the Context of the Broader Social Safety Net

What would we expect in terms of the response of the social safety net to the COVID-19 Crisis? Understanding the effects of the existing policies is essential as they will be what remain when the crisis legislation expires. Over the past several decades, our social safety net, which has always been less far reaching and less highly funded compared to other rich countries, has moved more and more to a work-conditioned social safety net. These changes include welfare reform and the decline in cash welfare

through block grants and time limits, the rise of the Earned Income Tax Credit, as well as work requirements for SNAP and Medicaid. The result is a social safety net that delivers less insurance with more emphasis on incentivizing work and topping up low earnings. This may meet need during times of low unemployment, but it has profound implications for the ability of our policies to provide insurance against job loss and economic shocks.

To get a sense of the anti-poverty effects of existing programs, Figure 14 shows the percentage point reduction in SPM poverty in 2018, separately for children, adults 18-64 with children, adults 18-64 without children, and the elderly. This is based on the 2019 CPS-ASEC data and we follow the methods for calculating poverty given in Fox (2019).

There is a particular interest in how these programs impact children, as research finds that even commonplace economic shocks to children can have long-lasting impacts (Almond and Currie 2011a, 2011b; Almond et al., 2018). Children also exhibit some of the highest poverty rates in the U.S. – in 2018 13.7 percent of children were poor, compared to 12.2 among adults 18-64 and 12.8 percent overall (Fox 2019). The EITC and Child Tax Credits lift the largest share of children (6.4%) and adults with children (4.8%) out of poverty, using a static measure. Both of these tax credits require earnings and form the core of the work conditioned social safety net. SNAP lifts 1.9% of children and 1.2% of adults with children out of poverty. Housing assistance, Supplemental Security Income (SSI, which provides benefits to low-income elderly and disabled adults and children) and subsidized school lunches each lift about 1% of children and adults with children out of poverty.[18] Cash welfare programs (TANF and General Assistance) did not lift very many children and their families out of poverty. Neither did UI in 2018.

[18] These anti-poverty effects are based on the 2019 CPS-ASEC file and are not adjusted for underreporting of program participation and benefits. Underreporting is a large and growing problem (Meyer et al 2015) and adjustments for underreporting increase the anti-poverty estimates in particular for SNAP, SSI and housing. For example, adjusting for underreporting, NASEM (2019) find that SNAP reduces child poverty rates by 5.2% (here 2%) and SSI reduces child poverty by 1.8% (here <1%).

Among the elderly, Social Security provides most of the protection against poverty, lifting an astounding 34% out of poverty, distantly trailed by SSI and housing assistance which each lift about 1% out of poverty and SNAP lifting 0.6% of the elderly out of poverty. By contrast to the other groups, adults 18-64 without children do not see much anti-poverty effects of these transfers. This is indicative of the structure of our safety net programs, which are generally targeted at children, the elderly, or the disabled.

Given these programs, what is the evidence on how they respond in recessions? Figure 15 (reproduced from Bitler, Hoynes and Iselin 2020) summarizes how participation in SNAP, UI, the EITC and cash welfare (TANF), measured by caseloads per capita, varies with the unemployment rate. The figure plots the effect of a one percentage point increase in the unemployment rate on per capita caseloads (in percent). These use administrative state panel data from 1980 to 2020 (for SNAP and UI), 2019 (for AFDC/TANF), and 2010 (for EITC) and the model allows the effect of unemployment to vary across three recession/expansion cycles (1980-1989, 1990-2006, 2007-end of period).[19]

In the later period (2007-end of period), only UI shows a robust countercyclical response, with a 1 percentage point increase in unemployment leading to an 18 percent increase in UI participation.[20] One percentage-point increase in the unemployment rate leads to a 5 percent increase in SNAP, though the estimate is not statistically significant. There is no countercyclical increase for the EITC or TANF. The figure shows that despite its important role in reducing poverty, the EITC is poorly suited to insure

[19] Administrative program participation provides information on program caseloads; the administrative unit is the individual (UI), family (TANF), household (SNAP), or tax unit (EITC) and our caseload measure is a count of those units. We divide each of the caseloads by the total state population (available annually), generating per capita caseloads. AFDC/TANF, SNAP and UI are measured monthly and EITC is measured annually. We use the seasonally unadjusted monthly state unemployment rates in the monthly regressions, and annual state-level unemployment rate in the annual ones. They estimate a state panel fixed effects model, with state and year (or month-year) fixed effects. The models are estimated using state-year population weights and the standard errors are clustered by state.

[20] Of course, you generally have to be CPS unemployed to be in the claims data so this relationship may not be causal.

against job loss. Bitler et al. (2017) show that the zero aggregate EITC effect in Figure 15 masks two opposing responses: a modest procyclical effect for single filer EITC recipients (whose EITC payment falls or is lost all together with economic shocks) and a small countercyclical effect for married filers (or more generally those with higher predicted earnings) for whom a labor market shock can bring them down into EITC eligibility. The figure also illustrates important changes in the cyclicality of these programs over time. With welfare reform, funding is block granted and has no capacity as an automatic stabilizer. Prior to welfare reform, ADFC, the program was modestly countercyclical (a one percentage-point increase in the unemployment rate led to a significant 7.5 percent increase in AFDC caseloads per capita) and after welfare reform there was no longer an increase in TANF participation when unemployment rose.[21]

Overall, this shows that on the eve of the COVID-19 crisis, the low-income safety net is providing uneven and incomplete protection. UI is strongly counter-cyclical, but not all unemployed workers receive benefits. TANF no longer responds to economic need. EITC is not designed to provide insurance against job loss for the majority of recipients. SNAP does have the capacity to expand during economic downturns, but benefits are modest and since they are food vouchers are only partially fungible. In addition, recent policy changes risk dampening the protective effects of SNAP by limiting participation among non-disabled adults without dependents who may only receive SNAP for 3 months unless they work at least 80 hours per month.[22] Recent immigrants (and increasingly mixed-status families) do not have access to SNAP and undocumented workers do not have access to UI.

[21] TANF caseloads includes only those receiving cash benefits. A more inclusive measure of TANF expenditures across cash, child care expenses and work supports shows a qualitatively similar result – no response of spending with the increase in economic need.

[22] When labor market conditions are poor, states can waive these time limits when particular economic conditions (based on employment statistics in the state or local area) are met, so that food assistance is not conditional on employment during bad economic times. The Trump Administration issued a new rule effective April 1 2020 making it more difficult to obtain time-limit waivers. Importantly, the new rule requires that states have elevated unemployment rates for at least the previous 12 months, slowing the ability of the program to respond to immediate need at the onset of an economic downturn.

VI. Needed Policies Moving Forward

Our analysis leads us to two sets of recommendations. The first set of recommendations relate to changes that need to occur now. Many provisions of the CARES Act are set to expire in the coming months. The PUC ($600/week supplement) expires July 31 2020 and the PUA (covering the self-employed) expires December 31, 2020. The temporary increase in SNAP payments (EA) have already ceased in some states (with health emergencies ending). P-EBT ends when schools end as well. This despite unemployment rates that are 3 percentage points above the maximum rates experienced in the Great Recession. It is too soon to phase down increased benefits payments that provide crucial relief to families experiencing hardships.

As a general matter, these programs should operate with automatic triggers tied to the state of labor markets and not the health emergency that led to the recession. The additional benefits should be phased out when the economic emergency is over and not before. On UI, we concur with the recommendations in Furman et al. (2020) who recommend continuing the PUC at a reduced supplement of $200/week unless states have lower capacity. The SNAP EA should continue and, in addition, following the successful policies of the 2009 stimulus, maximum SNAP benefits should be increased across the board by 15 percent (thereby reaching those most disadvantaged recipients who did not gain from the SNAP EA). Now that the P-EBT program is in place, it should be used over the summer to provide protection, modeled after USDA's successful Summer EBT for Children program (Briefel et al. 2018), and be in place ready to continue into the fall if schools experience more closures. We support another round of stimulus payments to provide assistance to those who do not have access to UI, potentially targeted more narrowly to low-income families as measured by receiving P-EBT payments, who recently received the Earned Income Tax Credit (EITC), or participants in SNAP or Medicaid.

More broadly, we suggest more structural policy changes to our social safety net. We need to build automatic stabilizers into law rather than requiring Congress to pass legislation and states to apply for waivers from federal rules (Boushey et al. 2019). This would apply to UI, SNAP and other programs. In order to support a work-based safety net, the UI system should be redesigned to reach a larger share of disadvantaged unemployed workers. The pandemic expansions to UI, particularly covering self-employed and gig workers and those who don't qualify otherwise, should be permanent. Programs like Pandemic EBT should be institutionalized nationally so when schools are closed, children don't lose access to food benefits, and do not face unnecessary delays due to administrative hurdles. States' administrative capacities should be increased with federal support, and more benefits should be paid automatically instead of relying on application systems. Relevant data already collected by states and the federal government can be used to send payments to people in need quickly and with a minimum of administrative burdens. The reductions in administrative hurdles implemented as part of the pandemic (recertification and application without in-person interviews) will likely lead to lower administrative costs and higher rates of participation and can be implemented while still maintaining strong program integrity. Because of what is known about the long-term impacts of economic distress on children, and the particular vulnerability of low-income children to economic shocks under the current system, we also support a monthly child allowance that provides an unconditional consumption floor to families with children as described in a recent National Academy Report (NASEM 2019).

