Hutchins Center
on Fiscal & Monetary Policy
at BROOKINGS

February 2021

Executive Actions to Reduce Poverty: A Menu of Options and Estimated Impacts on Poverty

Megan Curran

Postdoctoral research scientist

Center on Poverty and Social Policy at Columbia University

Christopher Wimer

Co-Director

Center on Poverty and Social Policy at Columbia University

THIS PAPER IS ONLINE AT

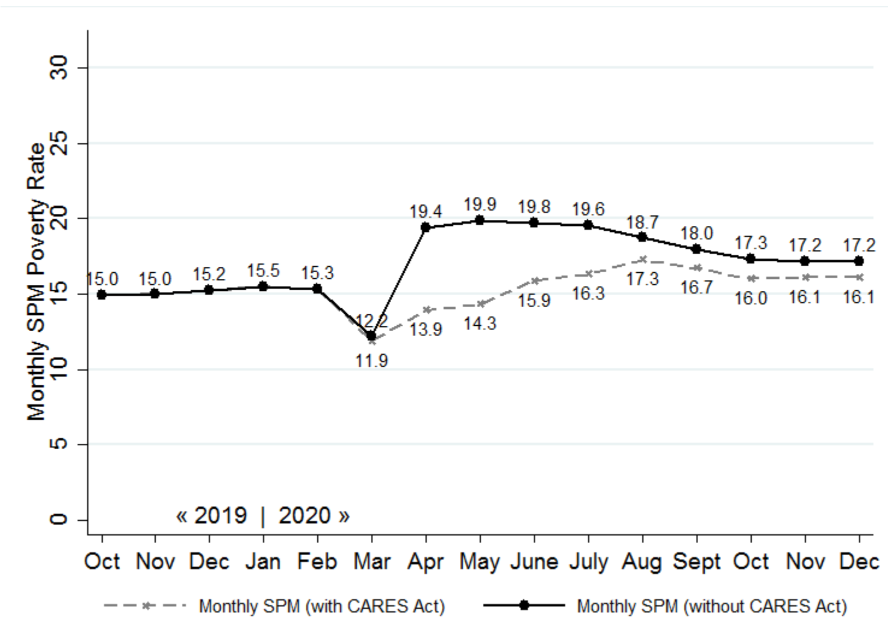
https://www.brookings.edu/research/executive-actions-to-reduce-poverty-a-menu-of-options-and-estimated-impacts-on-poverty/

Authors can be reached at: Megan Curran: megan.curran@columbia.edu; Christopher Wimer: christopher.wimer@columbia.edu. The authors did not receive financial support from any firm or person with a financial or political interest in this article. Neither is currently an officer, director, or board member of any organization with an interest in this article.

Introduction

The ongoing COVID-19 crisis has led to unprecedented increases in joblessness, business failure, and threatened the financial security of millions of American families. The crisis increased the average number of people with monthly "market incomes" (pre-tax and transfer income) below the poverty line by over 16 million between the first two, pre-pandemic months of 2020 and the second quarter of 2020. The total had fallen only slightly by the fourth quarter. At the same time, the Congressional response to the pandemic in the CARES Act showed the power of safety-net policies to prevent people from falling into poverty. Based on our analyses with Zach Parolin and Jane Waldfogel, shown in Figure 1 below, direct $1,200 payments to families, dramatic increases in unemployment insurance benefits, and other policies actually *reduced* poverty in the early stages of the pandemic even as jobless claims soared. In total, CARES Act policies lifted an average of 17.8 million individuals from poverty in April and May 2020, and prevented nearly 80 million "person-months" of poverty from the onset of the crisis in March through December 2020.

Figure 1. Trends in Monthly Poverty (Based on Supplemental Poverty Measure) October 2019 to December 2020



Adapted from Figure 1. of Parolin et al (2020)[1] *and extended through to December 2020; reproduced here with permission.*

. . .

1. As Parolin et al (2020) discusses, monthly poverty was relatively stable prior to the onset of the COVID-19 crisis; the low monthly rate in March 2020 represents the point at which many low- and moderate-income families received their refundable tax credit transfers (e.g. Earned Income Tax Credit).

To reduce poverty substantially, and build a safety net that more automatically shelters families from hardship when the labor market falters, legislation is needed. The Biden-Harris Administration has proposed a stimulus bill that includes large expansions of the Child Tax Credit and other provisions that would drastically reduce poverty. And as a Presidential candidate, Vice President Harris proposed establishing an interagency working group to end child poverty.

But the Administration need not wait or rely on Congress to improve the well-being of low-income families. Indeed, the early days of the Administration have seen a range of executive orders signed across President Biden's four key priority areas: the COVID-19 pandemic, economic relief, climate change, and racial equity, and more. This brief identifies a set of executive actions – some already signed, some that represent proposals from groups focused on policies to support low- and moderate-income families – that have the potential to reduce poverty. We do not comment on the Administration's authority to pursue these actions, but focus on providing estimates for how each action would impact the number of individuals living on low incomes and/or below the poverty line. Where possible, we attempt to quantify how beneficial each would be in preventing or reducing poverty, especially among children. Implementing these executive orders would, of course, increase the cost of these programs. Where we have reasonable estimates, we provide them, but in many instances, we lack appropriate data to do so.

