

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

The Center for Best Practices

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.





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Director, Division of Data and Technical Analysis

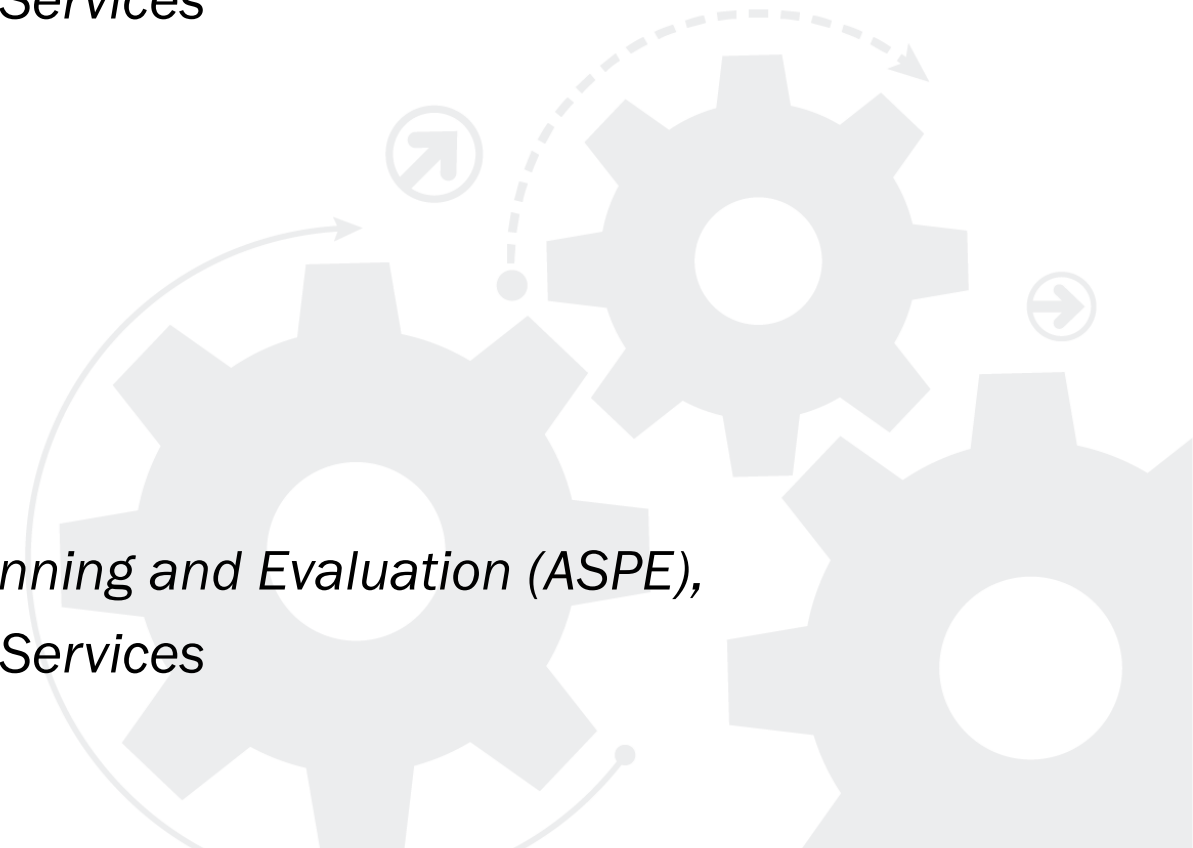
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OFFICE OF HUMAN SERVICES POLICY

Projections of Poverty and Program Indicators for August-December 2020

August 27, 2020

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Why projections?

- 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

How do we make projections?

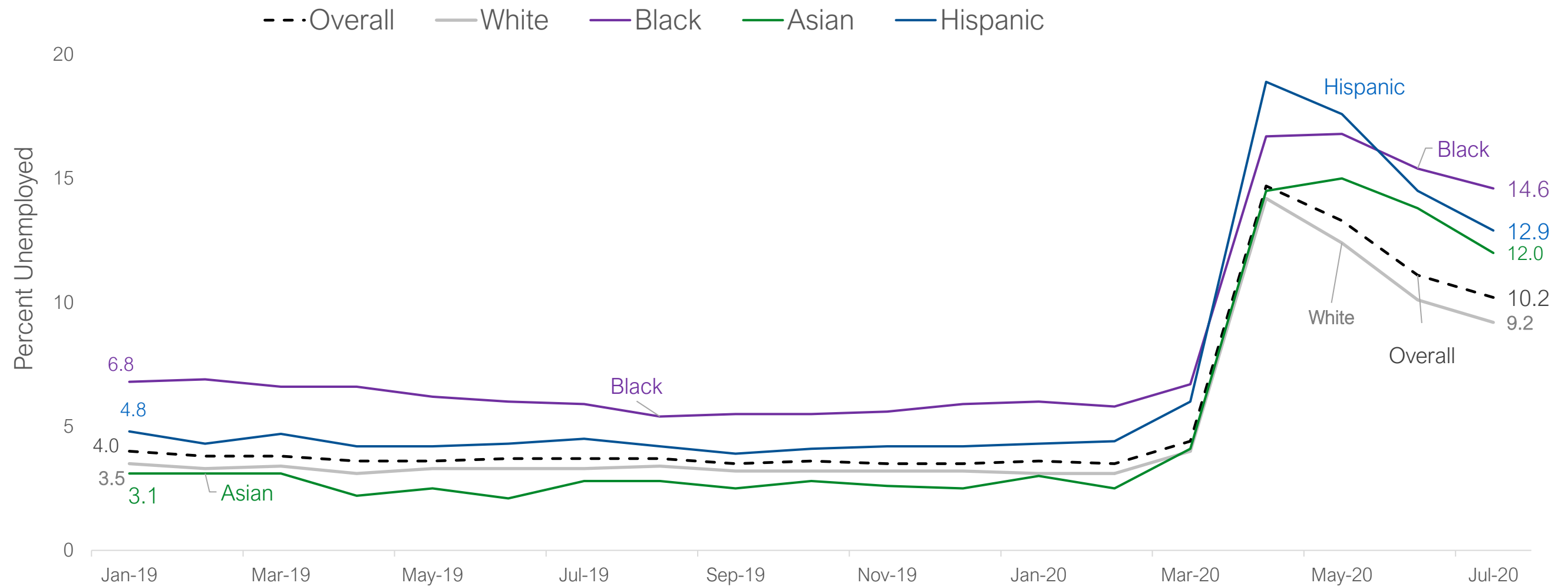
- Simulations of poverty and program eligibility based on nationally-representative survey data, based on three economic scenarios for the remainder of the calendar year August through December:
 - **Higher** unemployment – 11.8%
 - **Medium** unemployment – 10.0%
 - **Lower** unemployment – 8%
- Projections 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

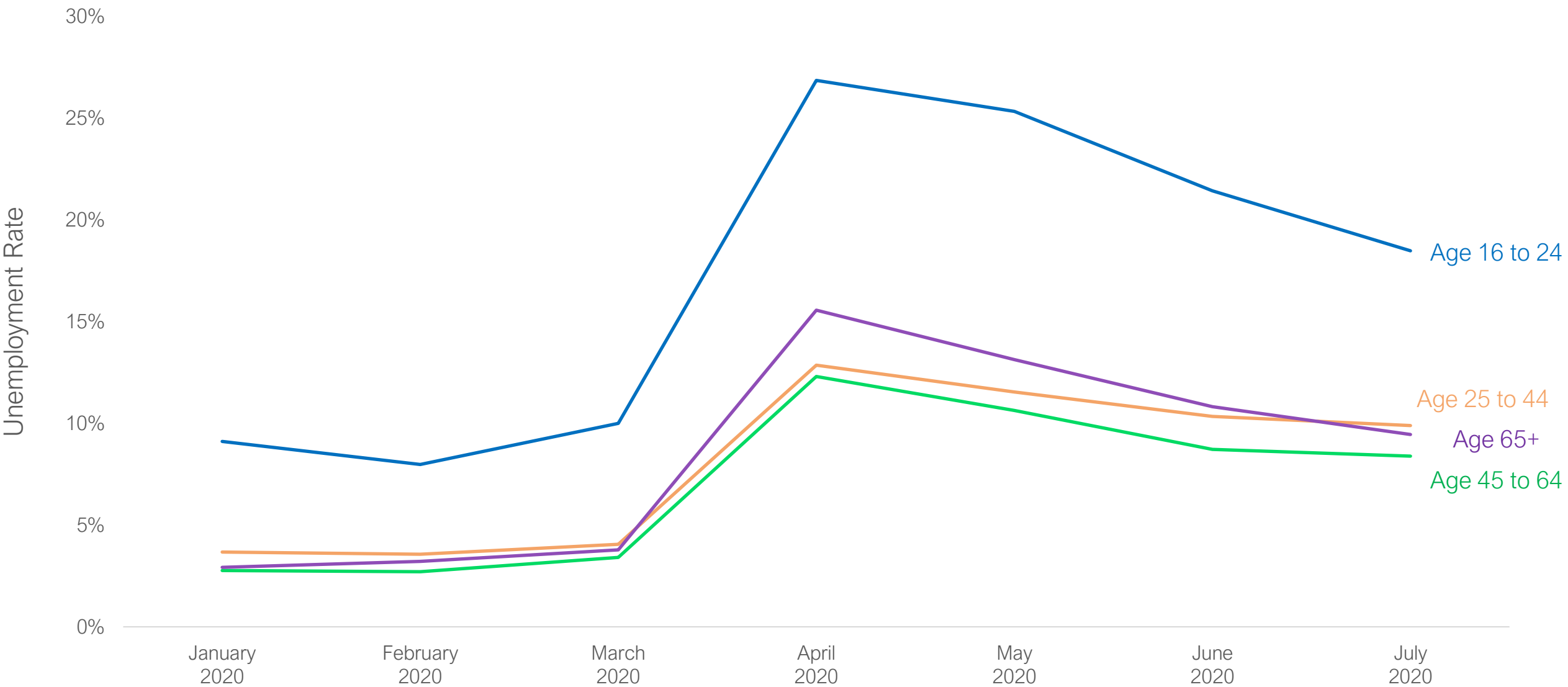
Economic Trends

Unemployment rates remain high, but all major racial and ethnic groups are experiencing improvements.



