

## How Many People Participate in the Social Safety Net?

Social safety net programs provide different types of support to people facing economic hardship. In 2019 around three in 10 people, including nearly half of U.S. children participated in a safety net program.

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### **KEY POINTS**

- In 2019, 99.1 million people participated in one of the 10 programs discussed in this data point representing 30 percent of the U.S. population.
- More than one in four working-age adults (27 percent) and nearly one of every two children (49 percent) participated in a safety net program.
- Nearly one in eight adults (12 percent) and one in three children (33 percent) participated in multiple safety net programs. The most common program combinations include either Medicaid, the earned income tax credit, or the Supplemental Nutrition Assistance Program.
- Among beneficiaries, 47 percent of adults and two out of three children (67 percent) participated in multiple programs. Among people in the United States who received a benefit from two or more programs, most were children or older adults (56 percent).

## **OVERVIEW**

This data point presents estimates of overall participation in the social safety net in 2019, the latest year of available data and presents rates of participation in multiple programs (see Box 1 for the programs under study). People facing economic instability often need more than one program or service yet predicting benefits and navigating eligibility rules can be challenging. One challenge exacerbated by multiple program participation is program cliffs, in which a small increase in earnings can cause a disproportionate loss of resources (see Chien & Macartney, 2019). When people receive multiple benefits, this can result in higher effective marginal tax rates that can lead to work disincentives or make it difficult for people to predict how their benefits will change as their income increases, creating additional barriers to economic stability (see National Council of State Legislatures, 2019; Ruder, et al. 2020).

The Survey of Income and Program Participation (SIPP) is one of the principal sources of historical data on income and program participation in the United States. Based on SIPP, researchers found

that 76 percent of families who participated in the Supplemental

#### Box 1. Federal Social Safety Net Programs Included in This Analysis

- Child Care and Development Fund (CCDF)
- Child support
- Earned Income Tax Credit
  (EITC)
- Housing assistance
- Low-Income Home Energy
  Assistance Program (LIHEAP)
- Medicaid/Children's Health Insurance Program (CHIP)
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Supplemental Security Income (SSI)
- Supplemental Nutrition
  Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)

Nutrition Assistance Program (SNAP) during the Great Recession received benefits from multiple programs (Moffit, 2014). The Census Bureau's public data tool also relies on SIPP and offers a comprehensive portrait of the safety net from 2013 to 2019, though its source data relies on self reports (Bee and Rothbaum 2019; Bruckmeier et al. 2018; Wheaton 2008). Methods also differ from our approach as the Census Bureau tool

excludes three safety net programs vital for many low-income families: child support, child care subsidies (CCDF), and EITC which are included in our analysis. Falk, et. al. (2015) used microsimulation modeling to present a detailed portrait of the U.S. social safety net for families assessing eight of the 10 programs in this report (excepting Medicaid and child support) plus the child tax credit. The researchers found one in three people in the U.S. received at least one program benefit and 60 percent of families participating in any program in 2012 received benefits from multiple programs. In this report we provide an up-to-date summary of participation in the social safety net.

## **APPROACH**

This report uses nationally representative data from the Current Population Survey and a microsimulation model, Transfer Income Model (TRIM3), to estimate safety net participation in 2019, the latest year available before the COVID-19 pandemic. The simulation is more complete than data from self-reports of program participation alone because administrative records provide a benchmark to correct for underreporting typical of household surveys. In a companion report (forthcoming), we identify in detail the most typical combinations or bundles of program benefits. This data point is one in a <u>series</u> on social safety net coverage.

### RESULTS

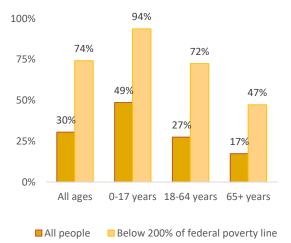
## In 2019, 99.1 million people participated in one of 10 safety net programs

About 30 percent of the U.S. population participated in at least one of the 10 programs discussed in this data point (see Box 1). Figure 1 shows the percentage of the population receiving any benefit by age and income level. More than one in four working-age adults (27 percent) and nearly one of every two children (49 percent) received a program benefit. Fewer older adults (17 percent) benefited from one of the 10 programs.

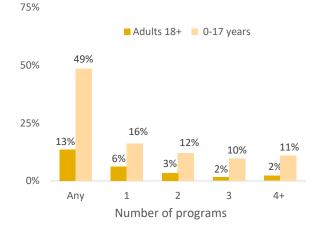
Among all people with income below 200 percent of the federal poverty line, 74 percent of people received a program benefit (see Figure 1). Within this group, about seven of 10 working-age adults (72 percent) and nearly five of 10 adults ages 65 and older (47 percent) received a program benefit. In comparison, more than nine of 10 low-income children received a benefit from at least one of the 10 programs discussed in this report (94 percent).