Our analysis primarily uses the Census Bureau's annual Supplemental Poverty Measure, which is based on a more comprehensive measure of family resources (including government aid) than official poverty statistics. Not all the actions discussed are suitable for simulation or credible estimates of antipoverty impacts at this time; where it was not possible to provide poverty estimates, we draw on existing estimates of the number and characteristics of likely beneficiaries. We will continue to investigate these items in terms of their potential poverty effects and some of these items will be subject of future analysis. In the same vein, the actions discussed here are not exhaustive of those that may be put forward by the Administration. Nonetheless, we hope this brief will spur continued discussion of how executive actions can support reductions in poverty absent concerted legislative efforts.

Table 1 provides a list of the antipoverty executive actions and a high-level estimate of their impact that we consider in this brief. We then describe each potential executive action in the table, as well as their likely antipoverty effects and impacts. We close with a discussion of some additional actions that might benefit poor and low-income families, but – as noted earlier – leave a formal assessment of their impacts for future work.

Table 1. Overview of the Impact on Poverty of Select Executive Actions

Executive Action		***Estimated Number of Individuals Lifted or Kept from Poverty***
Food and Income Support		
Modernize the USDA Thrifty Food Plan	Update the market baskets of food used to determine the value of SNAP benefits to better account for time associated with food purchase and preparation	3.1 million individuals
Ensure family tax credits reach all who are eligible	Direct the IRS to engage in efforts to increase take-up among families with	1.2 million individuals

	children eligible for the Earned Income Tax Credit and Child Tax Credit	
Program Access & Eligibility		
Rescind 'public charge' rule	Restore the long-time regulatory interpretation of 'public charge,' which excludes participation in Medicaid, SNAP, and housing assistance in 'public charge' determinations	300,000 to 670,000 children
Revoke EO 13828 (Reducing Poverty in America by Promoting Opportunity and Economic Mobility) and related rules	Protect SNAP access by withdrawing restrictions on 'able-bodied adults without dependents' (ABAWDs) & Protect SNAP access by withdrawing restrictions on SNAP broad-based categorical eligibility	Up to 2.5 million individuals
Student Loans		
Student loan forgiveness	Direct the Department of Education to waive its claims to up to $10,000 of outstanding student loan debts held by the federal government	162,000 individuals

I. Anti-Poverty Estimates of Potential Executive Actions

The following list represents a selection of executive actions assessed both in terms of the number of Americans likely to be impacted and the anticipated effect on poverty. Our simulations use data collected prior to the COVID-19 pandemic, so precise estimates of the poverty reductions and numbers affected will likely differ based on the employment and incomes of Americans following the crisis. There are also some measures in place – e.g. policy changes to income supports, nutrition assistance, and more enacted through pandemic emergency relief packages – that affect poverty temporarily. Our estimates are relative to a baseline that does not include these changes.

Food and Income Supports

EXECUTIVE ACTION: ***Request the US Department of Agriculture (USDA) to revise the Thrifty Food Plan budget used to determine Supplemental Nutrition Assistance Program (SNAP) benefit allotments.***

An average of 36 million individuals participated in SNAP each month in 2019 before the pandemic. With an average monthly household benefit of just under $260, SNAP prevented 2.5 million individuals – close to half of whom were children – from falling into poverty under the Supplemental Poverty Measure. SNAP reaches a high percentage of those who are eligible and reduces both poverty and food insecurity by directly providing families and individuals with resources to buy food. Yet research indicates that SNAP benefit levels remain too low compared to the needs of families who receive it. Monthly SNAP benefit amounts are determined by the Thrifty Food Plan (TFP), which the USDA constructs to estimate the family budget necessary to cover a 'national standard for a nutritious diet at a minimal cost.' The budget estimates vary by age and gender, but many argue the TFP is overdue for modernization. In addition to calls for review of the nutrition standards, geographic variation in the cost and access of healthy food, and other elements, one particular drawback – highlighted by James Ziliak in a Hamilton Project piece and a review by the National Academies Institute of Medicine – is the emphasis on food items that are low in cost, but labor-intensive to prepare, without accounting in the budget for the cost of the time to do so.

In 2018, Congress authorized a review of the TFP. Under one of the first executive orders signed by President Biden, the USDA is now tasked with taking this forward and considering revisions to the TFP. By modernizing the assumptions and methodology underpinning the TFP, the value of a family's monthly SNAP benefit is likely to increase. The magnitude by which it does is dependent upon the changes to the TFP made. For example, Ziliak (2016) suggests that accommodating more realistic preparation time could lead to a 20 percent increase in the TFP food budget. Because the value of the TFP informs SNAP benefit values, a 20 percent increase in the value of the TFP would lead to a 20 percent increase in the maximum SNAP benefit (and the average benefit for all beneficiaries) and represents a proposal to ensure SNAP benefits are adequate for families moving forward. We simulate the impact this change can have on poverty by taking the current universe of SNAP recipients and modeling a 20 percent increase in their monthly SNAP allotments.

Anticipated impact: *We estimate that this executive action would pull 3.1 million individuals out of poverty. This includes 1.2 million children, 40 percent of whom are Hispanic and 24 percent are Black. The action would also reduce the number of individuals living in deep poverty (below 50 percent of the Supplemental Poverty Measure threshold) by 9.9 million individuals, including 2.1 million children. It would reduce the number of individuals with low incomes (below 200 percent of the Supplemental Poverty Measure threshold) by 682,000 individuals.*[2]

We estimate that a 20 percent increase in the TFP in FY2019 would have cost approximately $11 billion.[3]

. . .

2. Our estimates are based on March 2014-2018 CPS ASEC data, adjusted to 2018 dollars and TRIM3 SNAP variables. It represents the number of individuals moved out of poverty if the adequacy of SNAP benefits had been increased prior to the pandemic. This simulation does not account for temporary SNAP changes amidst the COVID-19 crisis, including Pandemic-EBT and the short-term 15 percent increase in SNAP monthly benefit allotments currently in place through mid-2021.