VII. Conclusions

The COVID-19 recession is unlike previous recessions due to its depth and speed of onset. In response to this unprecedented shock, Congress enacted a number of smart short-term fixes to the safety net that have improved its ability to insure low-income families, including increasing UI payments and extending eligibility, increasing SNAP payments to some participants, sending cash stimulus

payments, and introducing a new program to replace missed school meals. Without question, these policies have improved the responsiveness of the safety net to this crisis and have reduced suffering that would have occurred without these actions.

Even with these valuable policy responses, there is still tremendous unmet need. A sizeable subset of workers who lost their jobs are not receiving benefits from UI or SNAP. A portion of these left unserved are undocumented immigrants (many with U.S. citizen children). Our read of the real-time evidence suggests that a substantial share of those experiencing unemployment—including many who lack requisite work histories to qualify for UI despite policy changes aimed at extending eligibility—are also not (or not yet) receiving benefits. To be sure, the data on UI coverage among low-income workers are incomplete at this point but given available evidence in combination with historical patterns in the UI data and real-time measures of economic need, there is cause for concern.

Equally important, we have great concerns about the detrimental impacts if the policy response is allowed to sunset too quickly. The safety net we have in place without the Congressional response to COVID-19 is simply not strong enough to automatically expand to alleviate need when unemployment rates are elevated. State UI systems generally provide both low coverage rates and low replacement rates for lost wages, and as a result continued federal UI payment increases will be important. SNAP benefit levels are quite modest, and evidence shows that increasing them during economic downturns both alleviates hardship and stimulates the economy. Many unemployed workers appear to be falling through holes in the safety net, and continued payments through the P-EBT system or targeted stimulus payments can help fill those needs.

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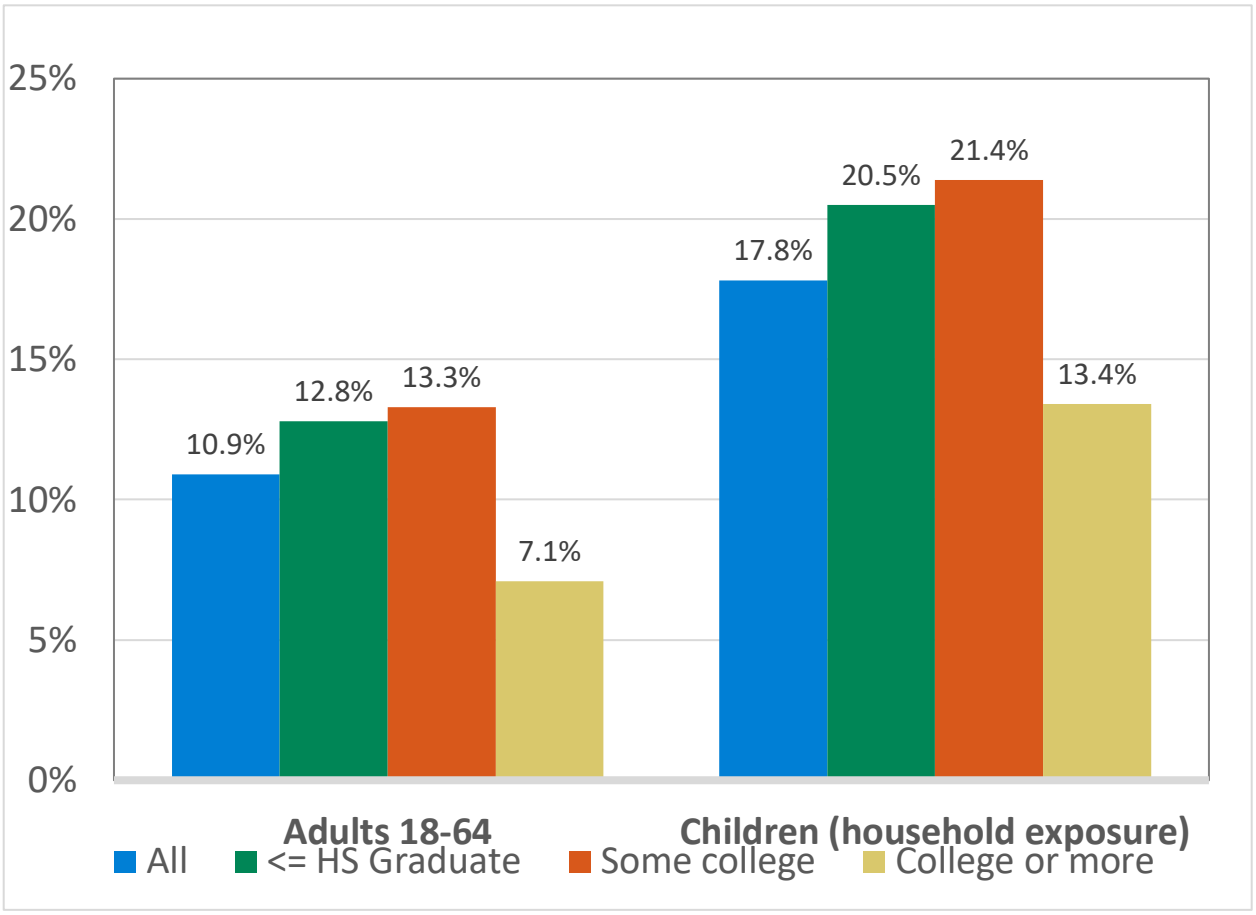
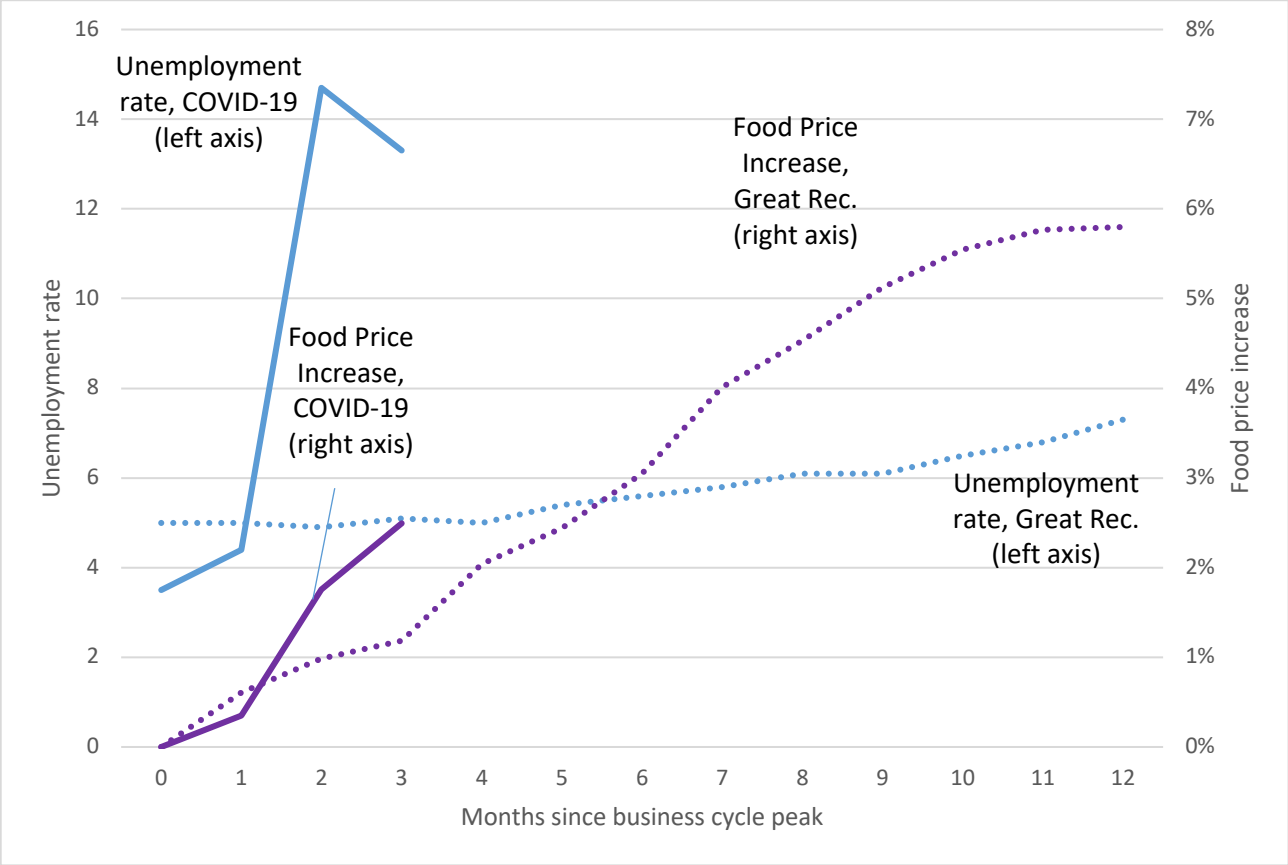
Figure 1. Changes in the Rate Unemployed or Not at Work by Education, February to April 2020



Notes: Authors' tabulations of the February and April Monthly CPS. Figure presents the difference between April and February in the probability that an adult 18-64 (left panel) is unemployed (inclusive of those with a job but not at work). The bars for children (right panel) plot the February-April change in the probability that any adult 18-64 in their household is unemployed. Education levels are for the person (for adults) or the household head (for child exposure). Statistics are weighted to be population representative.