Figure 2 presents the percentage of people receiving benefits by number of programs and by age, showing thirteen percent of adults participated in one program and six percent of adults participated in exactly two. Altogether seven percent of U.S. adults participated in multiple programs. In comparison, children participated in multiple programs at a higher rate of 33 percent.

## Figure 1. Percentage of People Receiving Any Benefit, by Age and Poverty Status, 2019



#### Figure 2. Percentage of Adults and Children Participating in a Single Program or Multiple Programs, 2019



Source: Current Population Survey, Annual Social and Economic Supplement, 2020, and microsimulation model TRIM3.

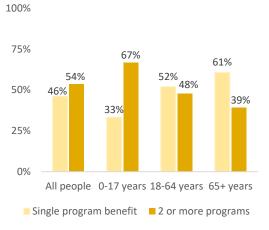
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# Over half of all people with a benefit participated in more than one program

Most people receiving a benefit participated in more than one program. We estimate 54 percent of all people with a benefit participated in multiple programs. Figure 3 reports the percentage of people with any benefit who participate in more than one program. Two out of three children enrolled in a safety net program participate in multiple programs compared to fewer than half of working-age adults (48 percent). The most common program combinations include either Medicaid, EITC, or SNAP.

For an analysis of specific program combinations and social safety access considering subgroups see our more detailed companion brief (forthcoming) on the social safety net for the low-income population in 2019.

## Figure 3. Number of Programs Participated In By People with <u>Any Benefit</u>, 2019



Source: Current Population Survey, Annual Social and Economic Supplement, 2020, and microsimulation model TRIM3.

Table 1 lists the ten programs assessed in this report and

indicates the total number of beneficiaries in 2019. The smallest programs are TANF and child care subsidies (CCDF). We estimate 2.4 million people including children and their parents or caretakers were enrolled in TANF in 2019. Similarly, 2.3 million parents and children participated in CCDF. Among HHS administered programs, LIHEAP helped 13.3 million people with home energy costs and WIC assisted 4.7 million young children. By number of enrollees, the largest programs are Medicaid (56.3 million), EITC (47 million), SNAP (37.5 million), and child support services (23.1 million).

Program	Beneficiaries (in millions)
Medicaid <sup>a</sup>	56.3
EITC <sup>b</sup>	47.0
SNAP	37.5
child support services <sup>c</sup>	23.1
LIHEAP	13.3
housing assistance	9.6
SSI (age 18+)	6.9
WIC (age 0-4)	4.7
TANF <sup>d</sup>	2.4
CCDF <sup>e</sup>	2.3

#### Table 1. Ten Social Safety Net Programs and Number of Beneficiaries, 2019

Note: Programs are assessed on a monthly basis and people may be enrolled only a portion of the year.

<sup>a</sup>Medicaid includes the Children's Health Insurance Program and estimates are based on people who reported the benefit. <sup>b</sup>All people eligible for EITC (earned income tax credit) are assumed to receive it.

<sup>c</sup>Child support reflects people who participated in IV-D child support enforcement services. See <u>Characteristics of Custodial Parents</u> and <u>Their Children</u>" (2021), Office of Child Support Enforcement by Elaine Sorenson.

<sup>d</sup>TANF includes separate state and solely state-funded programs.

<sup>e</sup>CCDF is the Child Care and Development Fund.

Source: 2020 Current Population Survey, Annual Social and Economic Supplement, and Transfer Income Model, TRIM3.

## DISCUSSION

The social safety net provides essential support to people struggling with economic stability in order to avoid poverty and its social, economic, and health consequences. This analysis finds that a substantial share of the U.S. population benefit from the safety net in a given year – just under 100 million people in 2019. These results represent a snapshot of a single year of program participation. Over the course of a lifetime, many more people move in and out of safety net programs. Furthermore, not all public programs that provide benefits to families are included in this definition; health care subsidies including Marketplace premium tax credits and Medicare's Shared Savings Program and Part D Low-Income Subsidies assist millions more.

Over half of those receiving any benefit participate in more than one program. The results also suggest coordination among programs could be improved to increase awareness of potential benefits and to identify any employment disincentives related to benefit cliffs. Many people with low incomes live in complex circumstances with unmet needs related to food security, child care, health, or housing. People facing economic instability may also confront a number of barriers to accessing benefits. This portrait of the social safety net is one part of a broader effort among federal agencies to better coordinate access to basic services and to identify gaps so that people with unmet needs can be better served by existing programs.

HHS and other federal agencies are working together to improve the coordination and integration of benefit programs to achieve equitable access to benefits, efficiency of program administration, and ultimately, greater economic stability and mobility for all Americans.

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