3. Ziliak (2016) estimates that, all other things being equal, a 20 percent increase in the Thrifty Food Plan would have cost approximately $16 billion in FY2014. Using the most recent full-year data from the USDA Food and Nutrition Service, we apply a similar percentage increase to the total cost of SNAP benefits. He notes that the projected cost of such an increase as a percentage of GDP over time is dependent upon Congressional Budget Office projections of future SNAP outlays and that this type of cost estimate does not account for potential increases in take-up.

<u>EXECUTIVE ACTION</u>: *Direct the Internal Revenue Service (IRS) to ensure the Earned Income Tax Credit for childless workers are delivered to all those who are eligible and engage in efforts to increase take-up among families with children eligible for the Earned Income Tax Credit and Child Tax Credit.*

Together, the Earned Income Tax Credit and the Child Tax Credit keep millions of people out of poverty each year and lessen the severity of poverty for millions more. But many taxpayers still do not receive the credits for which they are eligible, leaving important income supports on the table. Estimates using administrative data suggest, for example, that just 80 percent of those eligible for the Earned Income Tax Credit each year receive it. Because the Earned Income Tax Credit is tied to employment, receipt also changes when economic conditions change. Most household survey research, however, is not able to collect information on tax credit receipt, and simulated tax credit values (based on whether or not a household fits the family type and income eligibility criteria) in datasets such as the Current Population Survey assumes 100 percent take-up. Poverty estimates are usually based on these assumptions, but Jones and Ziliak (2019) estimate that that the number of individuals lifted out of the poverty by the Earned Income Tax Credit is substantially less than existing estimates once a lower participation is accounted for. President Biden's American Rescue Plan proposes expansions to the Child Tax Credit and the childless worker portion of the Earned Income Tax Credit; depressed take-up rates, however, will reduce their antipoverty effects.

Executive actions could encourage the IRS to increase participation rates among eligible filers. For example, the IRS observes all the information required to award the Earned Income Tax Credit for eligible childless workers, simplifying filing for those workers and reducing the number who erroneously fail to it.[4] Similarly, the IRS could finalize proposed regulations relaxing one of the tests for claiming the childless EITC. For families with children, the IRS can improve notices that go out to eligible Earned Income Tax Credit and Child Tax Credit claimants who fail to claim their credits.[5] The IRS can also explore ways to simplify auditing and improve claim procedures – in particular, rules governing the relationship between the filer and the child and residency requirements that are difficult to interpret in complicated (e.g. amidst separation or divorce) or non-traditional family circumstances (for example, a child living with someone other than a parent) – as well as the ways in which they contact filers when more information is needed (e.g. audits are done by mail, which may pose problems for low-income families in insecure housing situations who are forced to move frequently).

Focusing specifically here on the Earned Income Tax Credit[6], we use past participation rate estimates among childless workers (lower, on average, than families with children[7]) to simulate the difference between a 100 percent take-up and the adjusted participation rates to identify how many individuals currently eligible, but not in receipt, of the credit would move out of poverty if they received it. We perform a similar exercise simulating the difference between 100 percent take-up of the Earned Income Tax Credit for all individuals and families who are eligible and an adjusted participation rate of closer to

. . .

4. It may be a more straightforward exercise to do so absent the need to make determinations about qualifying children.

5. The relevant notices are CP09 and CP27 for the EITC and CP08 for the CTC.

6. Our simulation does not include estimates for the Child Tax Credit at this time.

7. Plueger (2009), for example, identifies take-up rates between 50 and 60 percent for childless workers, depending on age.

80 percent.[8] We perform this analysis on 2013-2017 data, adjusted for the Tax Cuts and Jobs Act (TCJA) of 2017.

Anticipated impact: *We estimate that if the IRS ensures eligible childless workers receive the Earned Income Tax Credit who do not currently claim it, this could move an estimated 69,000 individuals out of poverty.[9] If – for example, through improved outreach, communication, auditing, claiming procedures, and other related activities – the IRS was able to deliver the Earned Income Tax Credit to all individuals who were eligible but not currently receiving the credit, we estimate this could move at least 1.2 million individuals out of poverty.[10] If combined with increased take-up for the Child Tax Credit, the anti-poverty effects could potentially increase further.*

Program Access & Eligibility

EXECUTIVE ACTION: ***Rescind the public charge regulations published by the US Department of Homeland Security (DHS) and the US State Department and restore the longstanding regulatory interpretation of the public charge rule.***

Federal immigration law has long had a 'public charge' inadmissibility test, whereby applications for admission to the US or lawful permanent resident status can be denied if officials determine applicants might depend upon government assistance as their main source of support in the future. In the past, public programs considered in making a public charge determination included cash received from TANF, SSI, state or local cash assistance programs, and long-term institutional medical care. The Trump administration changed this rule, adding to the assessment list participation in Medicaid, SNAP, and housing assistance (federal public housing, Section 8 housing vouchers, and Section 8 project-based rental assistance) and expanding the circumstances under which applicants can be denied in ways that particularly disadvantage low- and moderate-income individuals.[11] The new public charge rule was challenged in court, but a September 2020 decision in the US Court of Appeals ultimately allowed DHS to implement the final rule. Research indicates this rule, even prior to being finalized, has impacted immigrant families' decisions on applying for or staying enrolled in public benefit programs (often referred to as the 'chilling effect').[12] President Biden signaled his intent to address immigration-related

. . .