Figure 2. Unemployment and Food Price Growth: Great Recession vs. COVID-19



Notes: Authors' calculations of seasonally adjusted monthly unemployment rates for the Great Recession (dotted lines) and COVID-19 crisis (solid lines). The figure also plots the change, relative to base period, in food prices for the two periods. All series are plotted by month since business cycle peak, which was December 2007 for the Great Recession and February 2020 for the COVID-19 recession.

Figure 3a. Food Insecurity, All Households

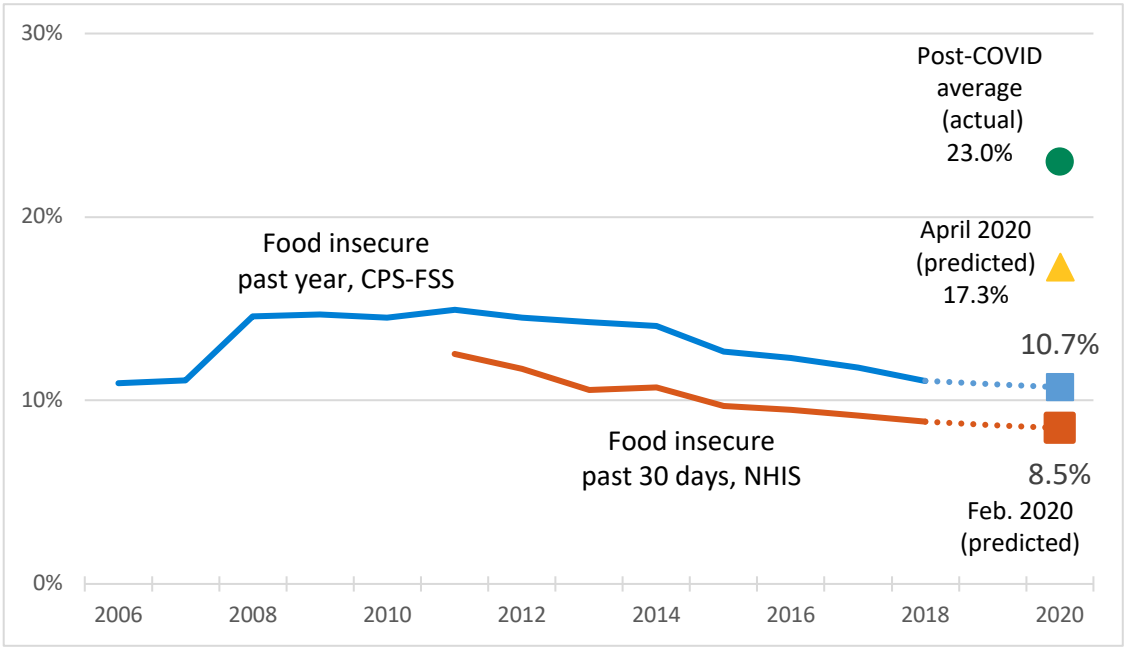
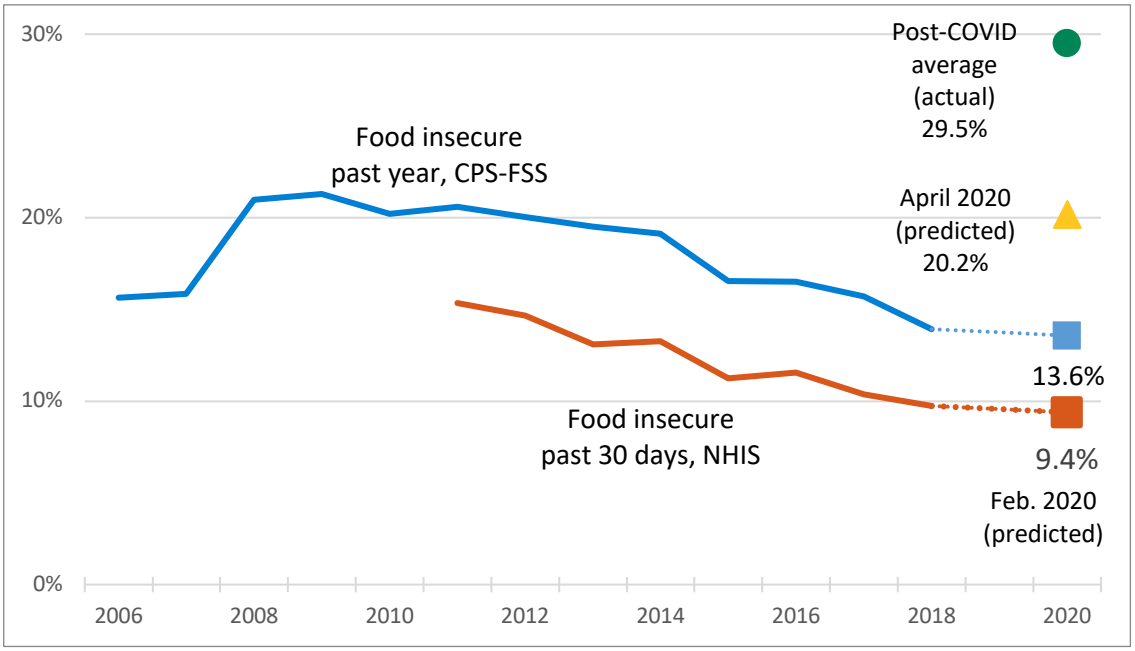
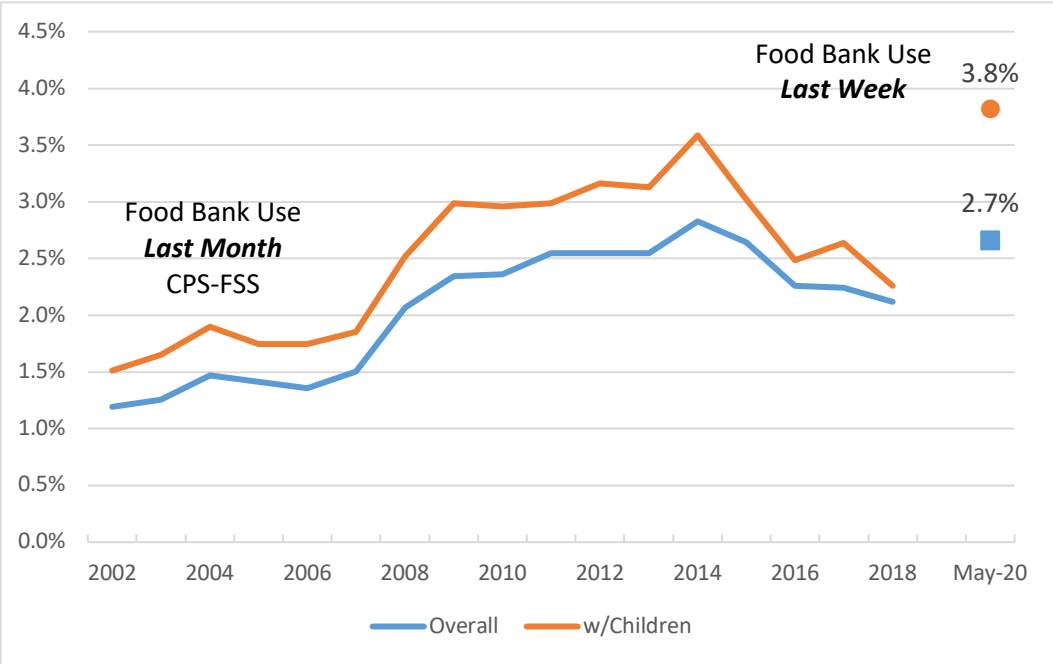