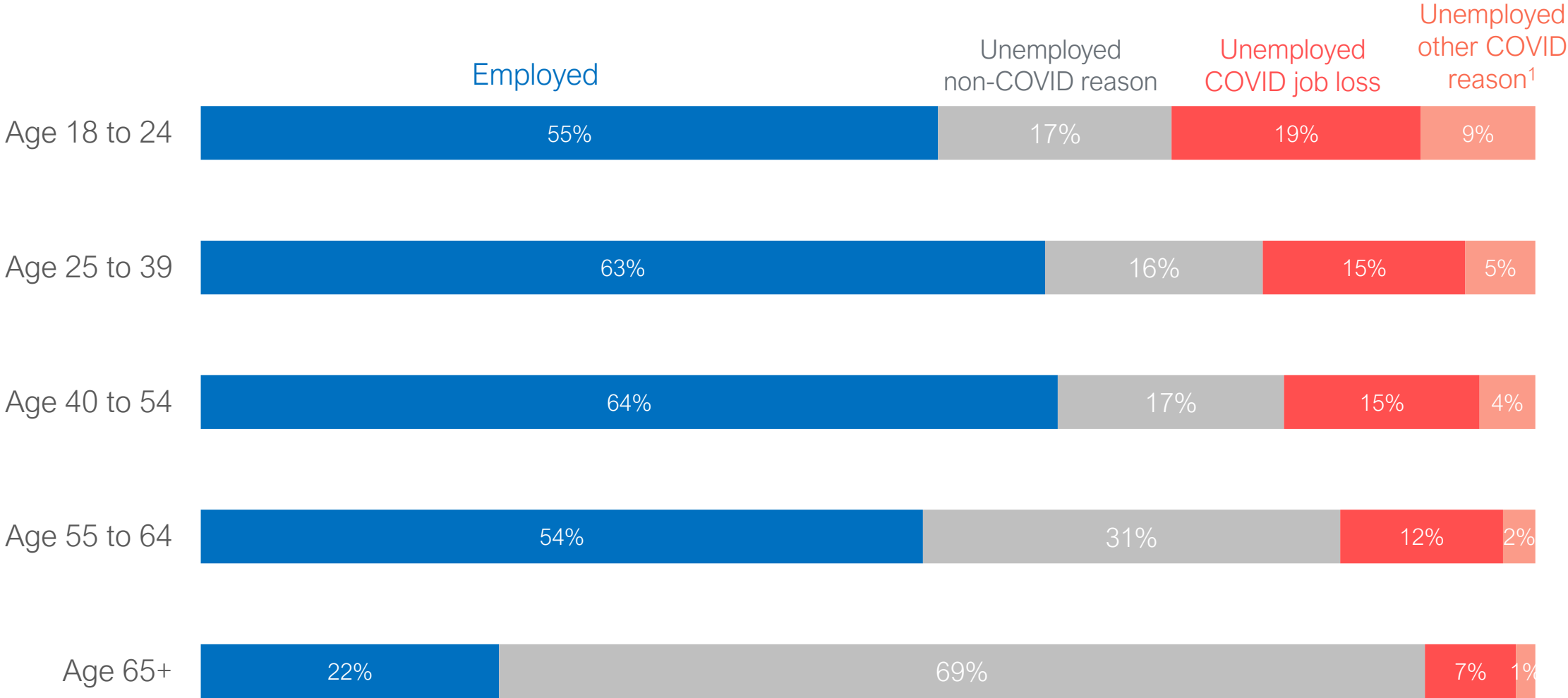
Source: HHS/ASPE tabulations from the Current Population Survey

Unemployment rates among youth age 16 to 24 remain higher than among older age groups



Source: HHS/ASPE tabulations from the Current Population Survey

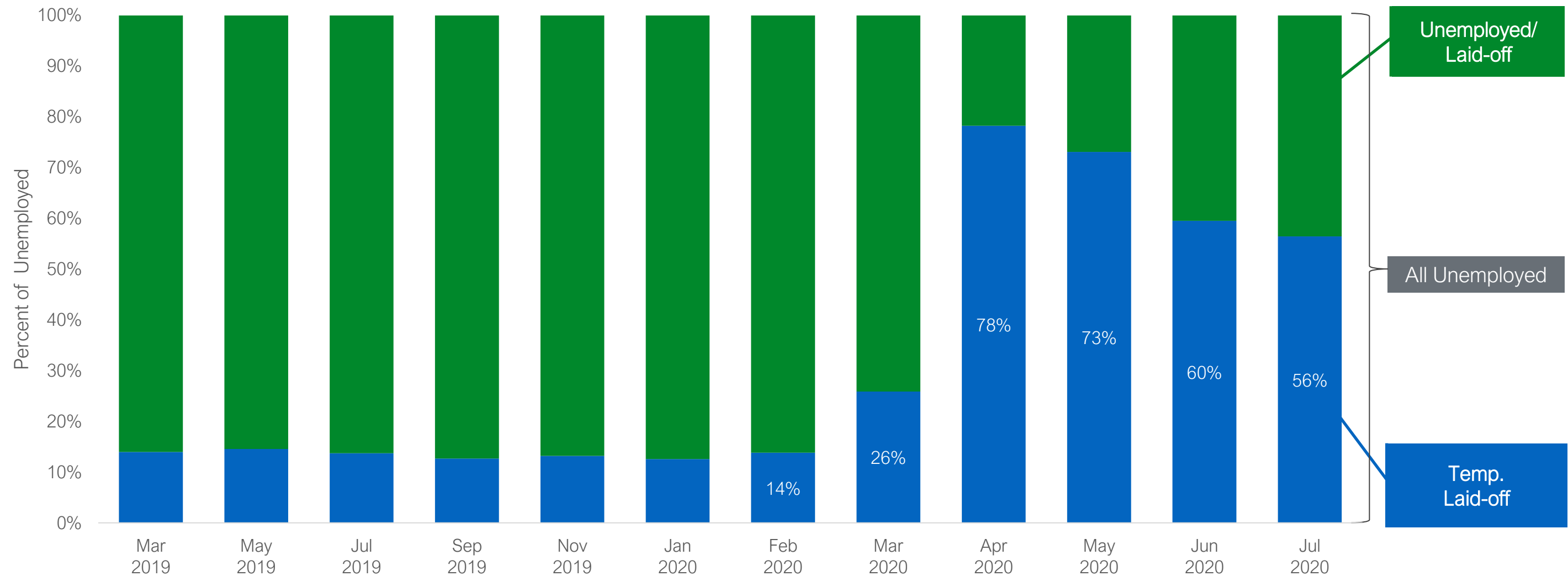
Youth ages 16 to 24 are more likely to have COVID-19-related reasons for being without employment



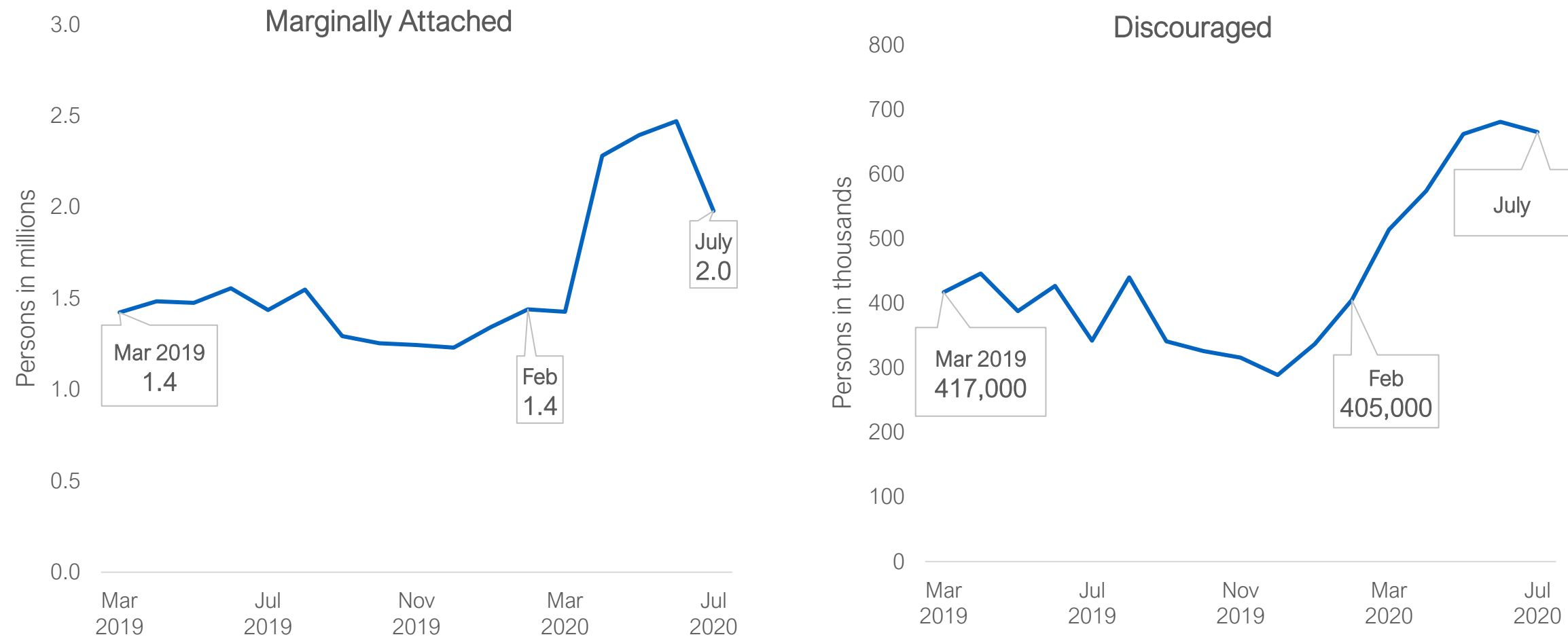
¹ This category includes persons who were: (1) sick with COVID-19 symptoms, (2) taking care of a family member with COVID-19 symptoms, or (3) concerned about getting COVID-19 at work.