8. Specifically, a 78.75 percent take-up rate, based on the 2005-2009 average from Table 4 in Jones (2014).

9. The maximum EITC rate for a childless worker is a modest amount compared to filers with children; in 2018, the maximum credit amount was $519. President Biden's American Rescue Plan proposes an EITC increase for childless workers.

10. Using administrative data, and comparing across a range of tax simulators, Jones and Ziliak (2020) find that achieving 100 percent take-up of the EITC in 2016 could have moved as many as 1.8 million individuals from poverty.

11. National Conference of State Legislatures (2020) Immigration and Public Charge; US Citizenship and Immigration Services (2020) Public Charge Fact Sheet. Washington DC; National Immigration Law Center (2020) Changes to Public Charge: Analysis and Frequently Asked Questions. Washington DC.

12. Batalova, J., Fix, M., & Greenberg, M. (2019) Millions Will Feel Chilling Effects of U.S. Public-Charge Rule That Is Also Likely to Reshape Legal Immigration. Washington DC: Migration Policy Institute; Barofsky, J., Vargas, A., Rodriguez, D., & Barrows,

policy for immigrant families residing in the US and those seeking to enter and, at the start of February, signed a series of executive orders on family reunification, migration, and immigrant integration and inclusion. Complementary efforts would restore the longstanding regulatory interpretation of the public charge rule by rescinding the rule put forth by the previous administration and seeing agencies clarify for immigrant families the public supports for which they are eligible and the ways in which they can access them.

Anticipated impact: *We estimate that a restoration of the longstanding regulatory interpretation of the public charge rule could prevent anywhere from 300,000 to 670,000 children from falling into poverty, depending on the extent to which the previous Administration's public charge rule would have discouraged families and individuals from applying for benefit to which they are entitled. This action could also prevent as many as 290,000 children from falling into deep poverty (below 50 percent of the Supplemental Poverty Measure).*

A specific cost estimate is not available here, but the Federal Register publication of the final rule includes a discussion of related costs and benefits.

EXECUTIVE ACTION: *Revoke EO 13828, Reducing Poverty in America by Promoting Opportunity and Economic Mobility, and related rules that would limit public benefit program access for individuals and families.*

The Trump Administration's EO 13828: Reducing Poverty in America by Promoting Opportunity and Economic Mobility directed federal agencies to review and reform public benefit programs according to a set of nine principles that encouraged the enforcement and addition of work requirements, the consolidation of 'duplicative' programs, increased private sector involvement, strict means-testing and asset limits, and more. This directive subsequently informed a set of related rules that would limit public benefit program access for individuals and families. Examples of these limitations include efforts to:

(1) restrict SNAP program access among certain individuals and families – including placing strict three-month time limits on SNAP for so-called 'able-bodied adults without dependents' (ABAWDs), and

(2) remove the ability of states and localities to streamline administrative effort and enrollment by using income and asset determinations from other public assistance programs (e.g. TANF) to determine eligibility for SNAP, a policy known as 'broad-based categorical eligibility.'

Prior analyses revealed these restrictions would increase SPM poverty among both children and adults, even after accounting for potential labor market responses. President Biden's COVID Economic Relief Executive Order identifies a number of SNAP changes to increase access and benefit values;

. . .

A. (2020). Spreading Fear: The Announcement of the Public Charge Rule Reduced Enrollment in Child Safety-Net Programs. *Health Affairs*, 39(10).

executive action to revoke EO 13828, rollback all related restrictions, and ensure states do not restrict program access in similar ways moving forward would complement these efforts.

Anticipated impact: *We estimate that executive action to ensure past proposals to restrict (1) the SNAP access of able-bodied adults without dependents (ABAWDs) and (2) SNAP broad-based categorical eligibility (BBCE), are not taken up by states in future – as well as any other SNAP cuts – could prevent as many as 2.5 million people from falling into poverty and 1.5 million people from falling into deep poverty (below 50 percent of the Supplemental Poverty Measure).*

Ensuring the SNAP ABAWD time-limit rule does not apply to program recipients in the future will be of particular benefit to individuals at higher risk of poverty, including women, individuals in communities of color, young adults, and those with a high school education or less; they are also more likely to be caring for family members or unable to find work. Despite being classified as 'able-bodied', approximately 1 in 4 SNAP ABAWD recipients also report health difficulties and limitations. Ensuring states do not implement policies similar to the SNAP broad-based categorical eligibility rule would protect over 3 million individuals from losing their SNAP benefits (9 percent of all households participating in SNAP prior to the pandemic), including 700,000 households with children, over 600,000 households with elderly members, and close to 200,000 households with disabled individuals.[13]

These rules have not yet been implemented and a specific cost estimate is not available here.[14] A regulatory impact analysis of these rules has not yet been implemented, but the Federal Register publication of the final rule includes a discussion of related costs and benefits.

Student Loans

EXECUTIVE ACTION: ***Direct the Department of Education to waive its claims to up to $10,000 of student loan debt held by the federal government. The amount forgiven can be 'scaled' up or down, or by targeting forgiveness to subsets of students.***

The number of students leaving college with student debt, and the average amount of debt held by borrowers, has grown dramatically in recent years. Outstanding federal balances tripled from $516 billion in 2007 to $1.56 trillion by the end of 2020. Several advocacy organizations and Democratic lawmakers have asserted that the Department of Education has the authority to cancel all federally held student loan debt—or whatever subset they deem appropriate—and waive tax liability on the forgiven amounts. Since 2009, most borrowers are eligible for various income-based repayment (IBR) programs, which cap federal loan payments at 10 to 15 percent of "discretionary" income, defined as income in excess of 150 percent of the federal poverty line. If take-up in these programs were automatic and adjusted to changes in family

. . .