Figure 3b. Food Insecurity, Households with Children



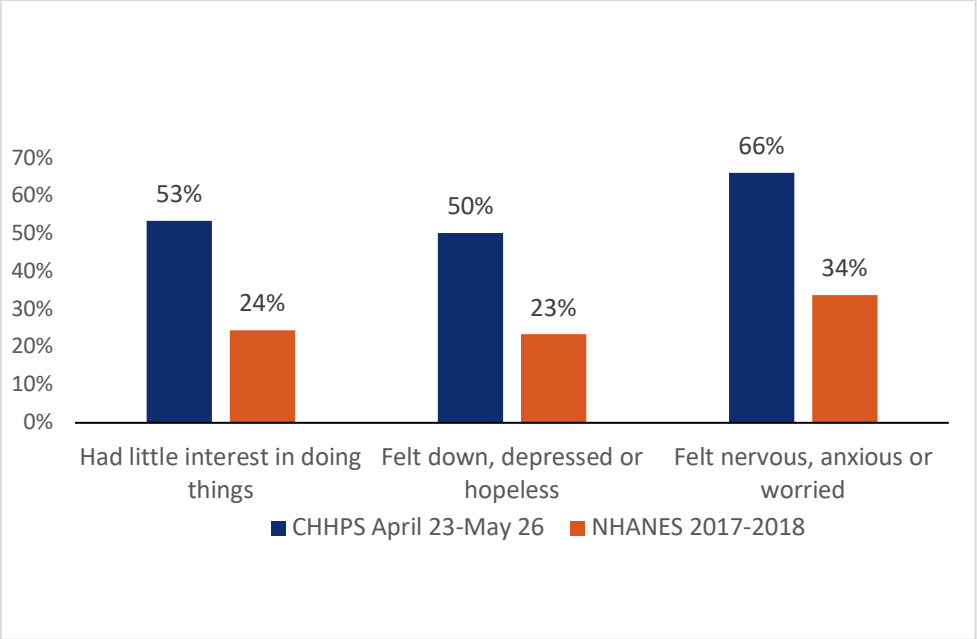
Notes: In both figures, the orange line is the annual average share of families reporting that their food did not last, calculated from the National Health Interview Survey (NHIS). The orange square predicts the trend line to its February 2020 trough and the yellow triangle predicts the April 2020 level, using a model with NHIS data and monthly unemployment rates. The blue line is the share of families measured as food insecure over the year using the CPS Food Supplement Survey (CPS-FSS) and the blue square is predicted Feb. 2020. The green circle is the post-COVID average food insecurity from the Census Pulse Survey. Statistics are weighted to be population representative.

Figure 4. Received Food from a Food Bank/Pantry or Church, All Households and Households with Children



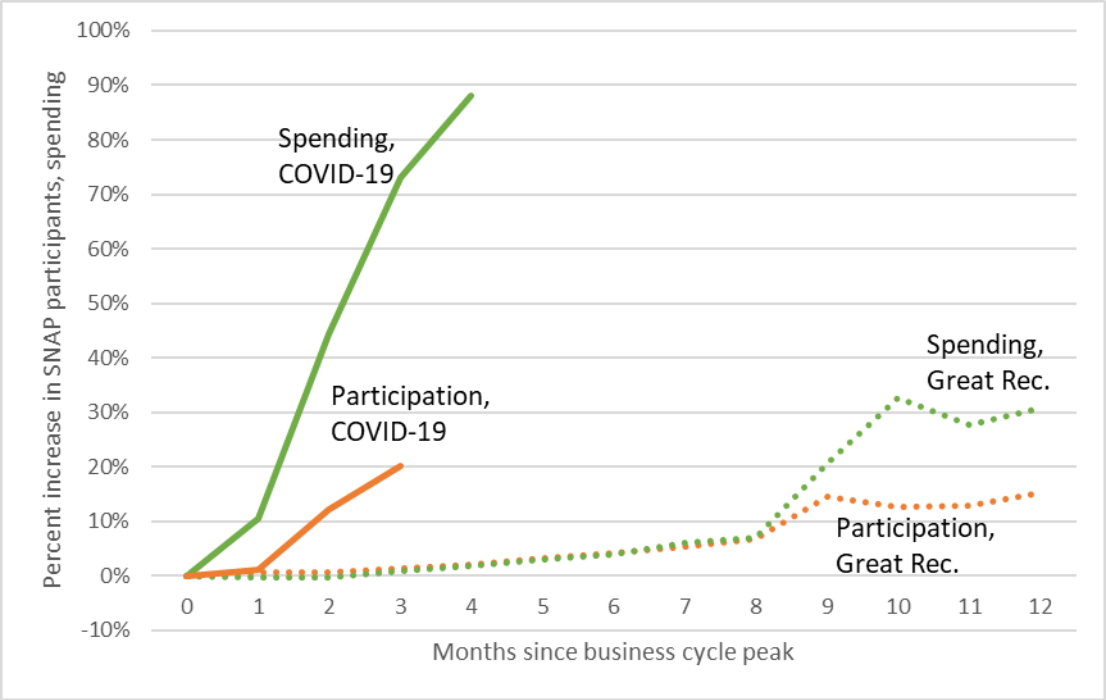
Notes: Authors' tabulations of CPS Food Security Supplement (CPS-FSS) and Census Pulse Survey. The blue and orange lines plot the share of families (blue) or families with children (orange) who reported using a food bank, pantry or church sometime *in the last month* from the CPS-FSS for December 2002-2018. The blue square (orange circle) plot the share of households (households with children) who visited a food pantry *in the past week*, based on the Census Pulse Survey. Statistics are weighted to be population representative.

Figure 5. Share of Adults Reporting Mental Health Problems in the Past Week



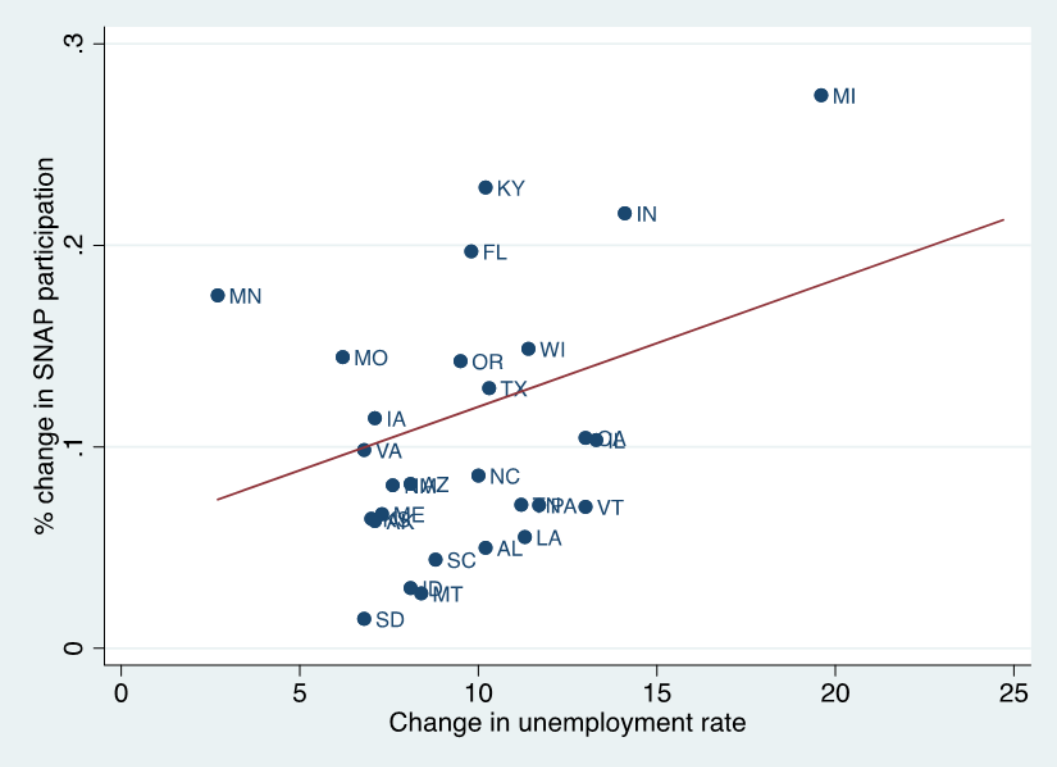
Notes: Authors' tabulations of National Health and Nutrition Examination Survey (NHANES) and Census Pulse Survey. The reference period for NHANES is the past two weeks for “little interest” and “feeling down” and the past week for “felt nervous”. The Census Pulse (CHHPS) asks all three questions about the last week. Statistics are weighted to be population representative.