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.



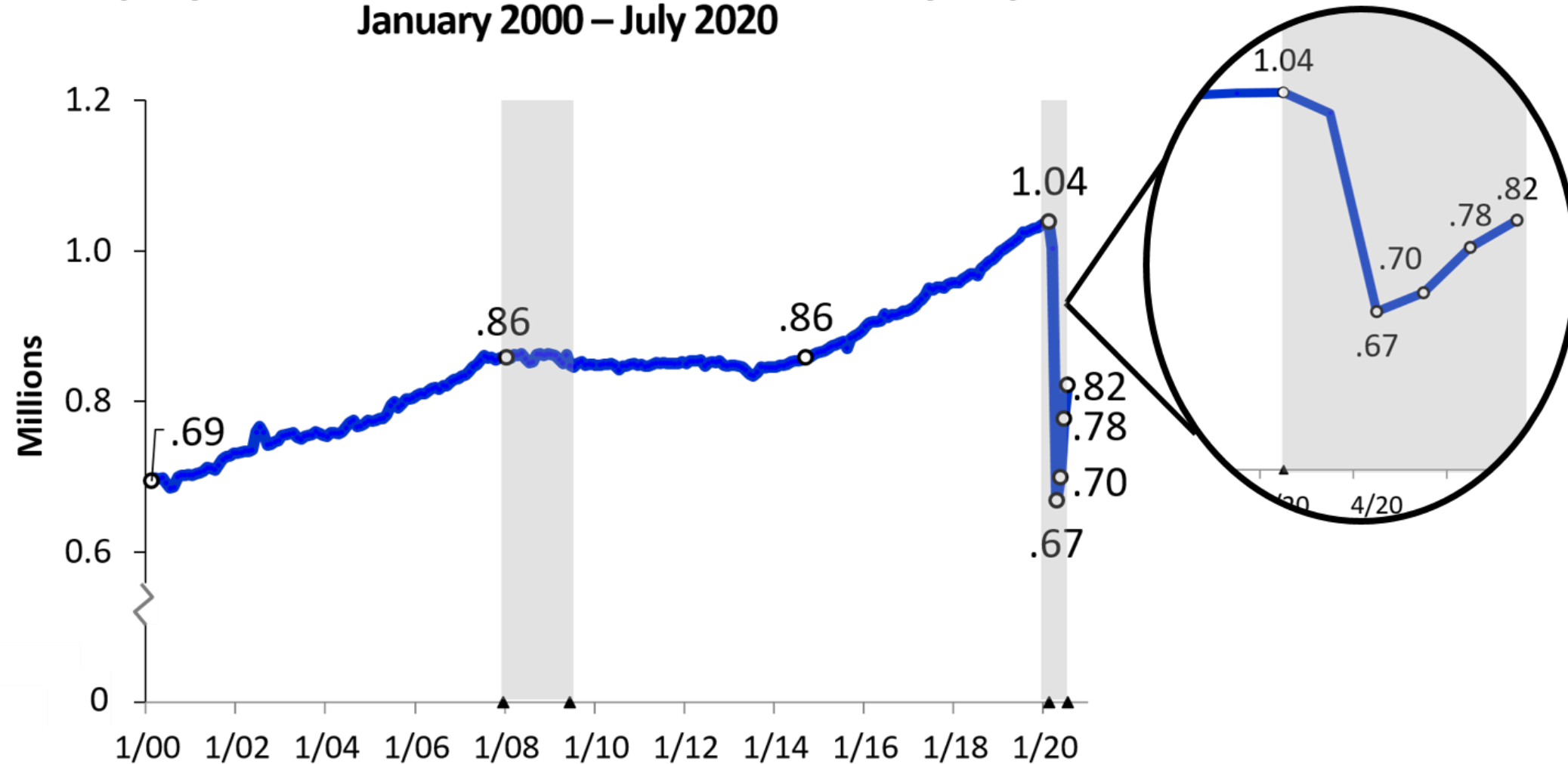
Marginal attachment to the labor force remains higher than pre-pandemic months, and one-third of these individuals are discouraged workers.



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



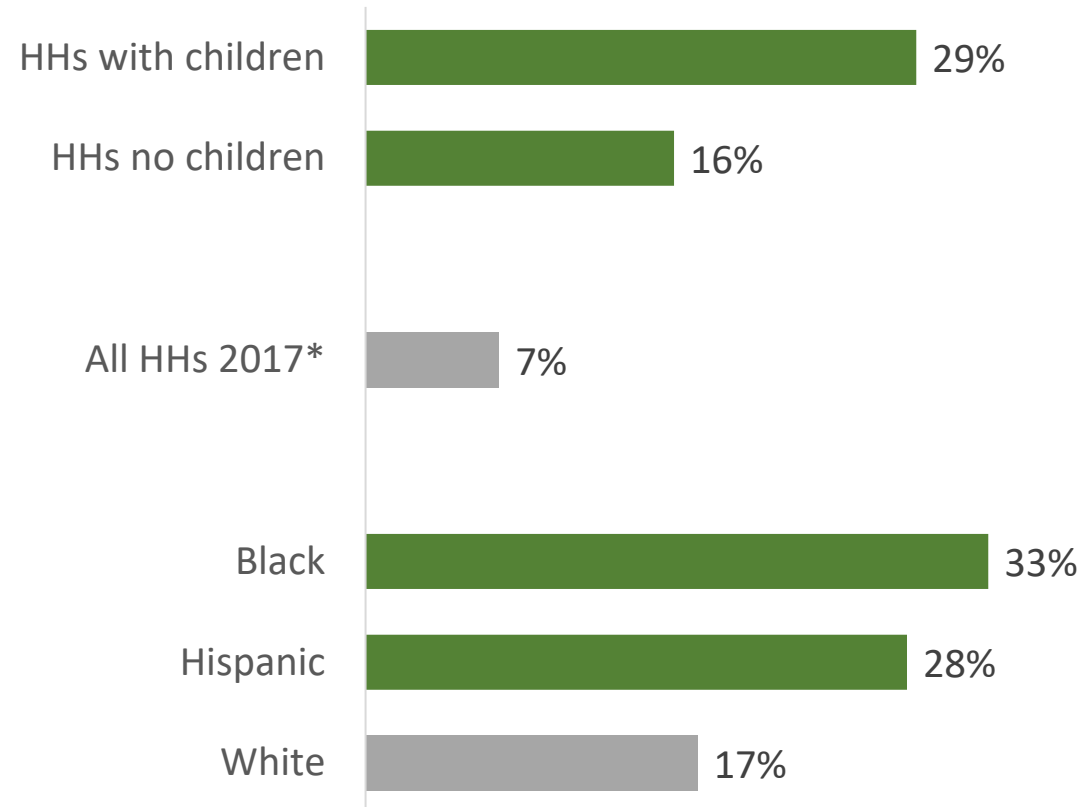
Note: Shaded areas denote the periods from Dec 2007 to Jun 2009 and Jan-Jun 2020.

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics - CES (National), series CES 65624400, <https://www.bls.gov/ces/data/home.htm>.