13. USDA Food and Nutrition Service (2018) Regulatory Impact Analysis, 7 CFR Part 273: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP). Washington DC.

14. For a discussion of the potential impact on federal spending and administrative costs of the broad-based categorical eligibility proposal, see USDA Food and Nutrition Service (2018) Regulatory Impact Analysis, 7 CFR Part 273: Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP). Washington DC.

income in real-time, such plans would eliminate the burden of federal student debt payments for low-income families and as a result debt forgiveness would not change the flow of disposable income available to families, and would thus not impact the number of individuals in poverty. Neither of these conditions hold, and as a result debt forgiveness would benefit the small share of poor families who do make payments.

We simulate the impact of cancelling student debt using the 2019 Survey of Consumer Finances (SCF). As has been well documented, the SCF has major limitations for this study, though the magnitude of these limitations is perhaps not appreciated. The SCF includes debt only for the "primary economic unit" within a household, and as a result misses debt held by some adult children cohabiting with their parents and other household members not part of the primary economic unit. It also appears to disproportionately miss student debts held by individuals in the richest and poorest income quintiles, and as a result our analyses below may understate the number of individuals who might benefit from forgiveness. More importantly, however, the sample is small. The sample consists of 5,777 families, about 904 of which hold federal student debt. Of these student debt holders, only about 81 families are poor. We use "about" because slightly more than half of the SCF sample has at least one component of its income imputed due to missing data. The federal government holds rich administrative data that could be used to link debt, payments, income, and race data for the universe of federal borrowers. That data must be used to get a clearer picture of the incidence of student debt burdens by income and race.

With these caveats in mind, the SCF nonetheless may provide a very rough sense of the magnitude of how many students might benefit from forgiving student debts. We limit our analysis to households headed by a non-student individual age 22 or over. Overall our SCF sample captures $874 billion of the $1.56 trillion in outstanding federal debt. While we cannot measure SPM poverty in the SCF, we use a measure closer to the official poverty measure (OPM), which captures cash and near-cash resources (e.g., cash welfare and unemployment benefits are included) but also includes the monetary equivalent of SNAP. We assume the forgiven debt would not be taxed by the IRS—if this turns out to not be the case, the directional impact of debt forgiveness on the number of people in poverty would likely reverse, as increases in tax liabilities would likely be larger than the reduction in student loan payments in the year.

About 12 percent of families living in poverty have federal student debt, and the average balance among poor families with debt is $23,329 (the median is $15,000). Including poor families without student loans, the average balance is $2,841. Less than half of poor borrowers are making positive payments on their federal student loans, and we assume that only this subset would therefore experience a change in annual family resources, and thus their poverty status, due to loan forgiveness. Again based on the SCF, 4.5 percent of poor families were making payments on federal student loans, and the average payment among all poor families was $61. For families making between 100 and 200 percent of the federal poverty line, the average annual payment on federal debts is $217.

Anticipated impact: *We estimate cancelling $10,000 in student debts—representing $376 billion in face-value—would raise disposable incomes among poor families by $23 per year on average (about $510 for the small subset of poor families with federal student loan debt) and lift 162,000 people from poverty. Cancelling all student debt would lift 293,000 individuals from poverty*[15]*, including 117,000 children. Cancelling debts up to $10,000 would increase family resources among the "near-poor*

. . .

15. Here we treat the elimination of student debt service payments as an increase in family resources, similar in spirit to the treatment of necessary medical expenditures in the SPM.

(between 100 and 200 percent of the poverty line)" by an average of $37 per year. Some 1.8 million individuals in poor families would experience some reduction in payments. Again we emphasize these numbers should be viewed with caution due to the very small number of observations of poor families with student debt in the SCF, and its serious limitations for this purpose. For example, only 7 sample families report positive student debt payments that when added to their income 'lift' the family above the poverty line. We note that the same benefits to low-income families would be obtained if take-up of IBR plans could be increased to 100 percent. As other authors have noted, student debt forgiveness benefits would generate larger benefits for families further up the income distribution than the poor and near poor families we focus on here.

II. Additional Executive Actions Likely to Reduce Poverty and Improve Family Economic Security

The following discussion identifies an additional set of potential executive actions related to employment, health, and housing likely to also reduce poverty and improve family economic security if enacted. Some of the following items have been included in the set of executive actions announced by the Administration to date. Though these items did not lend themselves to a simulation of their specific anti-poverty effect, we try to draw on existing estimates of their likely impacts.

Employment

- ***Raise the minimum wage to $15 per hour for all federal workers and service contracts.*** President Biden's American Rescue Plan proposes a $15 per hour minimum wage for all workers nationwide.[16] While this requires Congressional action, President Biden recently signed an executive order to direct the Office of Personnel Management (OPM) to develop recommendations to raise the minimum wage for more federal workers and service contracts to $15 per hour. A 2014 Obama Administration executive order increased the minimum wage for federal contract workers to $10.10 per hour, to be adjusted annually thereafter for inflation; as of January 1, 2021, it is $10.95 per hour. A family of four on this income (two adults working full-time on this wage, supporting two children), however, remain below 200 percent of both the federal official poverty measure and the Supplemental Poverty Measure (SPM) – the threshold defined by the National Academy of Sciences as low income.[17] As OPM considers ways in which to raise the federal contract minimum wage, they might draw on a proposal from the Economic Policy Institute and the National Employment Law Project who recommend (1) continuing automatic annual adjustments for inflation; (2) automatic adjustments to keep this wage at least

. . .