Figure 6. SNAP Response: COVID-19 vs. Great Recession



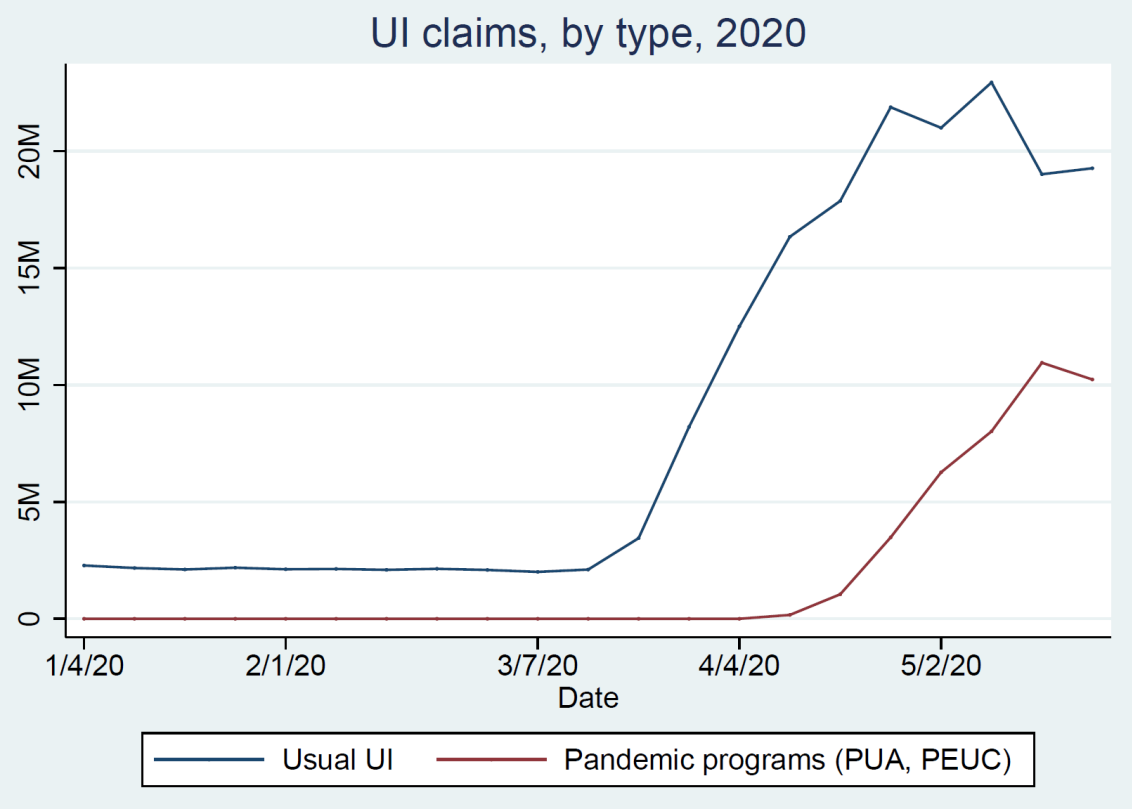
Notes: Authors' calculations of Great Recession spending and caseload data, and February 2020 caseload data, from USDA, Food & Nutrition Service, SNAP Data National Level Annual Summary. Growth in caseloads in March-May 2020 calculated from states that have reported caseload data as of June 10, 2020. 28 (9) states have released April (May) SNAP participation, and these states made up 67% (28%) of all SNAP participation in February. Growth in SNAP spending in 2020 from Daily Treasury Statements; June SNAP spending estimated based on data through June 17 and projected assuming that spending patterns follow those in May, when 67% of total monthly benefits had been paid out by the 13th business day of the month. All series are plotted by month since business cycle peak, which was December 2007 for the Great Recession and February 2020 for the COVID-19 recession.

Figure 7: Change in State Unemployment vs. SNAP Participation, February-April 2020



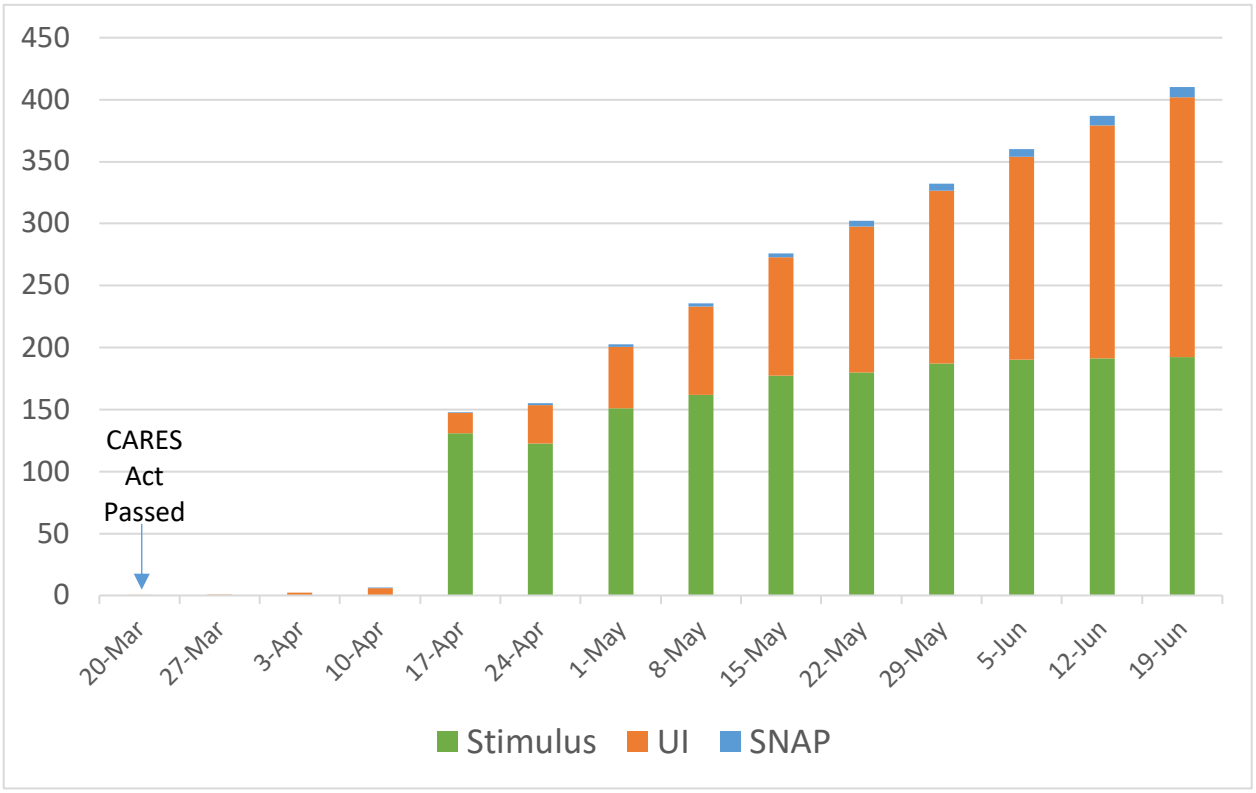
Notes: Plot of percent change in SNAP caseloads (y-axis) vs. change in unemployment rate (x-axis) by state. Percent change in SNAP caseloads from February to April 2020 calculated from states that have reported caseload data as of June 10, 2020. 28 states have released April SNAP participation, and these states made up 67% of all SNAP participation in February. Percentage point change in state unemployment rate covers February to April 2020 and comes from the BLS LAUS.

Figure 8: Continuing UI Claims, Regular State Benefits and Pandemic Programs (PUA, PEUC), Millions



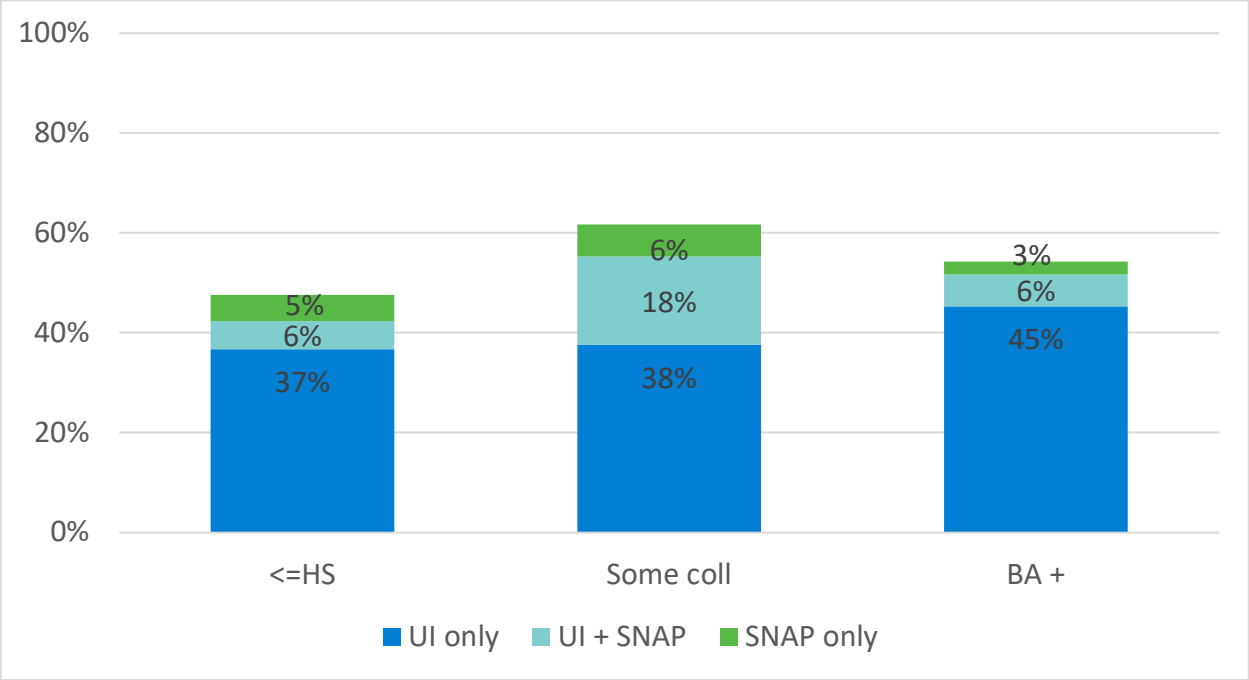
Notes: Data from Department of Labor and report not seasonally adjusted continuing claims by week of the claim for the United States. Usual UI represents the state and Federal-state extended benefit programs as well as Federal UI for federal employees and veterans, STC job sharing, and very small state programs which provide coverage after other benefits are exhausted (never exceed 5000 persons). The Pandemic programs include PUA and PEUC.