Minority headed households and households with children more likely to have housing and food instability

HOUSING

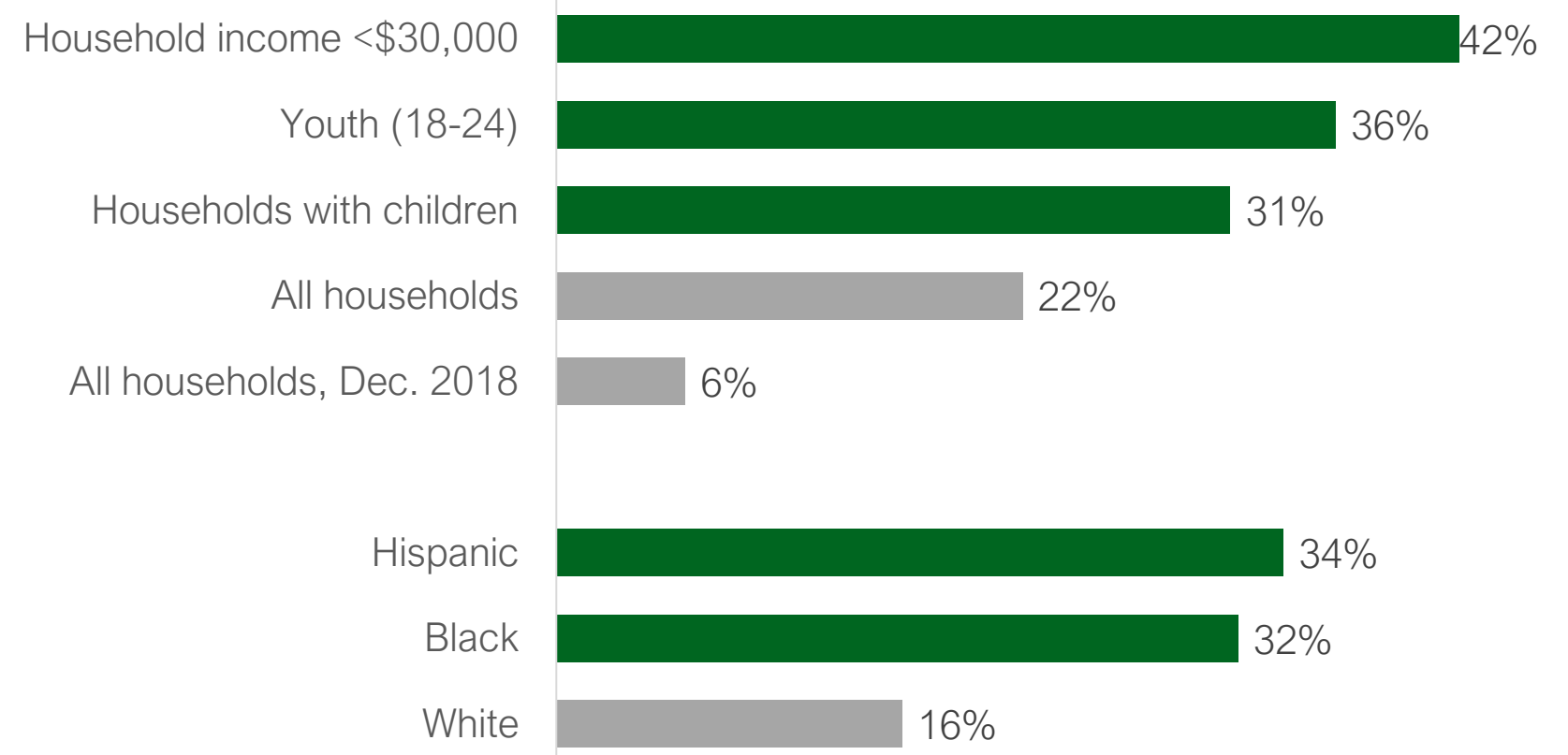
% renters not paying on time



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

FOOD INSUFFICIENT

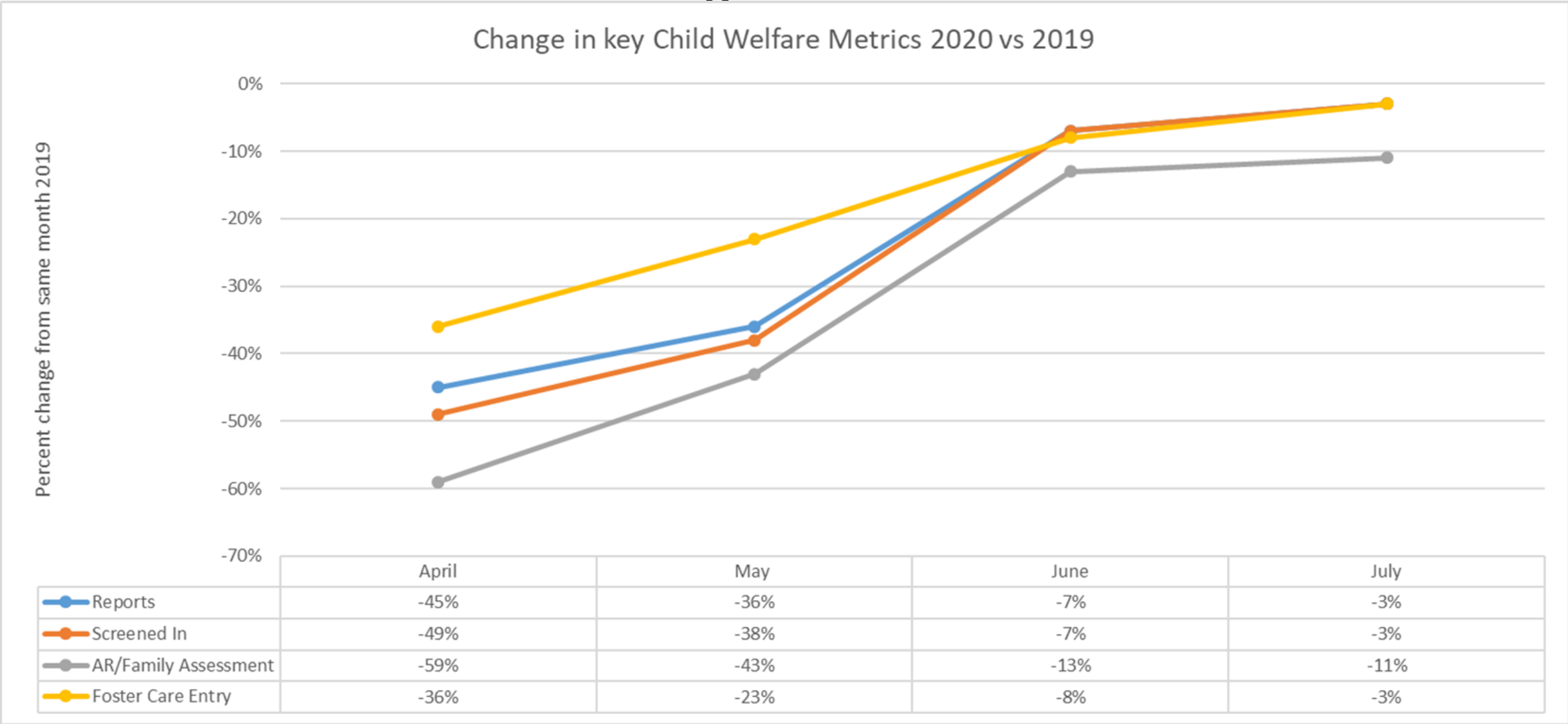
% food insufficient



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

Source: ASPE tabulations of the COVID Impact Survey (April through June, 2020), the Census Household Pulse Survey (July 16-July 21 2020), and ASPE tabulations of the December 2018 Current Population Survey Food Security Supplement.

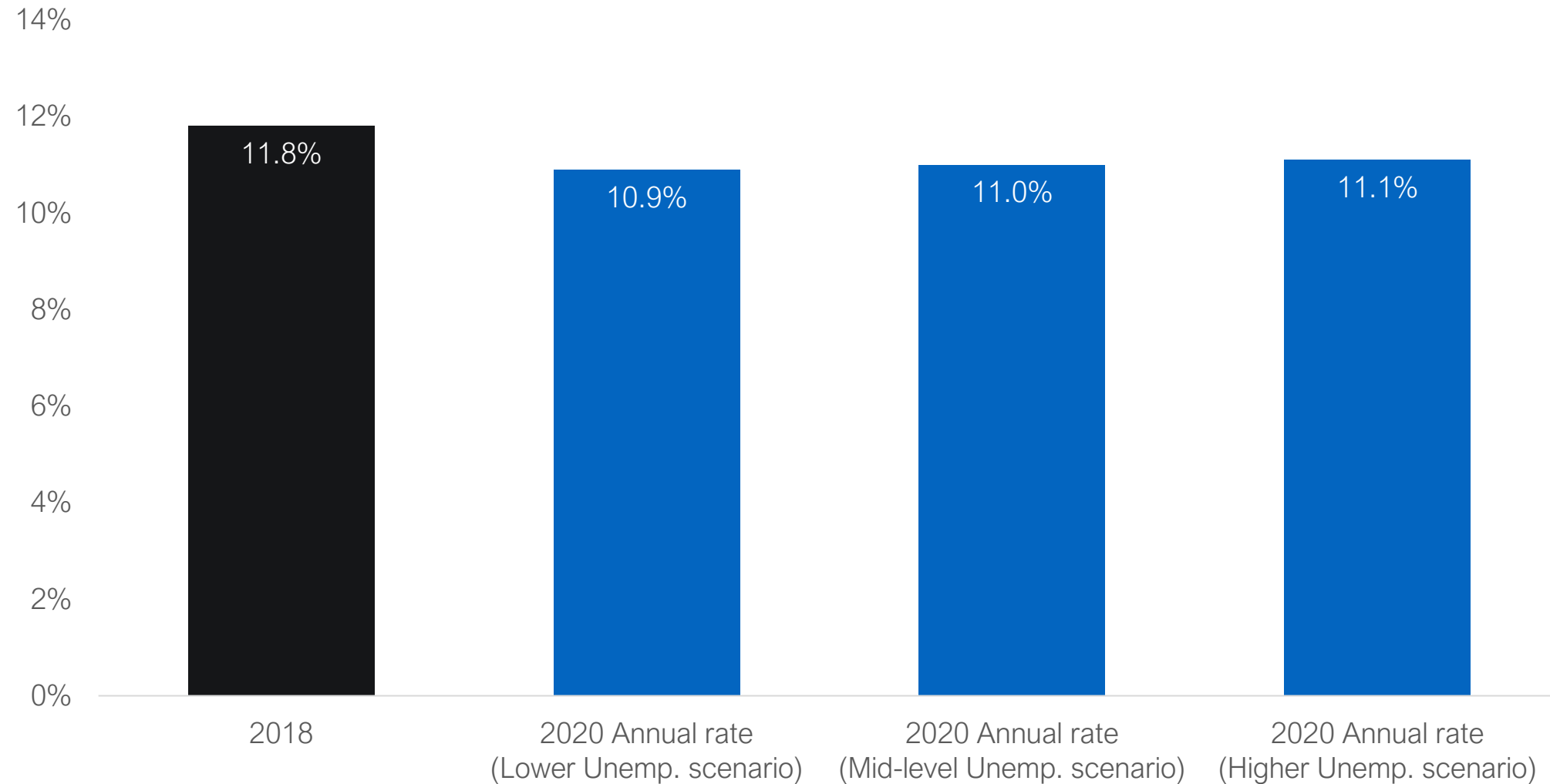
Child Maltreatment Indicators Down from 2019, but Returning to Prior Levels



