

Working and poor: Using the Supplemental Poverty Measure to evaluate the public safety net for workers

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Prepared for the 2019 Annual Meeting of the Population Association of America, Austin, TX, April 12, 2019. SEHSD Working Paper 2019-06

Background:

- Despite steady employment growth in recent years, earnings have not kept pace and many workers continue to live below poverty.
- Understanding how the public safety net reduces poverty may inform how policies are targeted to improve well-being among the most vulnerable workers.

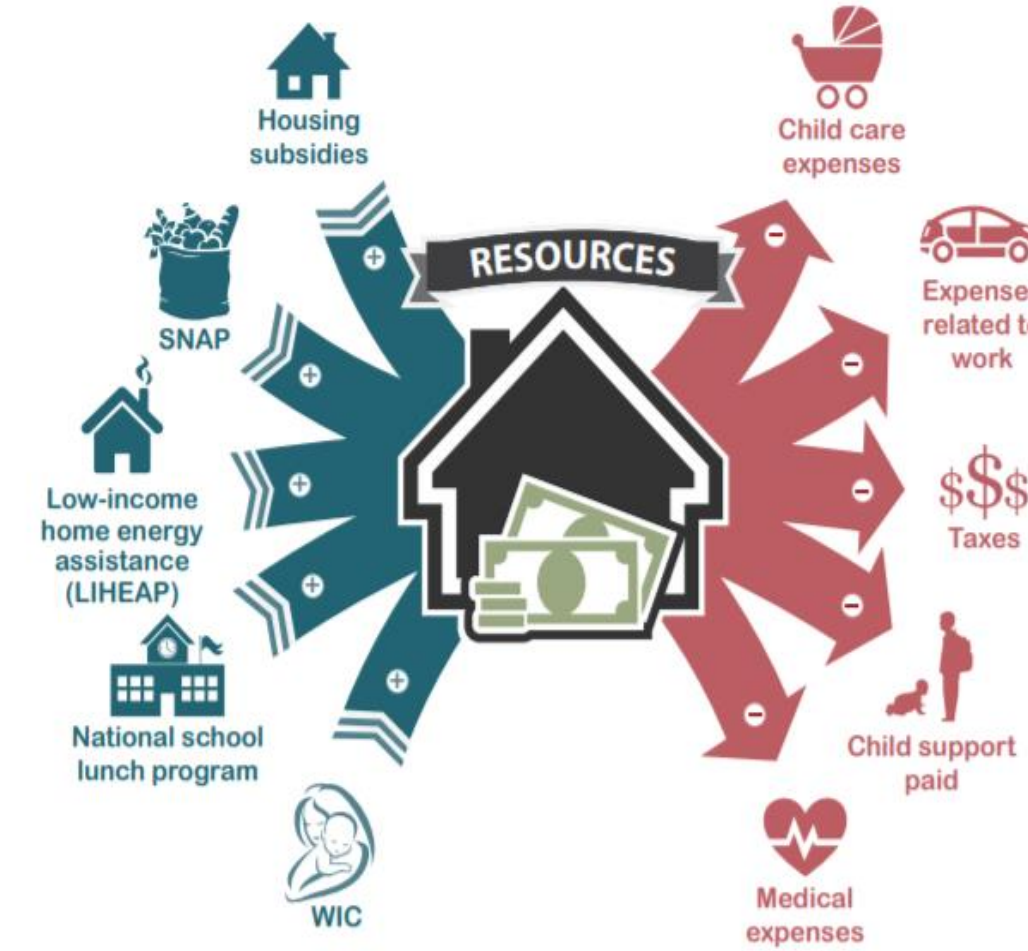
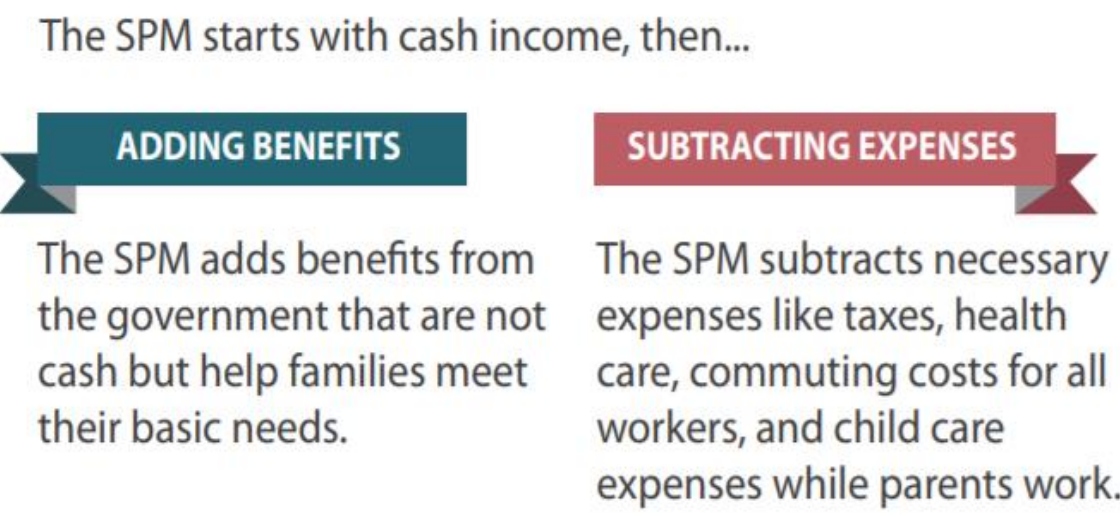
Objectives:

- To what extent does the public safety net alleviate poverty among workers?
- Which public safety net programs reduce poverty among workers?
- Have the effects of public safety net policies on poverty among workers changed over time?

Data:

- Current Population Survey Annual Social and Economic Supplement (CPS ASEC), 2010 – 2018
- Sample: Any individual aged 16 and older reporting work experience in the previous calendar year (N=1,434,228,000; unweighted = 1,629,467)

The Supplemental Poverty Measure



Methods

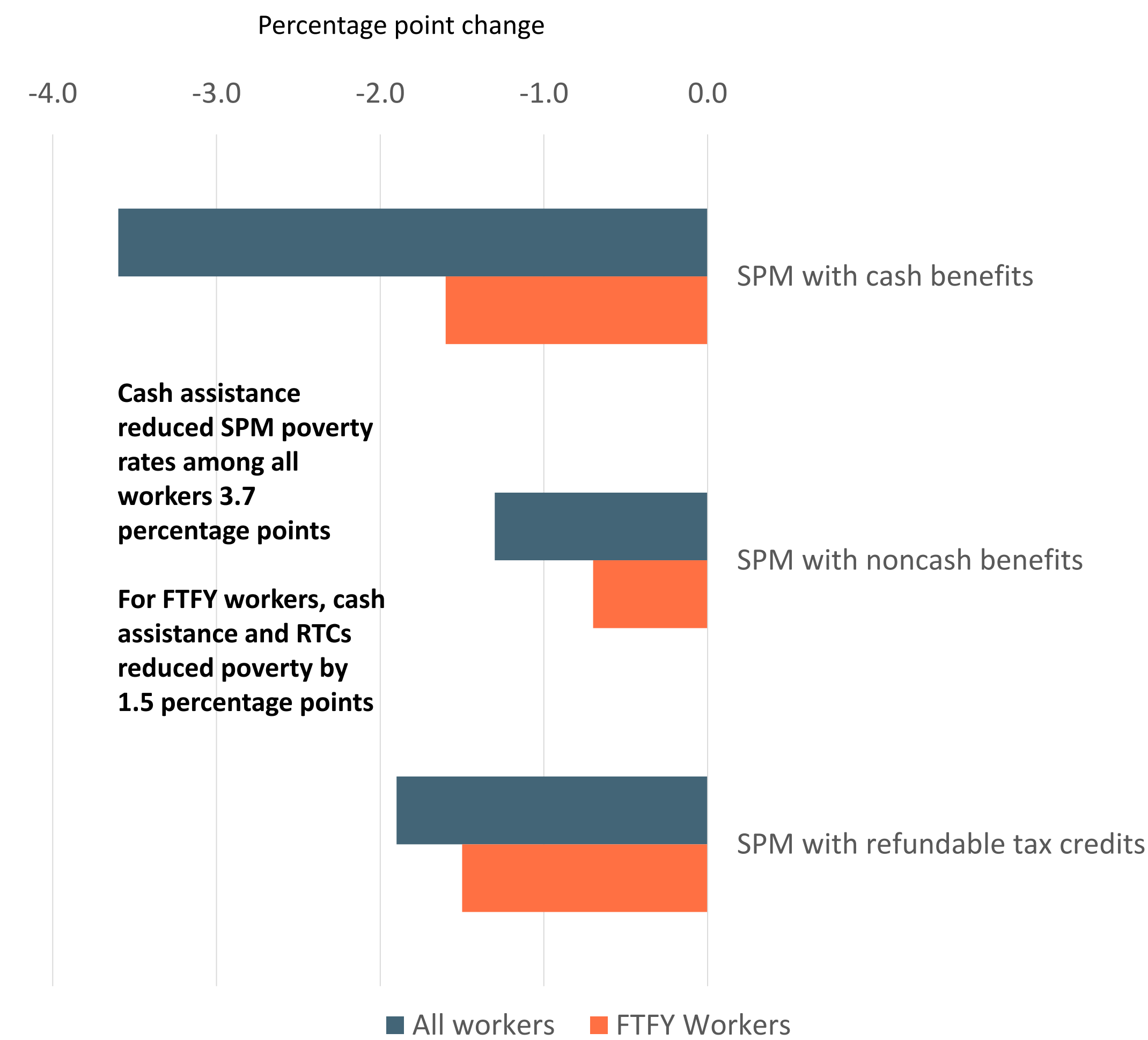
- Wald t-tests comparing Supplemental Poverty Rates (SPM) including and excluding cash assistance, noncash benefits and refundable tax credits
- Multivariate logit models predicting log likelihood of not being SPM poor conditional on being poor using the official poverty measure

Table 1. Percent of workers with incomes below poverty using the official (OPM) and the Supplemental Poverty Measure (SPM), 2009-2017

| | All workers (N=1.434 million) | FTFY workers ^A (N=958 million) |
|--------------------|-------------------------------|---|
| Poor using the OPM | 6.4 (0.04) | 2.6 (0.03) |
| Poor using the SPM | 8.7 (0.05) | 5.0 (0.05) |