Figure 9. Cumulative New Spending on UI, Relief Rebates, and SNAP by Week (Billions of 2020$)



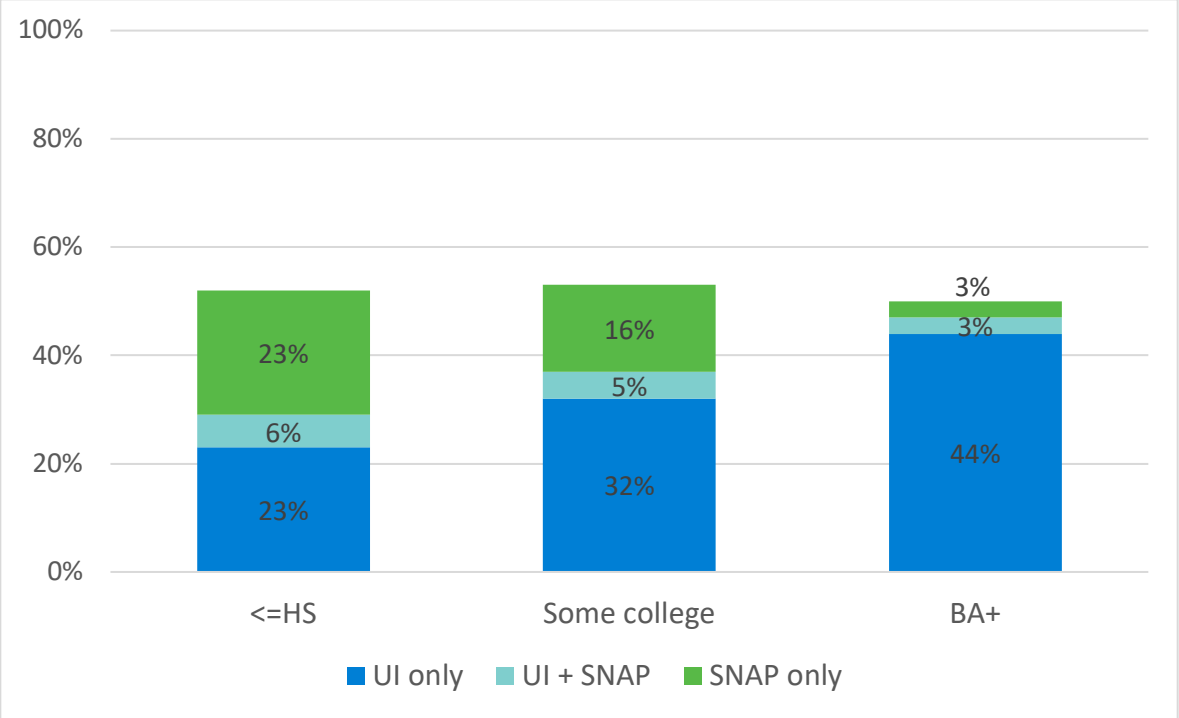
Notes: Authors' tabulations of Daily Treasury Statements through June 19. The 2020 weekly payments are differenced from the same week one year prior.

Figure 10. Program Receipt among Furloughed Individuals, June 2020



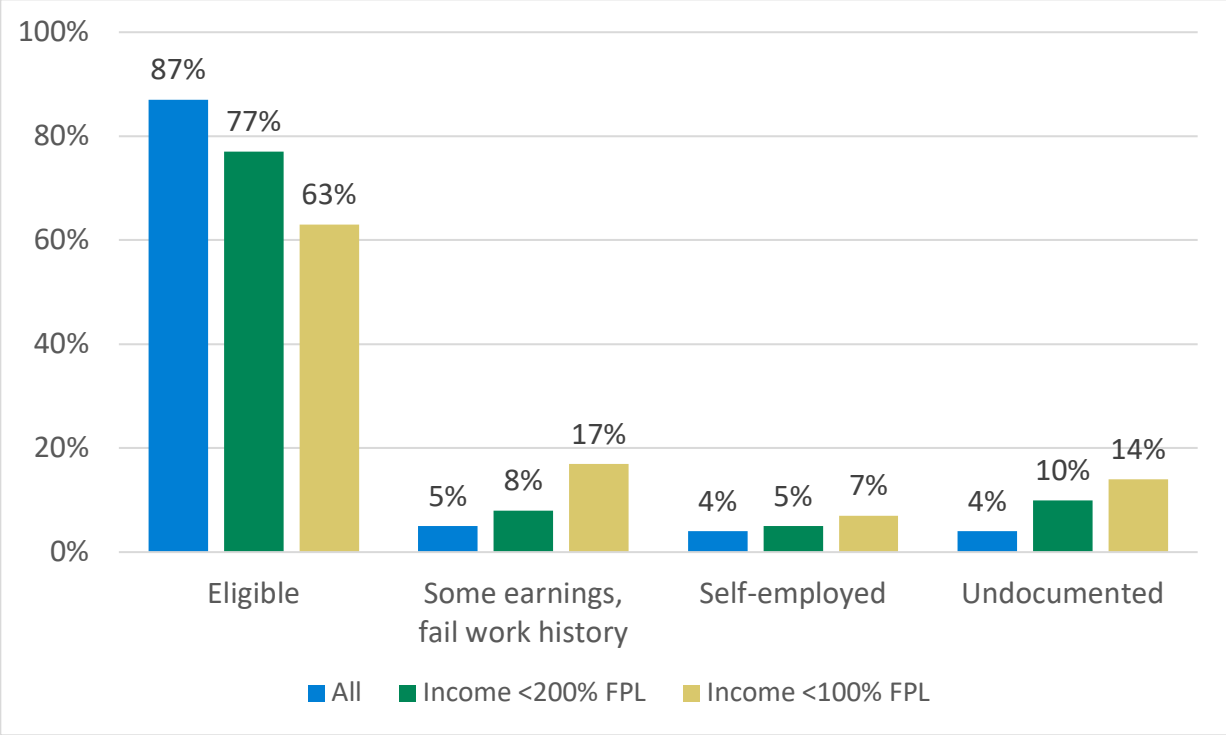
Notes: Authors' tabulations of COVID Impact Survey for the sample of furloughed workers, survey week 3 (collected May 30-June 8). We tabulate data on receipt of UI and SNAP, where the survey asks "In the past 7 days, have you either received, applied for, or tried to apply for any of the following forms of income assistance, or not?" The sample consists of those reporting they are unemployed due to furlough at the time of the survey. Statistics are weighted to be population representative.

