What Happens After CARES? Projections of Poverty and Program Eligibility from the COVID-19 Pandemic & Economic Recession

August 27, 2020
• Welcome from the National Governors Association (NGA)
• Welcome from the American Public Human Services Association (APHSA)
• Presentation from the Office of the Assistant Secretary for Planning and Evaluation (ASPE)
• Q&A
The National Governors Association

What We Do

NGA is the bipartisan organization of the nation’s governors. Through NGA, governors share best practices, speak with a collective voice on national policy and develop innovative solutions that improve state government and support the principles of federalism.

The Center for Best Practices

Services:
• State Technical Assistance
• Multi-State Policy Academies
• Research & Published Reports

Policy Areas:
• Human Services & Early Care and Education
• K-12 Education
• Cyber Security
• Energy & Environment
• Health Care Cost & Coverage
• Health Data and Workforce
• Health Systems
• Homeland Security
• Infrastructure
• Postsecondary Education
• Public Health
• Public Safety and Legal Counsels
• Workforce Development & Economic Policy

nga.org/coronavirus
Our Vision

Thriving Communities Built on Human Potential

Our Mission

American Public Human Services Association advances the well-being of all people by influencing modern approaches to sound policy, building the capacity of public agencies to enable healthy families and communities, and connecting leaders to accelerate learning and generate practical solutions together.

Because We Build Well-Being from the Ground Up
We Aim to:

**Influence** integrated and outcome-focused policy and practice to advance system-level transformation in H/HS.

**Build** knowledge and capacity in the field and fosters the desired outcomes.

**Connect** members, peer communities, and partners with each other to accelerate learning and generate solutions together.
ROBIN GHERTNER

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SUZANNE MACARTNEY

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Projections of Poverty and Program Indicators for
August-December 2020

August 27, 2020

NINA CHIEN, GILBERT CROUSE, ROBIN GHERTNER, SUZANNE MACARTNEY, EMILY MADDEN, ERICA MEADE, KENDALL SWENSON
Federal and state leaders need information on poverty rates and program eligibility for budgeting, planning, and policy development.

However, national data on poverty rates and program eligibility are not available in real-time.

Why projections?
How do we make projections?

- Simulations of poverty and program eligibility based on nationally-representative survey data, based on three economic scenarios for the remainder of the calendar year August through December:
  - **Higher** unemployment – 11.8%
  - **Medium** unemployment – 10.0%
  - **Lower** unemployment – 8%
- Projections are not what **is** happening or what **will** happen, but what **could** happen.
- Results depend upon most unemployed applying for, receiving UI
- Work is conducted in conjunction with the Urban Institute.
Additional Assumptions

- Unemployment insurance:
  - 80% of uptake of UI for eligible wage earners, and 55% uptake for eligible self-employed.
  - Includes expanded eligibility, time extensions, and added $600 from April-July 2020

- SNAP
  - Temporary removal of ABAWD restrictions
  - Temporary maximum allotment of benefits, based on timing of state waiver

- Economic Impact Payment (Stimulus check)
  - 100% receipt, based on family size
Economic Trends
Unemployment rates remain high, but all major racial and ethnic groups are experiencing improvements.

Source: HHS/ASPE tabulations from the Current Population Survey
Unemployment rates among youth age 16 to 24 remain higher than among older age groups.

Source: HHS/ASPE tabulations from the Current Population Survey
Youth ages 16 to 24 are more likely to have COVID-19-related reasons for being without employment

![Bar chart showing employment rates and reasons for unemployment by age group.]

- **Age 18 to 24**: 55% Employed, 17% Unemployed non-COVID reason, 19% Unemployed COVID job loss, 9% Unemployed other COVID reason
- **Age 25 to 39**: 63% Employed, 16% Unemployed non-COVID reason, 15% Unemployed COVID job loss, 5% Unemployed other COVID reason
- **Age 40 to 54**: 64% Employed, 17% Unemployed non-COVID reason, 15% Unemployed COVID job loss, 4% Unemployed other COVID reason
- **Age 55 to 64**: 54% Employed, 31% Unemployed non-COVID reason, 12% Unemployed COVID job loss, 2% Unemployed other COVID reason
- **Age 65+**: 22% Employed, 69% Unemployed non-COVID reason, 7% Unemployed COVID job loss, 1% Unemployed other COVID reason

1. This category includes persons who were: (1) sick with COVID-19 symptoms, (2) taking care of a family member with COVID-19 symptoms, or (3) concerned about getting COVID-19 at work.

Source: ASPE tabulations from the PULSE survey covering the period July 16 to July 21, 2020
Most unemployed persons are temporarily laid-off since the beginning of the COVID-19 pandemic.
Marginal attachment to the labor force remains higher than pre-pandemic months, and one-third of these individuals are discouraged workers.