Data reported for Arkansas, Florida, Indiana, Kansas, Nevada, and Wisconsin

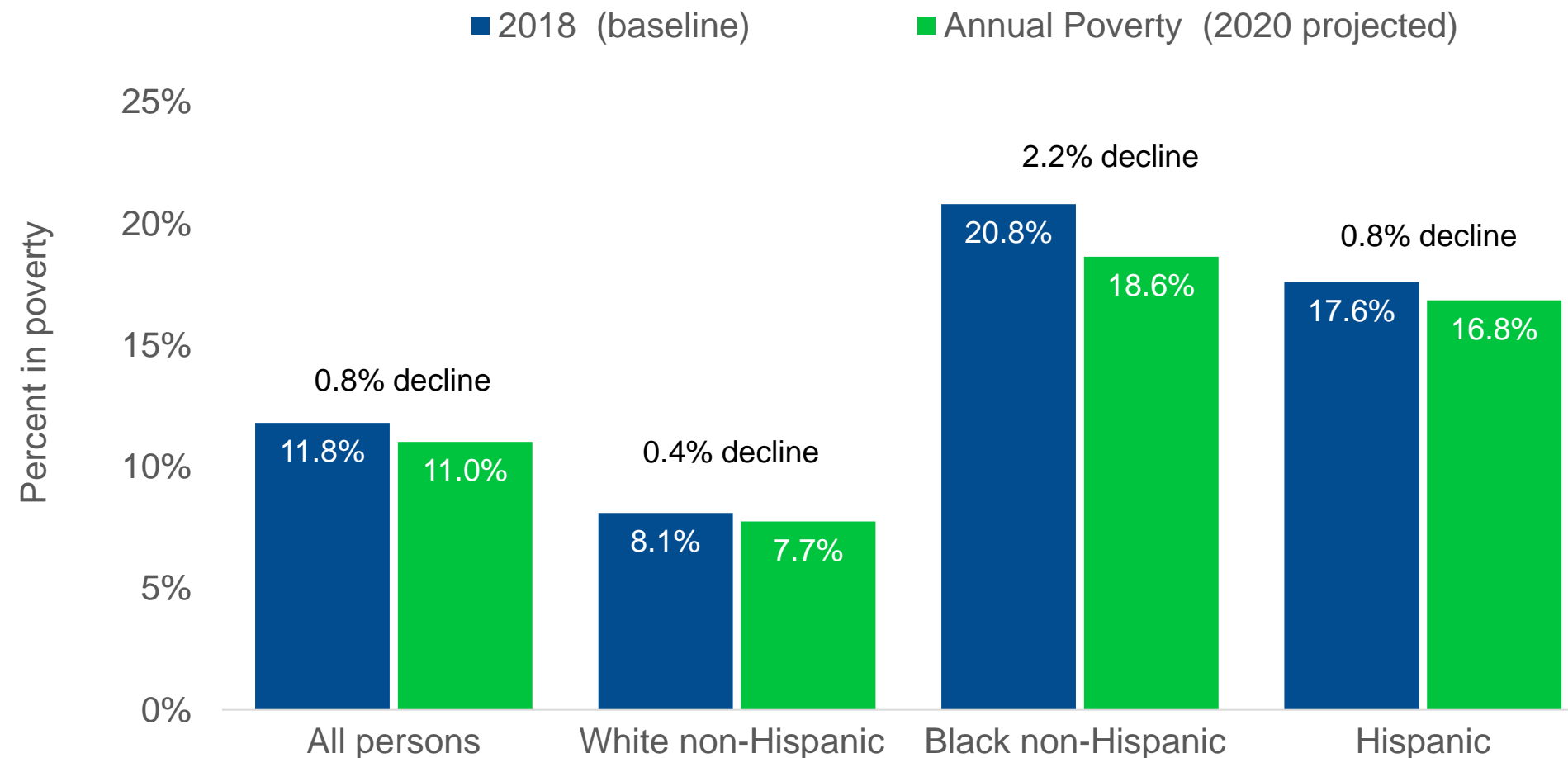
Poverty and Program Projections

Annual poverty rate projected to decline due to CARES Act benefits



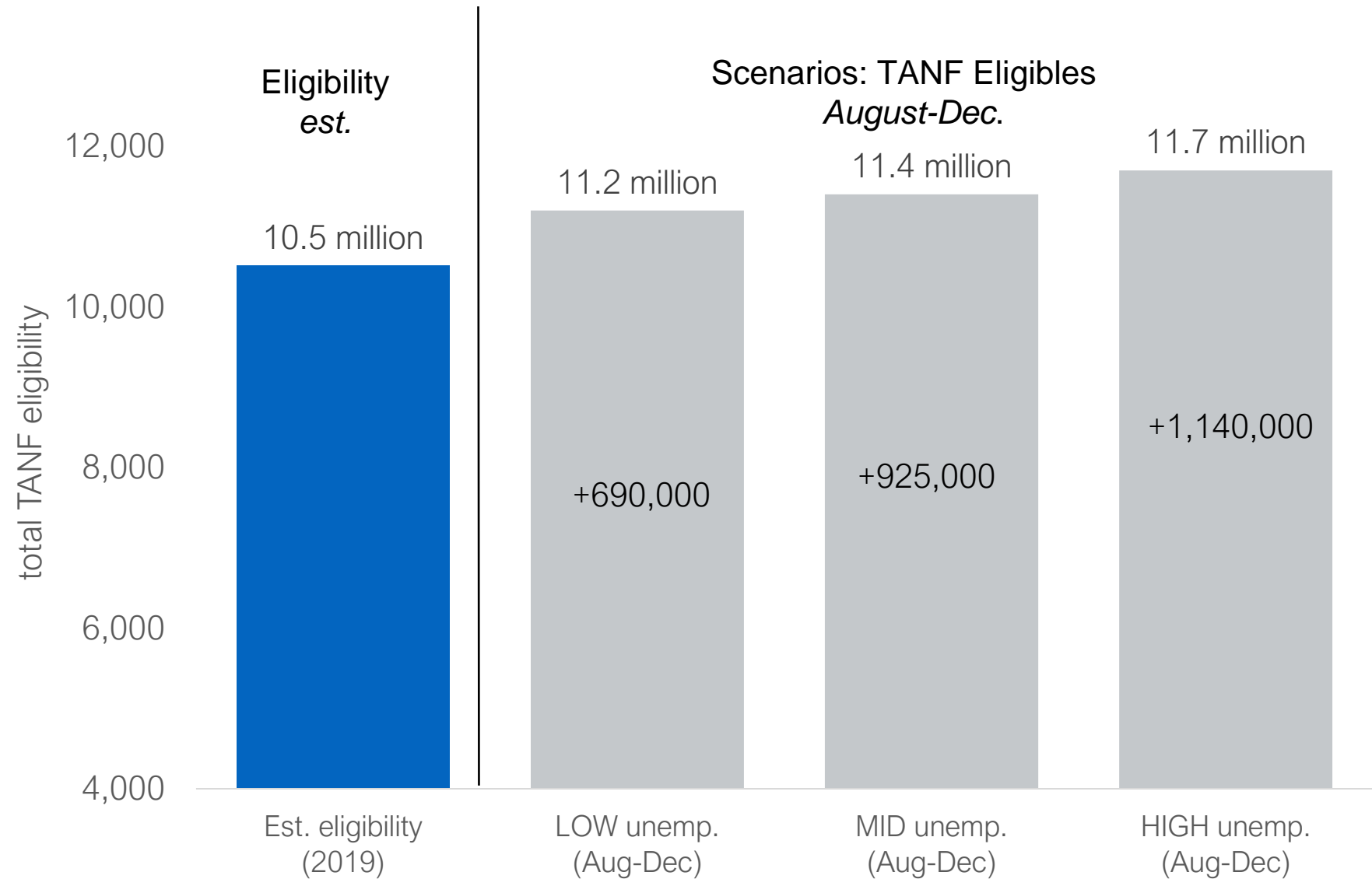
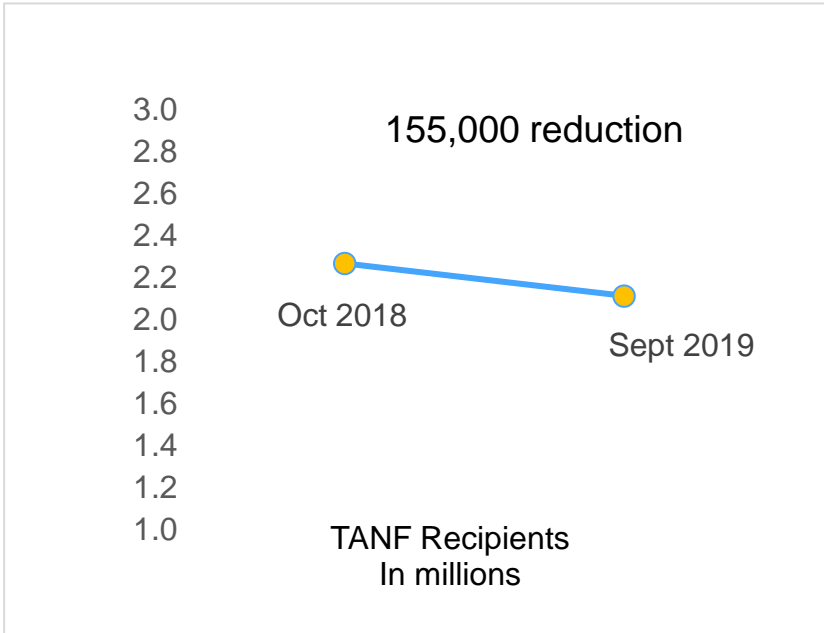
**Poverty measure includes economic impact payments which are not counted in the official poverty measure.
SOURCE: 2018: US Census Bureau; 2020: Population Survey Annual Social & Economic Supplement 2018 and TRIM
microsimulation model. Calculated by the Urban Institute and HHS ASPE.*