16. A 2019 Economic Policy Institute analysis estimates this would lift wages for over 33 million workers (one-fifth of the wage-earning workforce) and a 2019 Congressional Budget Office estimates projects a $15 minimum wage would move 1.3 million individuals out of poverty by 2025.

17. As of 2019, 200 percent of the official poverty measure for a family of four consisting of two adults and two children was $51,852. 200 percent of the 2019 SPM for a two-adult, two-child family in an average cost city ranged from $49,960-$58,468, depending on their housing status. Two full-time workers earning the current federal worker minimum wage would earn $22,776 each, for an annual family income total of $45,552. In contrast, two full-time workers earning a $15 federal worker minimum wage would earn $31,200 each, for an annual family income total of $62,400.

10 percent above the federal minimum wage; (3) including those recently excluded from federal contract worker minimum wage eligibility under a Trump Administration rule (EO 13658); (4) an end to the subminimum wages for tipped workers[18], workers with disabilities, and youth workers, as well as a number of additional administrative and enforcement items. *More than 180,000 workers benefited from the 2014 Obama Administration executive order to increase the federal contract minimum wage to $10.10 per hour.*

- ***Issue an equity-focused executive order to increase young adult recruitment, hiring, retention, and advancement in federal government jobs.*** Executive action can be taken to increase employment and advancement opportunities for young adults – particularly those from communities of color and high-poverty communities – in the federal workforce. An executive order based on a Georgetown Center on Poverty and Inequality proposal would implement proactive measures to expand and enhance the Pathways Programs to hire students and recent graduates; update existing executive orders (e.g. EO 13583) on diversity and inclusion in the federal workforce; establish a young adult advisory council; and direct Office of Personnel Management action to improve the competitive hiring process for young people. *Pre-pandemic, young adults were already in a precarious financial position; compared to other population groups, they are the only group to see their poverty rise over the last 50 years. Black and Hispanic young adults experience poverty at twice the rate of their White peers. Our prior work examining the impact of proposals to expand hiring through a national subsidized jobs program, similar to the Job Opportunities for All Act, would cut poverty among those enrolled by half.*

Health

- ***Withdraw rules making it harder to apply for and continue receiving disability benefits.*** The Trump Administration issued a series of final and proposed rules through the Social Security Administration (SSA) that would make it more difficult for individuals to access benefits for which they are eligible. These rules range from redefining medical evidence allowable in disability determinations to proposed changes in the frequency of eligibility reviews for disability benefits and the threshold for full-time employment used to evaluate disability claims. Executive action to revoke any final rules enacted and withdraw proposed rules that would restrict access to disability benefits would benefit the millions of individuals and families in receipt. *Eight million individuals receive Supplemental Security Income (SSI) each year, including over 1 million children. Almost 90 percent of recipients are eligible because they have a severe disability. Individuals with disabilities are more than twice as likely to live in poverty than individuals without disabilities. Preserving access to disability benefits would prevent increases in poverty and hardship for a population already at higher risk of both.*

- ***Enact a standard SNAP excess medical deduction for households with senior or disabled members.*** SNAP currently allows households to deduct medical expenses over $35 that have not been reimbursed from their qualifying income. Those with higher out-of-pocket

. . .

18. EPI and NELP note that the 2014 executive order raised the minimum wage for tipped workers to 70% of the regular minimum wage, rather than parity with the full amount.

medical expenses may, then, be eligible for a higher monthly SNAP benefit. The Center on Budget and Policy Priorities has shown that this deduction is vastly underutilized, as only 12 percent of households with senior or disabled members claim it. As of 2014, 15 states had waivers enabling them to implement a standard medical deduction (for example, $140) to help households claim this benefit without burdensome documentation requirements. The Biden Administration can instruct the USDA to enact a standard SNAP excess medical deduction nationwide. *SNAP supports more than 8 million seniors and individuals with disabilities. The Center on Budget and Policy Priorities estimates that for an average senior living on their own, claiming $50-$200 in medical expenses can results in an additional $7-$69 in SNAP benefits each month.*

Housing

- ***Implement an improved and extended federal eviction moratorium to prevent rental evictions amidst the ongoing COVID-19 crisis.*** President Biden took executive action to extend, through March 2021, the temporary moratorium on evictions to protect renters at risk of eviction for nonpayment of rent due to the COVID-19 pandemic issued by the Centers for Disease Control and Prevention (CDC). It had been set to expire January 31, 2021. Nearly one in five renters nationwide are behind on their rent amidst the COVID-19 crisis, with Black and Hispanic families in rental accommodation facing particular difficulty meeting their housing costs. New research finds eviction prevention can play a substantial role in preventing the continuing spread of COVID-19 and preventing COVID-19-related deaths. The National Low Income Housing Coalition has led efforts calling not just for an extension of the existing CDC order, but the implementation of a national, uniform moratorium on evictions that improves upon the temporary CDC order to (1) reduce barriers for renters to access protection; (2) apply to all stages of the eviction process; (3) provide greater clarity to courts and closes loopholes; and (4) direct the Department of Justice and Consumer Financial Protection Bureau to enforce the moratorium. Over 2,000 organizations joined in support of immediate action. *Executive action to prevent rental evictions could benefit the 30 to 40 million renters in 17 million households identified by the Aspen Institute as being at high risk of losing their homes. Many states have high percentages of households at risk. This executive action would be of particular benefit to Black and Hispanic families who face disproportionate risk of eviction.*