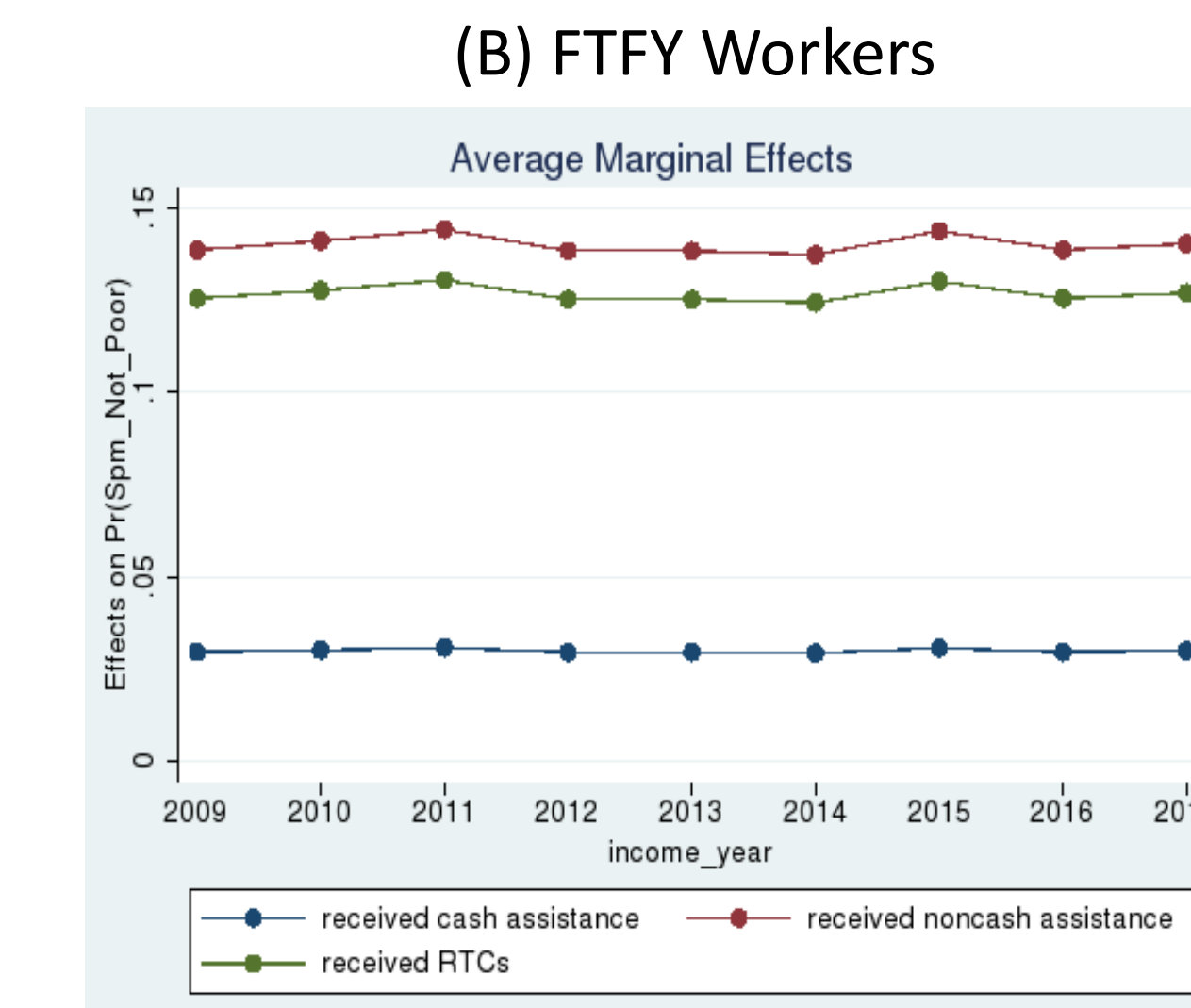
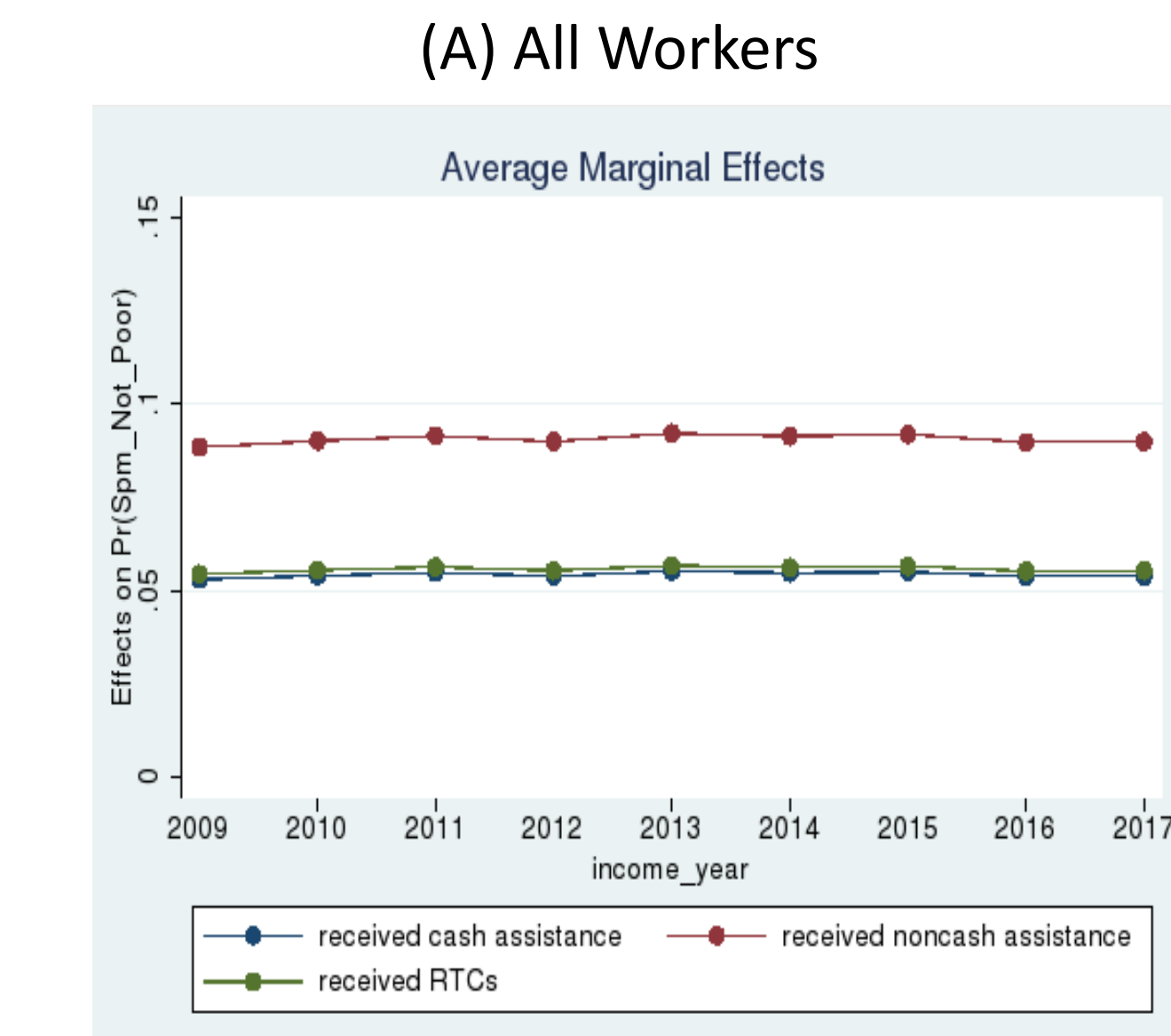
*p < 0.05
^A Full-time, full year workers (FTFY) were employed 35 hours a week or more for 50 weeks or more in the previous calendar year
 Source: U.S. Census Bureau CPS ASEC 2010 - 2018