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



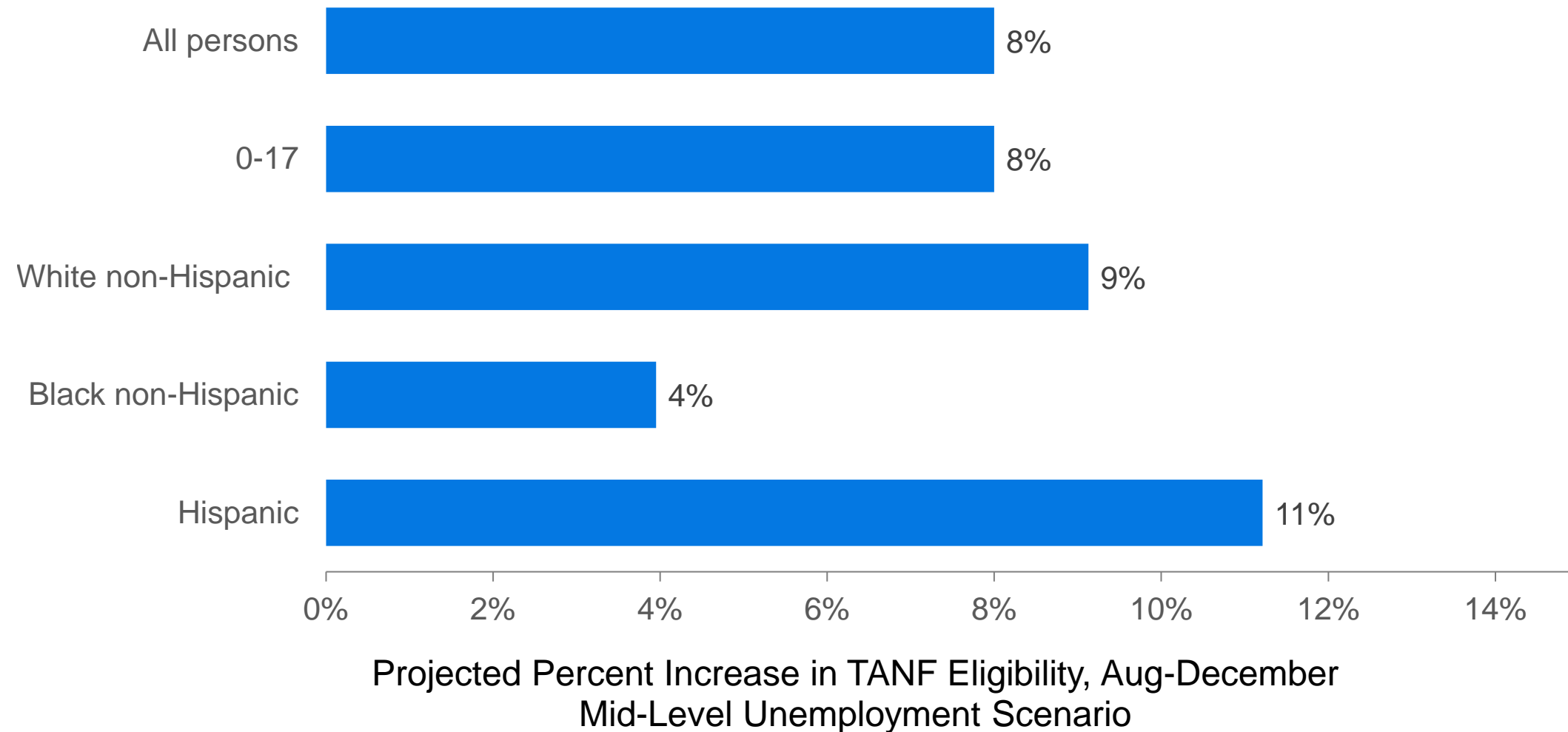
**Poverty measure includes economic impact payments which are not counted in the official poverty measure.
SOURCE: 2018: US Census Bureau; 2020: Population Survey Annual Social & Economic Supplement 2018 and TRIM
microsimulation model. Calculated by the Urban Institute and HHS ASPE.*

More People Projected Eligible for TANF Benefits



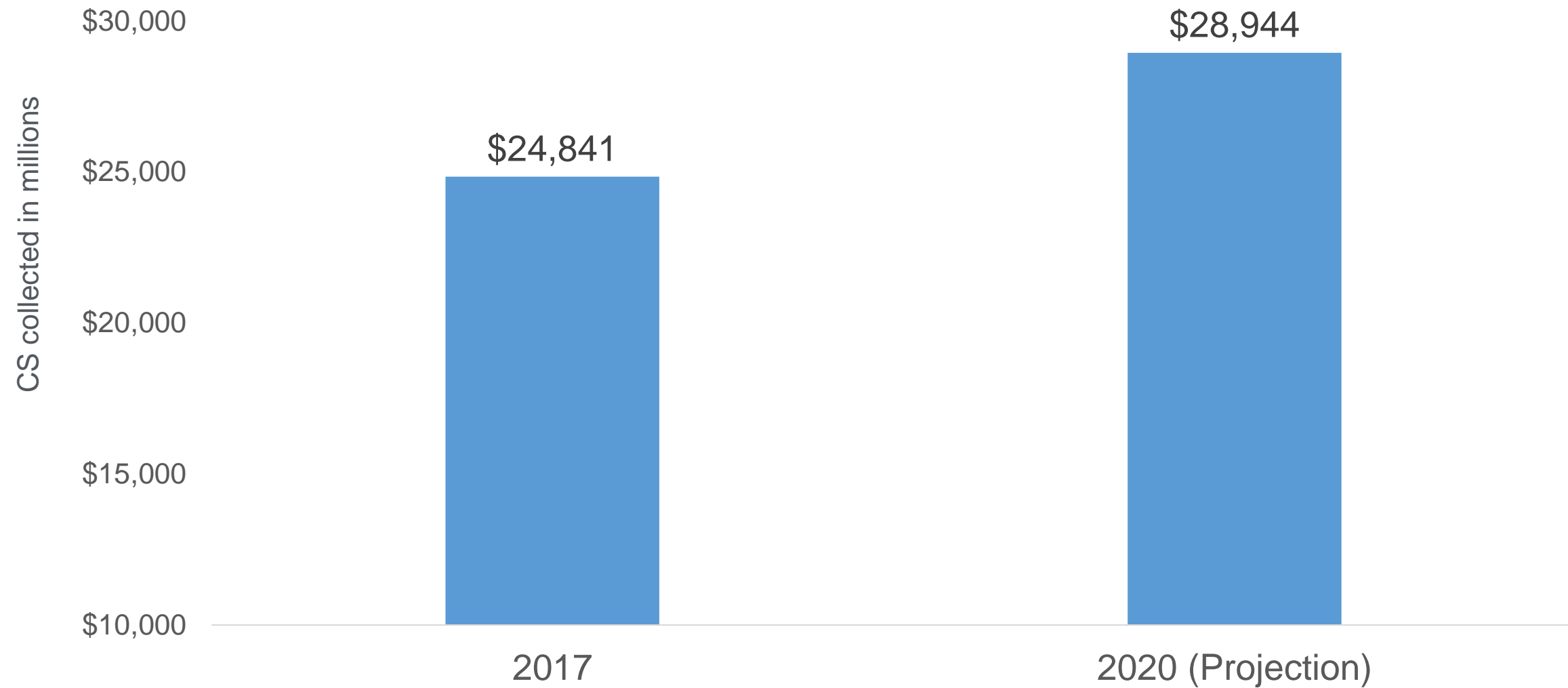
SOURCE: *TANF recipient data from ACF Office of Family Assistance. Estimates reflect TANF only cases with the exception of NY state in which both TANF and SSP recipients are counted. Projections are based on the CPS ASEC 2018 and TRIM microsimulation model. Calculated by the Urban Institute and HHS ASPE.

