Impact of COVID-19 Assistance on Poverty in the United States

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This presentation has undergone a more limited review than official Census Bureau reports. All views and any errors are solely those of the author and do not necessarily reflect any official position of the Bureau. All comparative statements in this presentation have undergone statistical testing, and, unless otherwise noted, all comparisons are statistically significant at the 10 percent significance level. Do not cite or distribute without author permission.
COVID-19 Relief Benefits in 2020

• Two rounds of economic stimulus payments totaling $400 billion

• Expanded nutritional assistance benefits (Supplemental Nutritional Assistance Program, Pandemic EBT)

• Expanded unemployment insurance benefits
Two Poverty Measures in the United States

• **Official Poverty Measure**
  • Money Income
  • Pre-tax, no in-kind benefits
  • Family unit (related by birth, marriage, and adoption)
  • No geographic adjustments to thresholds

• **Supplemental Poverty Measure**
  • Disposable Income
  • Post-tax, post-transfer
  • Resource-sharing unit includes cohabiting partners and foster children
  • Geographically-adjusted thresholds
Poverty Rates Using the Official and Supplemental Poverty Measures: 2009 to 2020

1 Includes unrelated individuals under the age of 15.

Note: The SPM estimates for 2019 and 2020 reflect the implementation of revised SPM methodology. The data for 2017 and beyond reflect the implementation of an updated processing system. The data for 2013 and beyond reflect the implementation of the redesigned income questions.

Poverty Rates Using the Official and Supplemental Poverty Measures: 2009 to 2020

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Change in Number of People in Poverty After Including Each Element: 2020

Numbers in millions

- Social Security: -26.5
- Economic Impact/stimulus\(^1\): -11.7
- Unemployment insurance: -5.5
- Refundable tax credits\(^2\): -5.3
- SNAP + school lunch: -3.2
- SSI: -2.7
- Housing subsidies: -2.4
- Child support received: -0.5
- TANF/general assistance: -0.5
- Workers' compensation: -0.2
- Energy assistance: -0.1
- Child support paid: -0.1
- Federal income tax: 0.2
- FICA: 0.5
- Work expenses: 2.0
- Medical expenses: 2.5
- 65 years and over: 5.0

\(^1\) Includes the first two rounds of stimulus payments.
\(^2\) Refundable tax credits do not include stimulus payments.


Change in Number of People in Poverty After Including Each Element: 2020

Numbers in millions

Social Security
Economic Impact/stimulus
Unemployment insurance
Refundable tax credits
SNAP + school lunch
SSI
Housing subsidies
Child support received
TANF/general assistance
Workers' compensation
Energy assistance
WIC
Child support paid
Federal income tax
FICA
Work expenses
Medical expenses

-26.5
-11.7
-5.5
-5.3
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-2.7
-2.4
-0.5
-0.5
-0.2
-0.1
0.2
0.5
2.0
2.5
5.0

1 Includes the first two rounds of stimulus payments.
2 Refundable tax credits do not include stimulus payments.

Change in Number of People in Poverty After Including Each Element: 2020

Numbers in millions

Social Security: -26.5

Economic Impact/stimulus:

- Unemployment insurance: -11.7
  - 18 to 64 years: -5.5
  - 65 years and over: -6.2

- Refundable tax credits: -5.3
  - Under 18 years: -0.2
  - 18 to 64 years: -0.5
  - 65 years and over: -4.8

- SNAP + school lunch: -3.2
  - Under 18 years: -0.1
  - 18 to 64 years: -2.0
  - 65 years and over: -1.2

- SSI: -2.7
  - Under 18 years: -0.2
  - 18 to 64 years: -2.0
  - 65 years and over: -0.5

- Housing subsidies: -2.4
  - Under 18 years: -0.1
  - 18 to 64 years: -2.0
  - 65 years and over: -0.3

- Child support received: -0.5
  - Under 18 years: -0.5
  - 18 to 64 years: -0.1
  - 65 years and over: -0.1

- TANF/general assistance: 2.0
  - Under 18 years: 0.5
  - 18 to 64 years: 1.5
  - 65 years and over: 0.0

- Workers' compensation: 2.5
  - Under 18 years: 0.2
  - 18 to 64 years: 1.5
  - 65 years and over: 0.8

- Energy assistance: 5.0
  - Under 18 years: 0.2
  - 18 to 64 years: 1.5
  - 65 years and over: 3.3

- Child support paid: 0.2
  - Under 18 years: 0.2
  - 18 to 64 years: 0.0
  - 65 years and over: 0.0

- Federal income tax: -26.5
  - Under 18 years: -0.2
  - 18 to 64 years: -2.0
  - 65 years and over: -24.3