Figure 1. Change in Supplemental Poverty Rates for workers after including public safety net programs, 2009-2017



Source: U.S. Census Bureau CPS ASEC 2010 - 2018

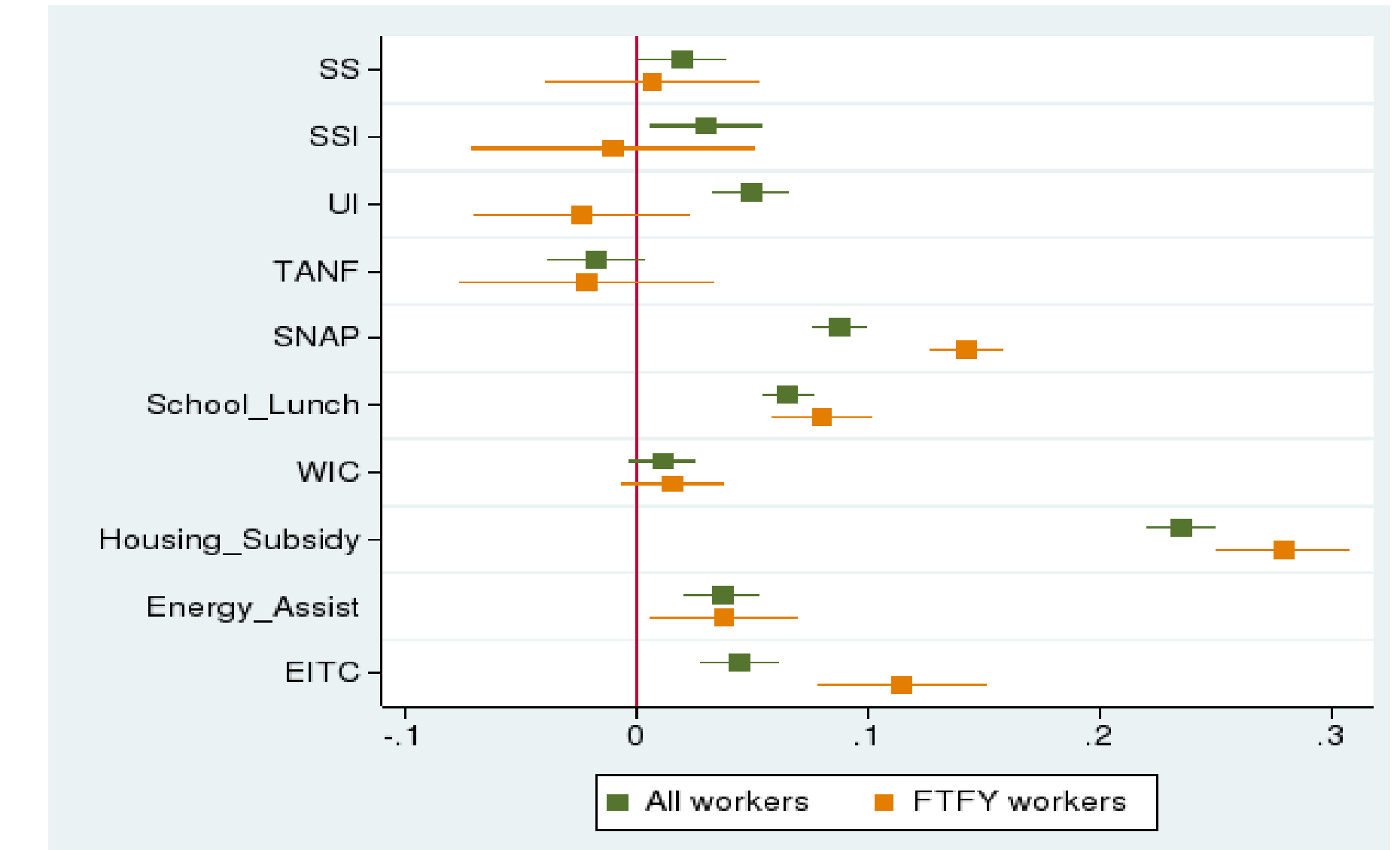
Figure 2. Average marginal effect of public safety net programs on probability of not being SPM poor conditional on being poor under the OPM



Models control for age, sex, race, educational attainment, disability status, family type, number of children, housing tenure, region, metropolitan residence, and year.

Source: U.S. Census Bureau CPS ASEC 2010 - 2018

Figure 3. Average marginal effect of specific public safety net programs on probability of not being SPM poor conditional on being poor under the OPM, 2009-2017



Models control for age, sex, race, educational attainment, disability status, family type, number of children, housing tenure, region, metropolitan residence, and year.

Source: U.S. Census Bureau CPS ASEC 2010 - 2018

Findings:

- Public safety net programs reduced the number and percentage of workers in poverty.
- Cash assistance programs brought a higher proportion of workers out of poverty than noncash benefits or refundable tax credits.
- Multivariate models highlight the importance of noncash benefit programs such as housing subsidies and SNAP in alleviating poverty for all workers and the EITC in alleviating poverty among vulnerable FTFY workers.
- Receiving assistance from public safety net programs increased the chances a worker would not be poor by 2 percent (Social Security) to 23.4 percent (housing subsidies).

This poster is intended to inform interested parties of ongoing research and to encourage discussion of work in progress. The views expressed are those of the authors and are not necessarily those of the U.S. Census Bureau.



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