More People Projected Eligible for TANF Benefits August to December 2020



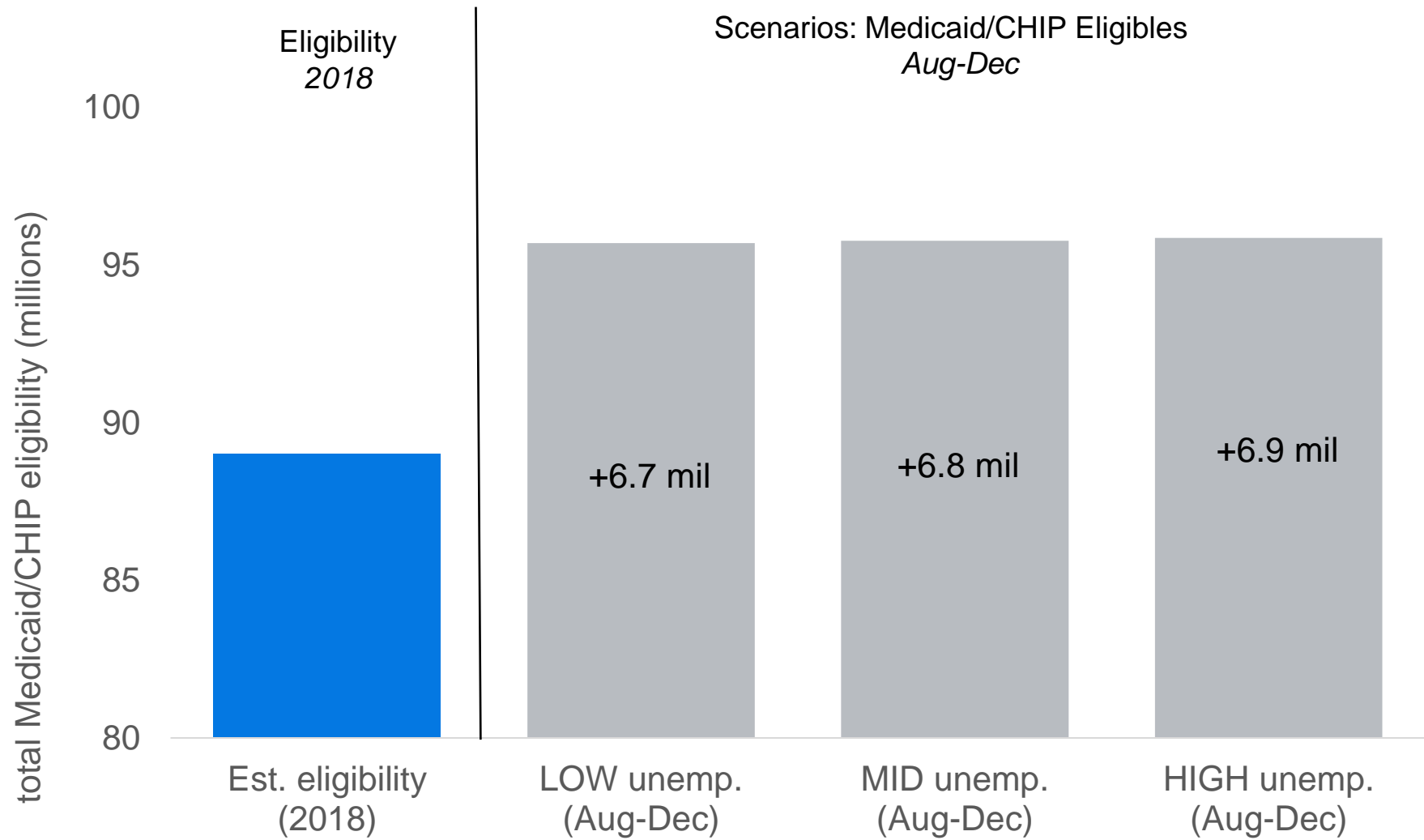
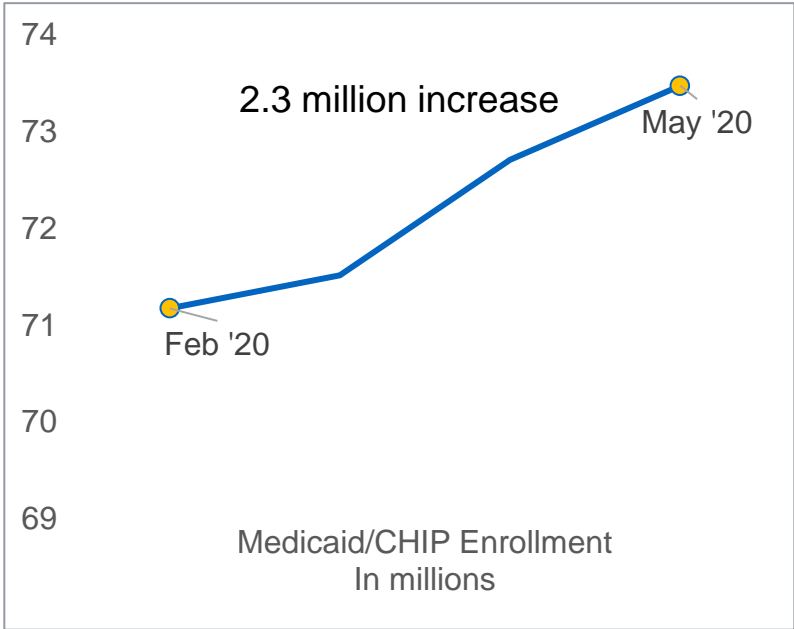
*SOURCE: *TANF recipient data from ACF Office of Family Assistance. Estimates reflect TANF only cases with the exception of NY state in which both TANF and SSP recipients are counted. Projections are based on the CPS ASEC 2018 and TRIM microsimulation model. Calculated by the Urban Institute and HHS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

2020 child support collections projected to increase due to CARES Act



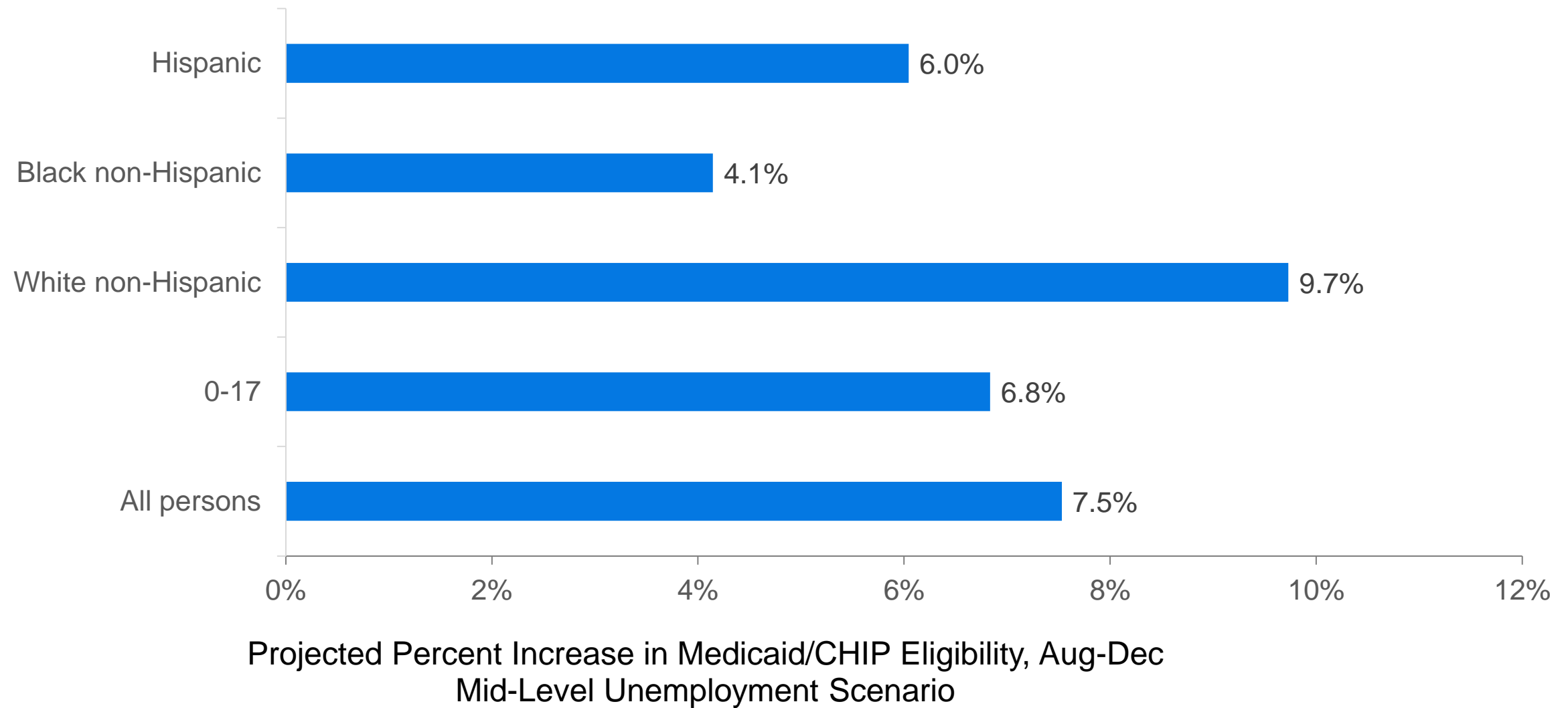
SOURCE: Current:Population Survey Annual Social & Economic Supplement 2018 and TRIM microsimulation model. Calculated by the Urban Institute and HHS ASPE.