Figure 11. Program Receipt among Short Term Unemployed Individuals, at Trough of Great Recession



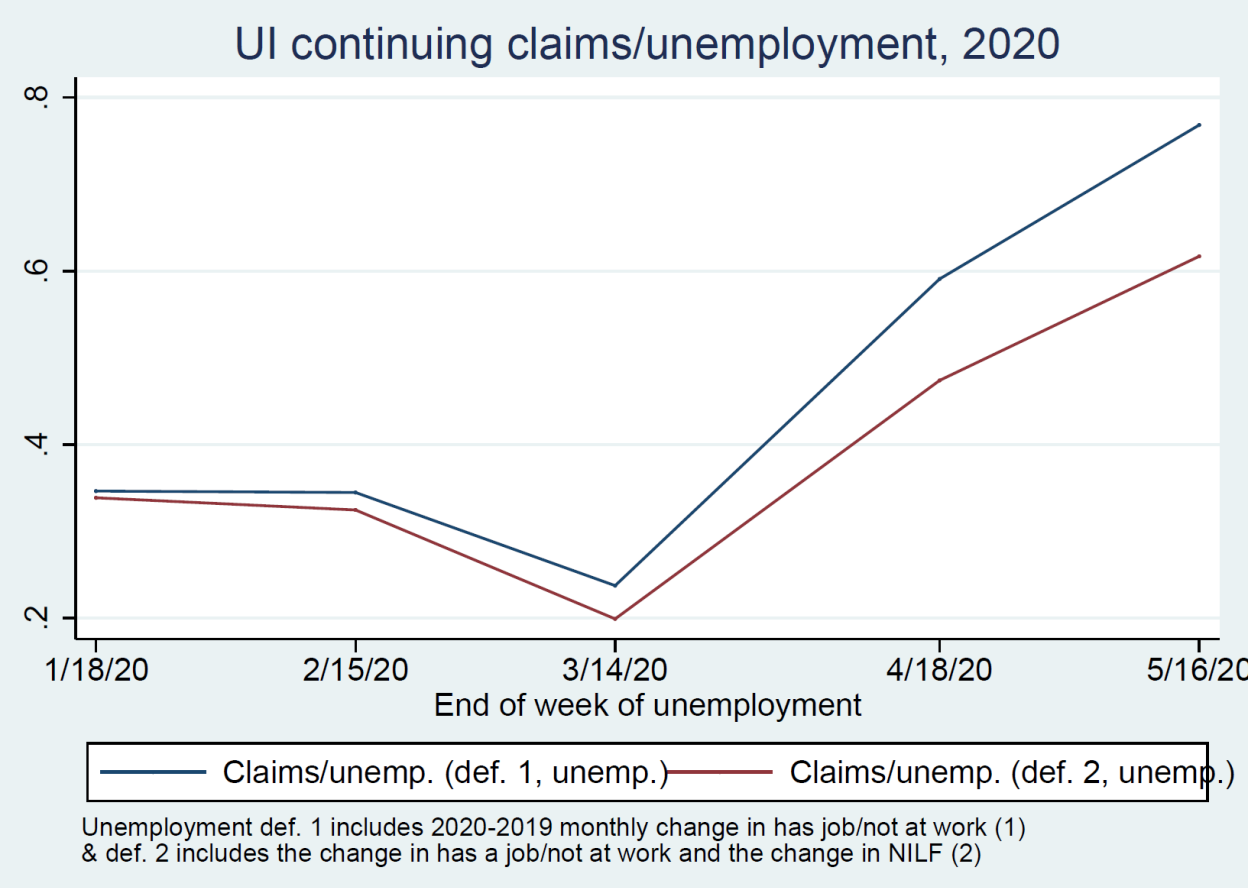
Notes: Authors' tabulations of 2008 SIPP Panel. The sample includes individuals ages 20-59 who were unemployed and looking for work for at least a week in the first month of wave 6 of the 2008 SIPP (January – April 2010) and had been unemployed for fewer than 4 months. Receipt of UI and SNAP is measured for the first month of wave 6. UI refers to own receipt and SNAP refers to receipt within the household. Statistics are weighted to be population representative.

Figure 12. Eligibility for Unemployment Insurance Among Workers, and Reasons for Ineligibility, by Income



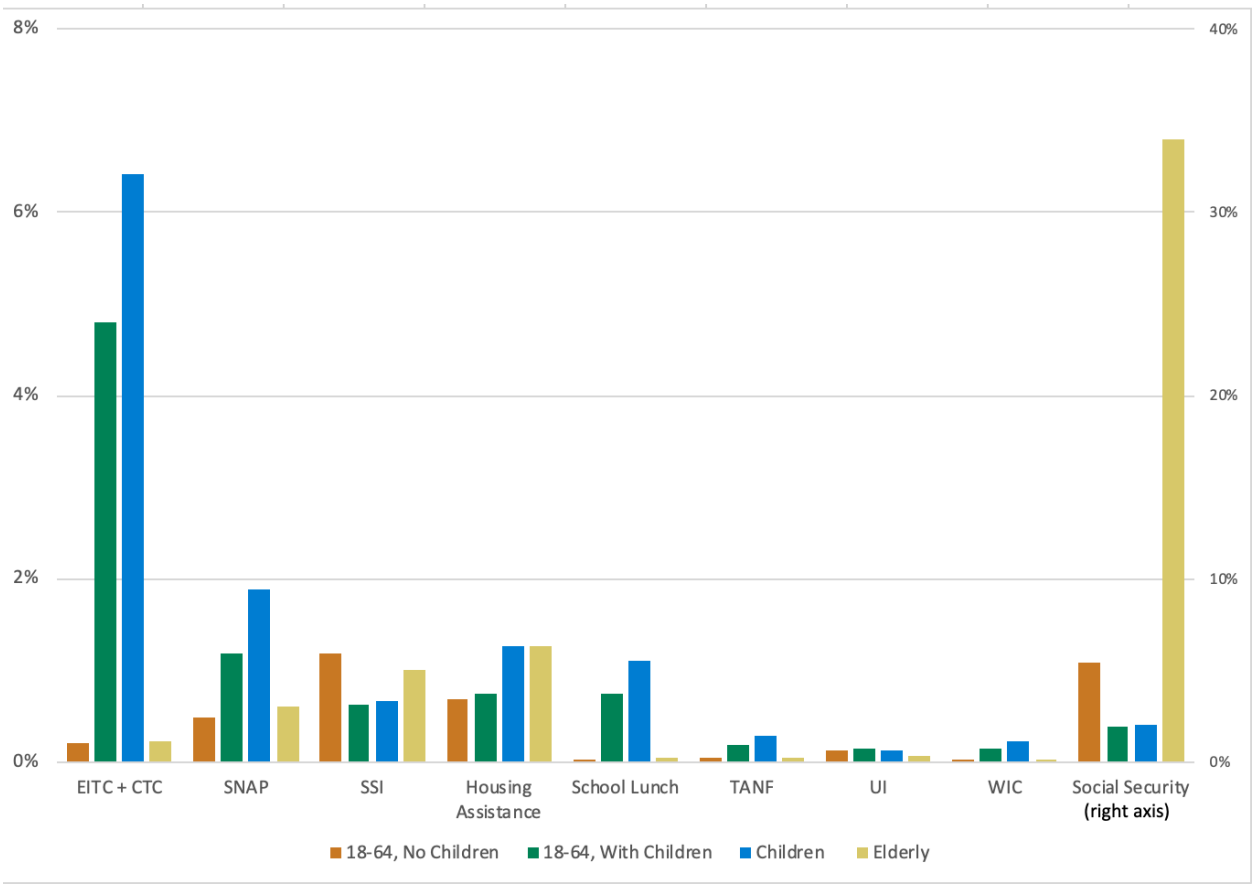
Notes: Authors' calculations use the 2019 CPS-ASEC and the UI calculator in Ganong et al. (2020). Sample includes individuals 20-59 who had any earned income in calendar year 2018. The blue bars (left) are for the full sample and the green bars (right) are for the sample income under 200% of poverty. Left two bars plot the share of workers eligible for UI benefits if the workers lost their job, based on earnings during the previous year and immigration status. The right portion (right 6 bars) shows the reasons the worker would be ineligible for UI. The CPI-U is used to inflate calendar year 2018 earnings to 2020 values for use with the 2020 UI calculator. Statistics are weighted to be population representative.