Source: HHS/ASPE tabulations from the Current Population Survey
Child Care Industry Employment Trends

All employees, child care services, seasonally adjusted
January 2000 – July 2020

Note: Shaded areas denote the periods from Dec 2007 to Jun 2009 and Jan-Jun 2020.
Minority headed households and households with children more likely to have housing and food instability

### HOUSING

<table>
<thead>
<tr>
<th></th>
<th>% renters not paying on time</th>
</tr>
</thead>
<tbody>
<tr>
<td>HHs with children</td>
<td>29%</td>
</tr>
<tr>
<td>HHs no children</td>
<td>16%</td>
</tr>
<tr>
<td>All HHs 2017*</td>
<td>7%</td>
</tr>
<tr>
<td>Black</td>
<td>33%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>28%</td>
</tr>
<tr>
<td>White</td>
<td>17%</td>
</tr>
</tbody>
</table>

Renters who did not pay last month’s rent on time, or who deferred payment.

### FOOD INSUFFICIENT

<table>
<thead>
<tr>
<th></th>
<th>% food insufficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household income &lt;$30,000</td>
<td>42%</td>
</tr>
<tr>
<td>Youth (18-24)</td>
<td>36%</td>
</tr>
<tr>
<td>Households with children</td>
<td>31%</td>
</tr>
<tr>
<td>All households</td>
<td>22%</td>
</tr>
<tr>
<td>All households, Dec. 2018</td>
<td>6%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>34%</td>
</tr>
<tr>
<td>Black</td>
<td>32%</td>
</tr>
<tr>
<td>White</td>
<td>16%</td>
</tr>
</tbody>
</table>

Householders responding, "The food we bought just didn’t last, and we didn’t have money to get more."

Child Maltreatment Indicators Down from 2019, but Returning to Prior Levels

Change in key Child Welfare Metrics 2020 vs 2019

<table>
<thead>
<tr>
<th>Percent change from same month 2019</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports</td>
<td>-45%</td>
<td>-36%</td>
<td>-7%</td>
<td>-3%</td>
</tr>
<tr>
<td>Screened In</td>
<td>-49%</td>
<td>-38%</td>
<td>-7%</td>
<td>-3%</td>
</tr>
<tr>
<td>AR/Family Assessment</td>
<td>-59%</td>
<td>-43%</td>
<td>-13%</td>
<td>-11%</td>
</tr>
<tr>
<td>Foster Care Entry</td>
<td>-36%</td>
<td>-23%</td>
<td>-8%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Data reported for Arkansas, Florida, Indiana, Kansas, Nevada, and Wisconsin
Poverty and Program Projections
Annual poverty rate projected to decline due to CARES Act benefits

*Poverty measure includes economic impact payments which are not counted in the official poverty measure.

Annual poverty rate projected to decline due to CARES Act, steeper decline among Blacks compared to Whites or Hispanics

*Poverty measure includes economic impact payments which are not counted in the official poverty measure.

More People Projected Eligible for TANF Benefits

SOURCE: *TANF recipient data from ACF Office of Family Assistance. Estimates reflect TANF only cases with the exception of NY state in which both TANF and SSP recipients are counted. Projections are based on the CPS ASEC 2018 and TRIM microsimulation model. Calculated by the Urban Institute and HHS ASPE.
More People Projected Eligible for TANF Benefits August to December 2020

SOURCE: *TANF recipient data from ACF Office of Family Assistance. Estimates reflect TANF only cases with the exception of NY state in which both TANF and SSP recipients are counted. Projections are based on the CPS ASEC 2018 and TRIM microsimulation model. Calculated by the Urban Institute and HHS ASPE.*
2020 child support collections projected to increase due to CARES Act

More People Projected Eligible for Medicaid Benefits

SOURCE: USDA participation estimates are preliminary. Projects are based on the CPS ASEC 2018 and TRIM microsimulation model. Calculated by the Urban Institute and HHS ASPE.
More People Projected Eligible for Medicaid Benefits August to December 2020

Projected Percent Increase in Medicaid/CHIP Eligibility, Aug-Dec
Mid-Level Unemployment Scenario

- Hispanic: 6.0%
- Black non-Hispanic: 4.1%
- White non-Hispanic: 9.7%
- 0-17: 6.8%
- All persons: 7.5%

Estimates of Increased Medicaid Eligibility and Enrollment
Estimates of Increased Annualized Medicaid Costs from New Enrollment Aug-Dec 2020

(Note: Combined Federal and State share)

$35.2 Urban, July

$40.9 HMA

$67.1 Urban, May

$98.1 HMA

$96.5 Urban, May

$147.2 HMA

$126 Urban, May

Note: Cost projections based on FY17 CMS Office of the Actuary estimated annual per enrollee spending for all enrollees

Medicaid Projection Sources

The estimates in slide 22 are pulled from the following sources:


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THANK YOU

Questions? Contact Robin Ghertner

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