- ***Withdraw proposed rules to separate or evict mixed-status families who receive housing assistance and increase paperwork and documentation requirements.*** The Trump Administration proposed rules to terminate housing assistance eligibility for mixed-status families – families in which members have different immigration or citizenship statuses (e.g. US citizen children with one or more undocumented parents). Specifically, the changes would revise interpretation of mixed-status families' eligibility for Section 214-covered programs (HUD public housing, vouchers, Section 8 project-based rental assistance, USDA rental assistance, and more). Executive action can be taken to withdraw these proposed rules and clarify that mixed-status families remain eligible for Section 214 housing programs. *Withdrawing these rules would protect more than 25,000 mixed status families, representing over 108,000 individuals, who are currently served by the housing programs affected by these changes. Over 75 percent are families with children, including 55,000 children who are US citizens or legal US residents. Withdrawing these proposed rules would also prevent the 9.6 million individuals receiving* *housing assistance under the impacted programs from burdensome requirements to document their citizenship in order to maintain receipt of housing supports.*

- ***Reverse rollbacks of Fair Housing Act related to affirmatively furthering fair housing, disparate impact, and equal access by gender identity.*** The Fair Housing Act prohibits housing discrimination by race, religion, national origin, sex, disability, and more. The Trump Administration made a number of rule changes to fair housing protections and policies that could impact families' access to housing or their ability to remain housed. A final rule, 'Preserving Community and Housing Choice,' repeals 2015 regulations regarding the statutory obligation to affirmatively further fair housing (AFFH). Changes to the 2013 Disparate Impact rule make it more difficult for individuals experiencing housing discrimination to challenge policies and practice. And changes to the 2016 rule on Equal Access in Accordance with an Individual's Gender Identity weakened protections for LGBTQ individuals at risk of or experiencing homelessness. The National Low Income Housing Coalition recommends: (1) rolling back the recent AFFH changes, (2) maintaining the 2016 Fair Housing Act liability rule, (3) rescinding changes to the Disparate Impact rule and reinstate the 2013 standard, and (4) reinstating the 2016 Equal Access rule.

III. Conclusion

Executive actions provide President Biden an opportunity to reduce poverty in the short term and complement any legislative actions that would impact poverty in the longer term. The above set of potential executive actions – ranging from food assistance to health, higher education, housing, cross-cutting public program access, and more – include actions announced in the first days of the new Administration as well as proposals put forward by groups committed to improving the economic security of low- and moderate-income families. Our analysis offers a preliminary set of estimates on the number of Americans likely to be affected by executive actions on these policies. Where possible, we provide estimates of their likely antipoverty effect. As we note at the start, this list of executive actions is far from exhaustive, but action taken on these items have the potential to make meaningful improvements in the lives of the individuals, children, and families affected. We hope it also spurs further discussion of both future executive actions and legislation that could meaningfully reduce poverty and improve the economic security of individuals and families.

ACKNOWLEDGEMENTS

We are grateful to past and present colleagues at the Center on Poverty and Social Policy at Columbia University for their analytic work and assistance: Sophie Collyer, Robert Paul Hartley, Jennifer Laird, and Zachary Parolin. This paper benefited significantly from their meaningful research contributions and we thank them for their work. This brief is made possible with the support of Arnold Ventures.

The Center on Poverty and Social Policy's work is supported by The JPB Foundation, the Bill & Melinda Gates Foundation, and the Annie E. Casey Foundation. We would like to thank the individuals and organizations whose information and insight informed this work, including Cara Baldari, Melissa Boteach, Ajay Chaudry, Indivar Dutta-Gupta, David Harris, Jennifer Laird, Jordan Matsudaira, Emma Mehrabi, Elisa Minoff, Lindsay Owens, Cassandra Robertson, Center on Budget and Policy Priorities, Center for the Study of Social Policy, Children's Defense Fund, Economic Policy Institute, First Focus on Children, Food Research & Action Center (FRAC), Georgetown Law Center on Poverty and Inequality, National Immigration Law Center, National Low Income Housing Coalition, and National Women's Law Center. We are also particularly grateful for feedback from Adam Looney and Lauren Bauer at Brookings. All errors and assertions in this brief, however, are our own.

In addition to conversations with many of the individuals above, we would also like to highlight transition documents put together by a number of organizations that proved particular useful in informing the set of potential executive actions discussed. We are grateful for the following resources: Policy Agenda (Economic Policy Institute); Building Public and Political Will to End Hunger in America: A Summary of FRAC's Transition Priorities (Food Action & Research Center (FRAC)); The Promises We Must Make to Our Children: Recommendations to the Biden-Harris Transition Team (First Focus Campaign for Children); Economic Security Priorities for the New Administration and Congress(Justice in Aging); Opportunities to End Homelessness and Achieve Housing Justice in a Biden Administration (National Low Income Housing Coalition); and Priorities for a New Administration (National Women's Law Center).

APPENDIX

Methods

Unless otherwise noted, our analysis uses the Supplemental Poverty Measure (SPM) framework to project an annual poverty rate for 2021. The SPM accounts for cash and noncash government benefits, necessary expenses like taxes, health care, commuting, and child care, and adjusts for family size and local housing costs. For a two-parent, two-child family in an average cost city, the SPM income threshold is about $28,000 per year.