Figure 13. Ratio of Continuing UI Claims to the Unemployed, US Aggregate



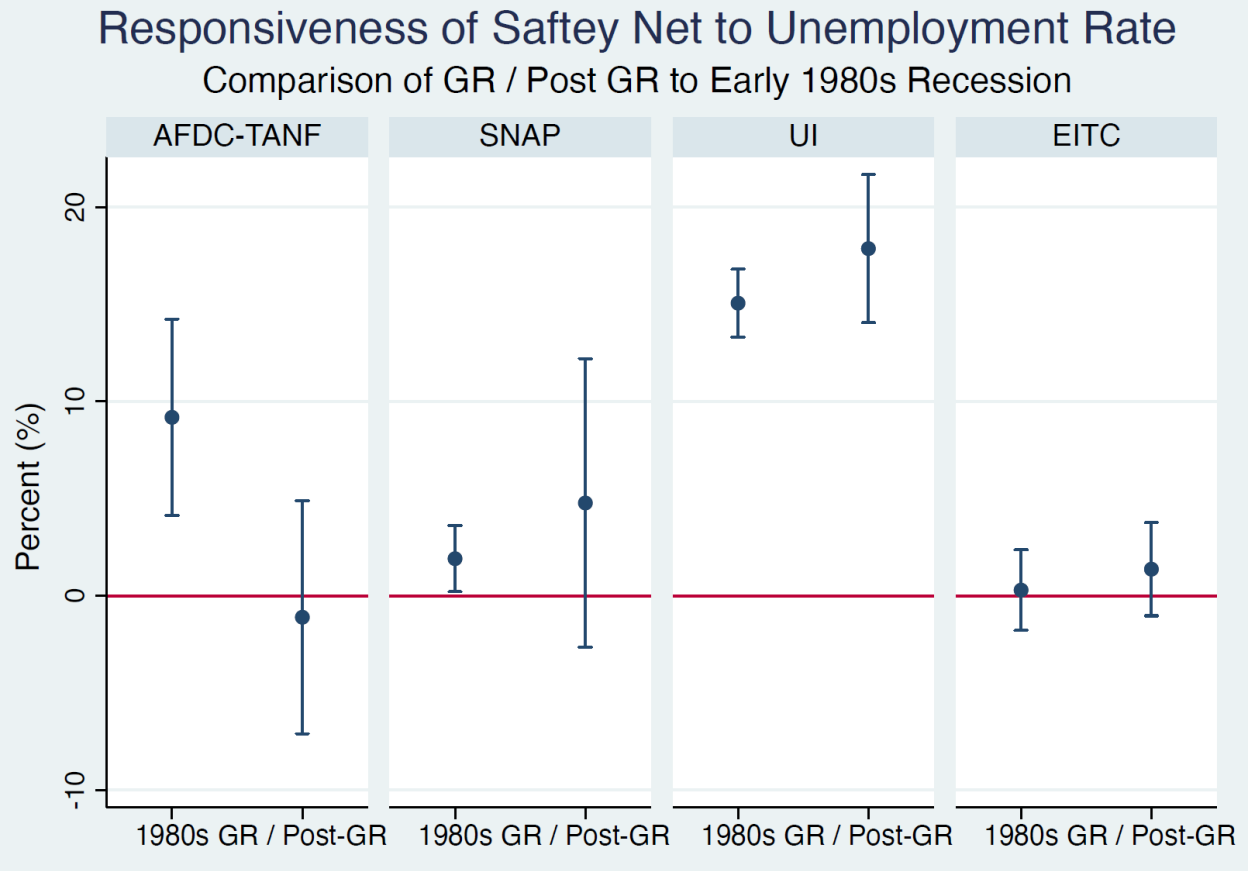
Notes: Graph shows the ratio of continuing claims for the relevant week of unemployment including the week to which the CPS labor force and employment status questions refer to the sum of total unemployment during that week from the Monthly CPS for 2020. Two definitions of unemployment are used. Definition 1 uses those reporting they are unemployed and adjusts for those who reported being at home but having a job by using the change from the previous year in the same month for that value. Definition s uses those reporting they are unemployed and adjusts for those who reported being at home but having a job by using the change from the previous year in the same month for that value and also adjusts for those not in the labor force by adding the year over year change in that variable. Unemployment measures weighted to be population representative.

Figure 14. Anti-Poverty Effects of the Social Safety Net, by Group (2018)



Notes: Calculations based on authors' tabulations of 2019 CPS ASEC, covering annual data for calendar 2018. Poverty is calculating using the Supplemental Poverty Measure following Fox (2019), with no adjustment for underreporting of income. Each data point shows the impact on poverty rates of zeroing out a given income source. Statistics are weighted to be population representative.

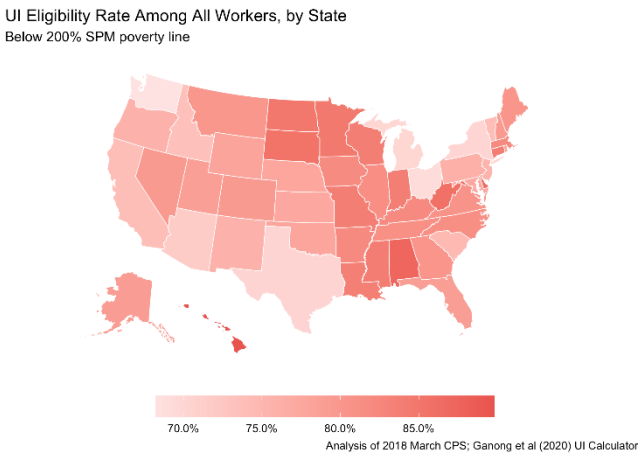
Figure 15: Effect of Unemployment Rate on Per Capita Safety Net Caseloads (Percent)



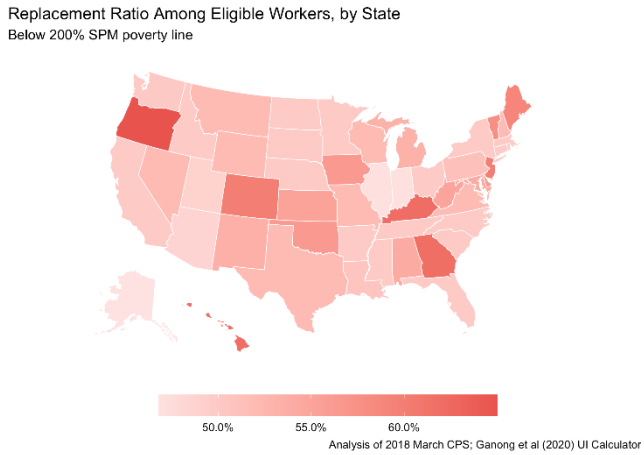
Notes: Graph from Bitler, Hoynes and Iselin (2020). The figure plots the percent change in the state-level per capita caseload related to a one percentage point increase in the not seasonally adjusted unemployment rate for that month and state. Data cover the period 1980–2019m6 (AFDC/TANF), 1980-2020m1 (SNAP), 1980-2020m2 (UI), and 1980-2010 (EITC). The EITC are annual; the data for other programs are monthly. All regressions control for the state-year unemployment (monthly and not seasonally adjusted or annual average) and include state and year (or year-by-month for monthly data) fixed effects. The unemployment rate is allowed to have different impacts across three periods: the 1980s recession (1980-1989), the Great Recession (2007+), and the rest of the time period. The results are weighted by the state population to be population representative. Standard errors are clustered by state and 95 percent confidence intervals are shown.

Appendix Figure 1: UI Eligibility and Replacement Rates in 2020, Workers in Families below 200 Percent of Poverty

Panel A. Eligibility Rate



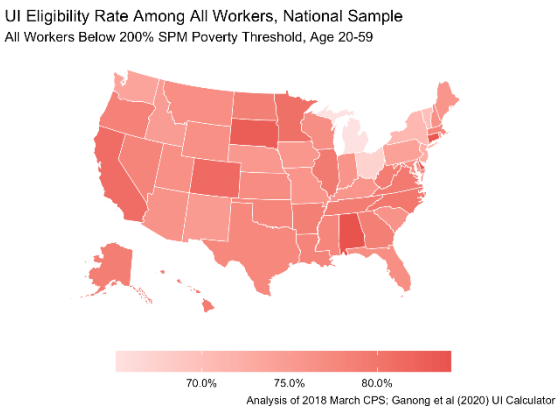
Panel B. Median Replacement Rate



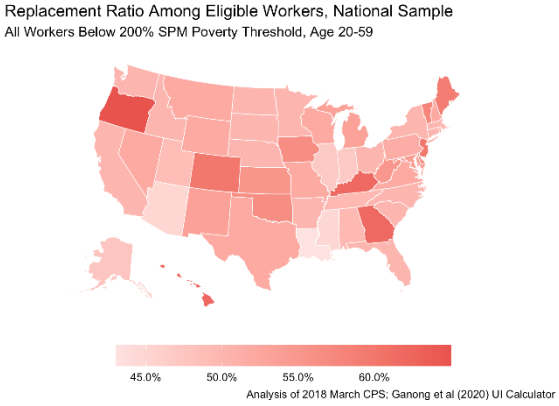
Notes: Authors' calculations use the 2019 CPS ASEC and the UI calculator in Ganong et al. (2020). Sample includes workers ages 20-59 living in families with income below 200 percent of the Supplemental Poverty Measure. The figures show the share eligible (left) and the median replacement rate (right) by state. Calculations use all workers (for eligibility) and all eligible workers (for the replacement rate) and simulate UI benefits in the event that they are unemployed. The CPI-U is used to inflate calendar year 2018 earnings to 2020 for use with the 2020 UI calculator. Statistics are weighted to be population representative.

Appendix Figure 2: UI Eligibility and Replacement Rates in 2020, Workers in Families below 200 Percent of Poverty, National Sample

(a) Eligibility Rate, National Sample



(b) Median Replacement Rate, National Sample



Notes: Authors' calculations use the 2019 CPS ASEC and the UI calculator in Ganong et al. (2020). Sample includes workers ages 20-59 living in families with income below 200 percent of the Supplemental Poverty Measure. The figures show the share eligible (left) and the median replacement rate (right) by state. Calculations use all workers (for eligibility) and all eligible workers (for the replacement rate) and simulate UI benefits in the event that they are unemployed. The CPI-U is used to inflate calendar year 2018 earnings to 2000 for use with the 2020 UI calculator. These simulations use the entire US CPS sample to simulate each state's UI benefits. Statistics are weighted to be population representative.