More People Projected Eligible for Medicaid Benefits



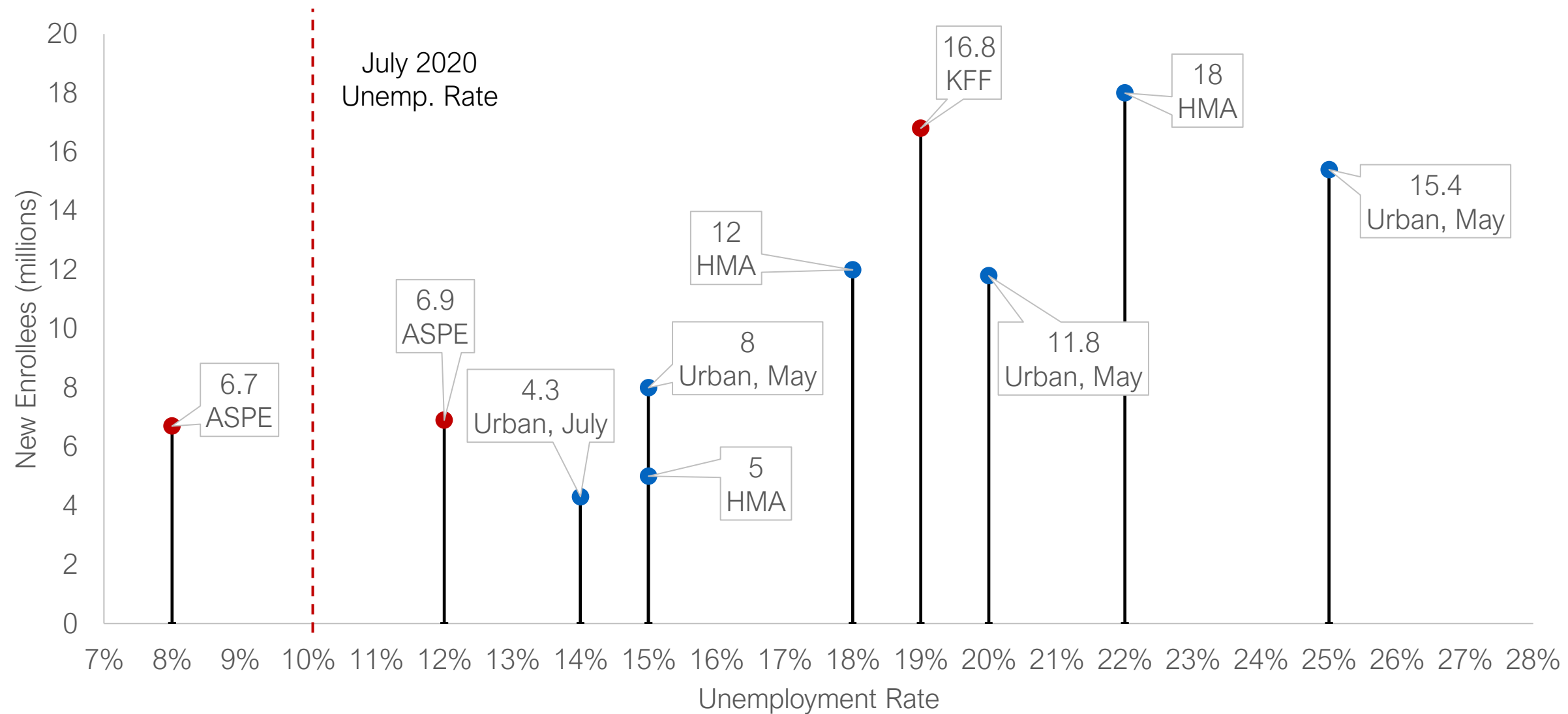
SOURCE: USDA participation estimates are preliminary. Projects are based on the CPS ASEC 2018 and TRIM microsimulation model. Calculated by the Urban Institute and HHS ASPE.

More People Projected Eligible for Medicaid Benefits August to December 2020



*SOURCE: The Current Population Survey Annual Social & Economic Supplement 2018 and TRIM microsimulation model.
Calculated by the Urban Institute and HHS ASPE.*

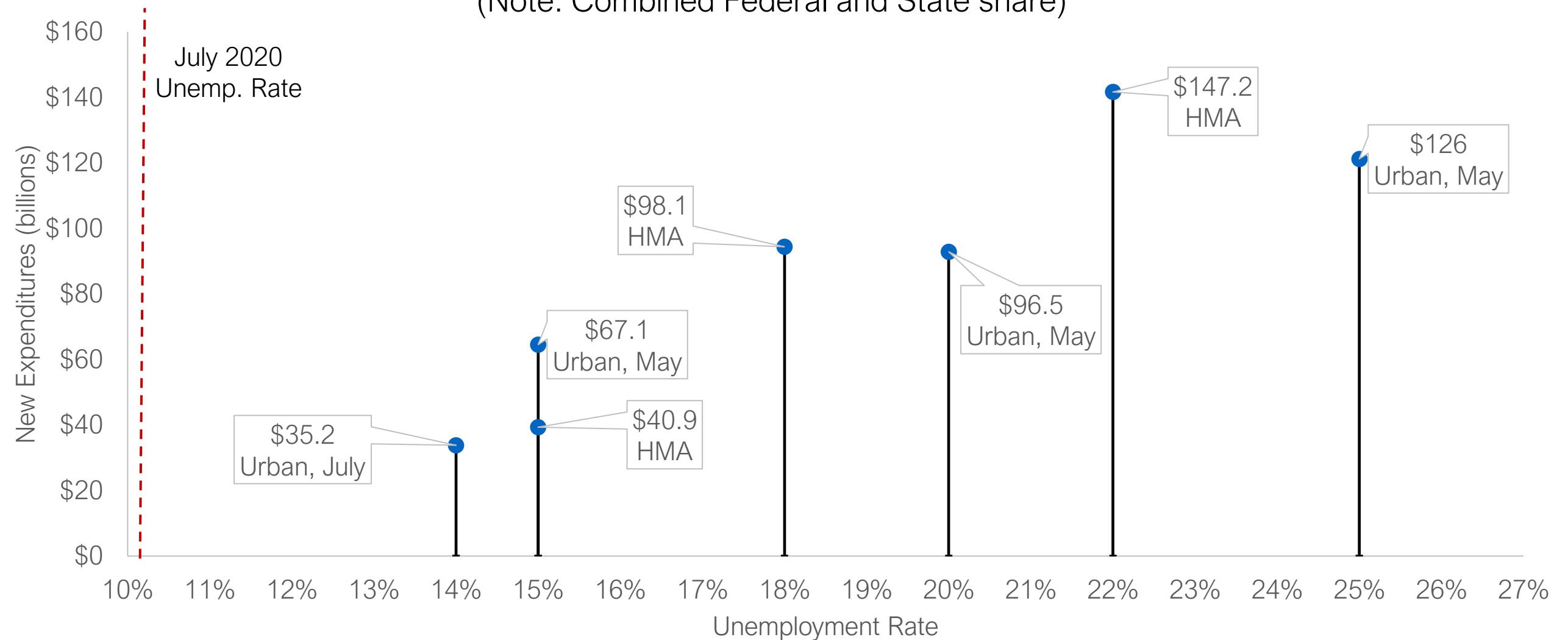
Estimates of Increased Medicaid Eligibility and Enrollment



Red dots project eligibility
Blue dots project enrollment

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

(Note: Combined Federal and State share)



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

<https://www.cms.gov/files/document/2018-report.pdf>

Medicaid Projection Sources

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

HMA (Health Management Associates): Niebel, May 2020, “HMA Updates Forecast of COVID-19 Impact on Medicaid, Marketplace, Uninsured,” Health Management Associates.
<https://www.healthmanagement.com/blog/hma-updates-forecast-of-covid-19-impact-on-medicaid-marketplace-uninsured/>

KFF: Garfield, Claxton, Damico and Levitt, May 2020, “Eligibility for ACA Health Coverage Following Job Loss,” KFF.
https://www.kff.org/coronavirus-covid-19/issue-brief/eligibility-for-aca-health-coverage-following-job-loss/?utm_campaign=KFF-2020-Health-Reform&utm_source=hs_email&utm_medium=email&utm_content=2&hsenc=p2ANqtz-9tOXMMbsyXN8XAnoxfSqHNAKSU9xNdXDuAx4HQzNcqcAqWGOsslrk5WK6pl2Ct3pF3bl76RVrXWeRockDAF7m0N0DQ

Urban, May: Bowen and Gangopadhyaya, May 2020, “How the COVID-19 Recession Could Affect Health Insurance Coverage,” Urban Institute
<https://www.rwjf.org/en/library/research/2020/05/how-the-covid-19-recession-could-affect-health-insurance-coverage.html>

Urban, July: Bantlin, Simpson, Bueetgens, Blumberg and Wang, July 2020, “Changes in Health Insurance Coverage Due to the COVID-19 Recession,” Urban Institute
<https://www.urban.org/research/publication/changes-health-insurance-coverage-due-covid-19-recession&hsmi=2>

Estimates of the uninsured population (not shown in slide): Dorn, July 2020, “The COVID-19 Pandemic and Resulting Economic Crash Have Caused the Greatest Health Insurance Crisis in American History,” Families USA, <https://www.familiesusa.org/resources/the-covid-19-pandemic-and-resulting-economic-crash-have-caused-the-greatest-health-insurance-losses-in-american-history/>

THANK YOU

Questions? Contact Robin Ghertner

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