EO: Food assistance (Thrifty Food Plan) This analysis uses March 2014-2018 CPS ASEC data, adjusted to 2018 dollars and TRIM3 SNAP variables. It applies a 20 percent increase to recipients' monthly SNAP benefit values. A 20 percent SNAP increase is based on one element of a three-prong proposal by Dr. James Ziliak of the Center for Poverty Research, University of Kentucky to modernize the SNAP program 'in line with current norms of food consumption and time use.' The proposal would: (1) increase the cost of the Thrifty Food Plan by 20 percent to partially account for the time spent on food preparation not currently recognized; (2) further reform the Thrifty Food Plan to adjust for geographic variation in food prices, inflation, the needs of households beyond those on very low incomes, and the dietary needs of teenagers and young adults; and (3) conduct further research on the data used to inform the Thrifty Food Plan and adjust the plan again accordingly.

EO: Income support (Refundable tax credits) This analysis uses March 2014-2018 CPS ASEC data, adjusted to 2018 dollars and adjusted for the Tax Code and Jobs Act (TCJA) of 2017 using TAXSIM 27. For childless workers, it assumes a range of participation rates by age (56% for those aged under 25; 57% for those aged 25-34; 52% for those aged 35-44; 57% for those aged 45-54; and 54% for those aged 55 and over) from Table 13 of Plueger (2009) based on 2005 EITC take-up. This simulation removes the Earned Income Tax Credit values from each filer selected randomly by childless status and age until the participation rates for each of the above groups are reached. For the broader EITC take-up simulation, we assume a 78.75 percent take-up rate of the Earned Income Tax Credit for all eligible individuals and families, based on the 2005-2009 average from Table 4 in Jones (2014). CPS ASEC data and TAXSIM assume 100 percent take-up; this simulation removed the total EITC value for which each SPM family unit is eligible from a random selection of 21.25 percent of EITC filers. Our results are not directly comparable to Jones and Ziliak (2020), as we use only CPS ASEC data and TAXSIM in this analysis of SPM poverty, without access to administrative data or the other tax simulators they employ. This simulation does not make any changes to the Child Tax Credit; this represents an area for future examination.

EO: Income support (TANF) This analysis uses March 2018 CPS ASEC data with TRIM3 added to adjust for underreporting. It examines what the SPM poverty rate might look like if states converted their noncash TANF spending into direct cash support. It identifies all non-cash TANF spending (i.e. all spending not currently dedicated to cash assistance or EITC supplements) and a target population for the receipt of new cash benefits (i.e. all SPM units with children who are below 100 percent SPM prior to the simulation). The simulation distributes each state's maximum TANF benefit to the target population, in order from lowest income to highest income households, until the allotment of the 'new' cash spending is exhausted. In the few cases where a state still has excess 'new' TANF funds remaining after assigning the maximum TANF benefit to everyone in the target population, we divide the remaining 'new' TANF funds evenly among the entire target population.

EO: Program Access & Eligibility (Public charge) This analysis is based on Laird et al (2018) and Laird et al (2019). Laird et al (2018) uses CPS ASEC data from calendar year 2016, adjusted with TRIM to account for benefit underreporting, to calculate the change in SPM poverty among citizen children in mixed status and non-citizen households and among all children if immigrant families do not take up the SNAP and WIC benefits for which they are eligible. Laird et al (2019) uses CPS ASEC data from calendar year 2016 to estimate the change in SPM poverty among children under a range of SNAP program chilling effects – from a lower bound of 2 percent of the non-citizen population not taking up the SNAP benefits for which they are eligible to an upper bound of 35 percent of the non-citizen population not doing so.

EO: Program Access & Eligibility (SNAP ABAWADs and broad-based categorical eligibility) This analysis is based on Hartley et al (2018), Hartley et al (2019), and Laird et al (2018). Hartley et al (2018) uses CPS ASEC data from 2011 to 2015, adjusted with TRIM to account for SNAP underreporting and other ABAWD indicators. 'Work capable' individuals are adults aged 18 to 59 considered 'non-disabled' by SNAP guidelines and who have no dependents under the age of 6. Hartley et al (2019) uses CPS ASEC data from 2014-2018. Laird et al (2018) uses CPS ASEC data from 2016, adjusted with TRIM; this analysis estimates the impact of a 40 percent cut in SNAP under the following assumptions: (1) tightening work requirements for ABAWDs; (2) restricting SNAP broad-based categorical eligibility; and (3) removing SNAP benefits for otherwise eligible SNAP households until a 40 percent cut is achieved.

EO: Students Loans (Loan forgiveness) This analysis relies on the 2019 Survey of Consumer Finances (SCF). The SCF is the only nationally representative survey containing detailed measures of households' net assets, and provides detailed information on both the balances of loans used for education, as well as the reported amount that individuals in each household paid to service these loans. We restrict the SCF sample to households where the head is not currently a student, and are age 22 and above. Since the SCF only captures loan debt held by the 'primary economic unit' our sample captures 874 billion of the 1.56 trillion in outstanding federal student loans. The SCF does not have the information required to estimate SPM poverty. Instead, its income questions are similar to those used in the Current Population Survey to measure cash and near-cash family resources in the Official Poverty Measure. An exception is that household income includes the cash equivalent of SNAP benefits. We define individuals in a household as poor if the sum of income is less than the federal poverty line for a family with the relevant size.

Hutchins Center
on Fiscal & Monetary Policy
at BROOKINGS

The mission of the Hutchins Center on Fiscal and Monetary Policy is to improve the quality and efficacy of fiscal and monetary policies and public understanding of them.

Questions about the research? Email communications@brookings.edu.
Be sure to include the title of this paper in your inquiry.