- FICA: 8
  - Under 18 years: 0.5
  - 18 to 64 years: 7.5
  - 65 years and over: 0.0

- Work expenses: 0.5
  - Under 18 years: 0.2
  - 18 to 64 years: 0.3
  - 65 years and over: 0.0

- Medical expenses: -26.5
  - Under 18 years: -0.2
  - 18 to 64 years: -2.0
  - 65 years and over: -24.3

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  - Energy assistance: -0.2
  - Child support paid: -0.1
  - Federal income tax: 0.2
  - FICA: 0.5
  - Work expenses: 2.0
  - Medical expenses: 2.5

Notes:
- SNAP: Supplemental Nutrition Assistance Program
- SSI: Supplemental Security Income
- TANF: Temporary Assistance for Needy Families
- WIC: Special Supplemental Nutrition Program for Women, Infants, and Children
- FICA: Federal Insurance Contributions Act


\(^1\) Includes the first two rounds of stimulus payments.
\(^2\) Refundable tax credits do not include stimulus payments.
Impact of Stimulus Payments on SPM Rates

Change in Number of People in Poverty After Stimulus Payments: 2020
(In millions)

- All people: -11.7
  - Under 18 years: -3.7
  - 18 to 64 years: 5.6
  - 65 years and over: -0.6
- White: -8.1
- White, non-Hispanic: -4.9
- Black: -2.4
- Asian: -0.6
- Hispanic: -3.7

Impact of Stimulus on Child Poverty Rates by Race and Hispanic Origin: 2020
(In percent)

- Pre-stimulus:
  - White, not Hispanic: 8.5
  - Black: 16.9
  - Asian: 10.4
  - Hispanic: 21.4
- Post-stimulus:
  - White, not Hispanic: 5.6
  - Black: 10.4
  - Asian: 8.7
  - Hispanic: 14.7


Note: All differences statistically significant at the 90 percent confidence interval.

Impact of Stimulus Payments on Income-to-Poverty Ratios

Distribution of Income-to-Poverty Threshold Ratios: 2020
(In percent)

Note: All differences statistically significant at the 90 percent confidence interval.

Impact of Unemployment Insurance on Official Poverty Rates

Impact of Unemployment Insurance (UI) on the Official Poverty Rate by Race and Hispanic Origin: 2020
(In percent. Population as of March of the following year)

- Excluding UI
- Including UI (Official Poverty)

<table>
<thead>
<tr>
<th>Race/Origin</th>
<th>Excluding UI</th>
<th>Including UI</th>
</tr>
</thead>
<tbody>
<tr>
<td>White, not Hispanic</td>
<td>9.2</td>
<td>8.2</td>
</tr>
<tr>
<td>Black</td>
<td>22.1</td>
<td>19.5</td>
</tr>
<tr>
<td>Asian</td>
<td>10.2</td>
<td>8.1</td>
</tr>
<tr>
<td>Hispanic (any race)</td>
<td>18.9</td>
<td>17.0</td>
</tr>
</tbody>
</table>

Impact of Unemployment Insurance (UI) on the Official Poverty Rate by Age: 2020
(In percent. Population as of March of the following year)

- Excluding UI
- Including UI (Official Poverty)

<table>
<thead>
<tr>
<th>Age</th>
<th>Excluding UI</th>
<th>Including UI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
<td>18.0</td>
<td>16.1</td>
</tr>
<tr>
<td>18 to 64</td>
<td>12.0</td>
<td>10.4</td>
</tr>
<tr>
<td>65 years and older</td>
<td>9.2</td>
<td>9.0</td>
</tr>
</tbody>
</table>

* Indicates that the change is statistically different from zero at the 90 percent confidence level.

Contact

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The Impact of the Coronavirus (COVID-19) Pandemic on the CPS ASEC

Research Matters

Working Papers
• “Coronavirus Infects Surveys, Too: Nonresponse Bias During the Pandemic in the CPS ASEC” (SEHSD-WP2020-10)
• “The Influence of COVID-19-related Data Collection Changes on Measuring Health Insurance Coverage in the 2020 CPS ASEC” (SEHSD-WP2020-13)

Monthly Current Population Survey Household Response Rates

The Supplemental Poverty Measure (SPM) rate in 2020 was 9.1 percent. This was 2.6 percentage points lower than 2019 and the lowest rate since estimates were initially published for 2009.

The SPM rate for 2020 was 2.3 percentage points lower than the official poverty rate of 11.4 percent.

Stimulus payments, enacted as part of economic relief legislation related to the COVID-19 pandemic, moved 11.7 million people out of poverty. Unemployment insurance benefits, also expanded during 2020, prevented 5.5 million people from falling into poverty.