



2020 Poverty Projections: Assessing Three Pandemic-Aid Policies

Projections of HEROES Act Policies by Race and State for August through December

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In March 2020, the federal government enacted legislation to support individuals and stimulate the economy in response to the recession induced by the COVID-19 pandemic. This response includes policies to extend and temporarily increase unemployment insurance (UI) benefits, temporarily increase benefits from the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) for many recipients, temporarily remove the time limit on SNAP for nonworking childless adults without disabilities, and provide cash Economic Impact Payments (“stimulus checks”) to most adults.¹ In a previous brief, we projected that those policies would result in 10.3 million fewer people having income below the poverty threshold in 2020 than would have been below it without that support (Giannarelli, Wheaton, and Acs, 2020). However, the federal policy that adds an extra \$600 a week to standard UI payments expires at the end of July, and many lower-income families have likely already spent their stimulus money. This means that families with someone still unemployed in August could face increased hardship later this year if additional supports are not provided. The Congressional Budget Office (CBO) currently projects that the unemployment rate will be 10.5 percent in the fourth quarter of 2020 (CBO 2020b), which is three times higher than the unemployment rate in the fourth quarter of 2019 (3.5 percent).² Further, some people who have remained employed or who were already called back to work are still facing hardship because their hours or salaries have been reduced.³

Congress is currently considering options for additional supports to stimulate the economy and reduce hardship for the remainder of the year and possibly into 2021. In this brief, we examine three provisions in the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, which was passed by the House of Representatives in May but has not been passed by the Senate.⁴ These three provisions (or modified versions of them) may be considered as part of any final coronavirus relief legislation:

- **Providing additional stimulus checks:** The act proposes a second round of Economic Impact Payments of \$1,200 for unmarried adults and \$2,400 for married couples, plus \$1,200 per dependent (capped at three dependents) and includes access for people using Individual Taxpayer Identification Numbers (a group that includes unauthorized immigrants and temporary residents).
- **Increasing SNAP allotments:** The legislation would temporarily increase maximum SNAP allotments 15 percent. For a family of four in the contiguous US, the maximum allotment for fiscal year 2020 (through September) is \$646 a month; it would rise to \$743 a month with this policy.⁵ Combined with previously enacted legislation that allows states to request waivers to provide all SNAP recipients with the maximum allotment, this provision would temporarily provide all SNAP recipients in states with waivers a benefit equal to 115 percent of the current maximum allotments. When the waivers are no longer in place, all families' benefits would be computed based on the new higher maximum allotments. The HEROES Act would also increase the SNAP minimum benefit amount.
- **Continuing the temporary increase in UI benefits:** Congress's earlier pandemic relief legislation provided a federally funded \$600 addition to each UI recipient's regular weekly benefit amount (as computed according to each state's rules). This extra benefit began in April and will cease at the end of July. The HEROES Act would extend the extra \$600 payment through the end of January 2021. It would also prohibit this extra payment from being counted as income for any means-tested benefit that is funded (wholly or partly) by federal dollars.

Using the Analysis of Transfers, Taxes, and Income Security (ATTIS) microsimulation model (Pyati 2020), we project the poverty rate for August through December 2020 with and without the new policies proposed in the HEROES Act. As in our prior projections of annual poverty, we use a modified definition of poverty that captures the value of SNAP and the stimulus checks; doing so produces poverty rates that are lower than if we were measuring poverty using the official definition. We find the following:

- If no new policies are enacted, we project the poverty rate for the last five months of 2020 will be 11.9 percent for all people (compared with 8.9 percent for 2020 overall) and 15.6 percent for people in households with job loss (compared with 9.1 percent for 2020 overall).⁶
- If all the HEROES Act policies discussed here were enacted, we project the poverty rate in August through December would be substantially lower than it would be without those policies, declining from 11.9 percent to 8.1 percent for all people and from 15.6 percent to 9.0 percent for people in households affected by job loss.⁷

- We project that the HEROES Act policies would reduce the number of people with incomes below the poverty threshold using our measure in August to December by 12.2 million.
- The proposed HEROES Act policies are projected to reduce the August–December poverty rate 29 percent for white non-Hispanic people, 32 percent for Black non-Hispanic people, 36 percent for Hispanic people, and 28 percent for Asian Americans and Pacific Islanders.
- For people in families with at least one person who lost a job, the proposed policies are projected to have the greatest relative impact on August–December poverty for Black non-Hispanic people; their projected August–December poverty rate is cut in half, from 20.4 percent to 10.1 percent.
- Considering the policies individually, we project that 8.3 million people who would otherwise have income below the poverty threshold would instead be above it in August to December if the HEROES Act stimulus checks were enacted, 3.6 million would instead be above it if the HEROES Act’s UI policy were enacted, and 1.7 million would instead be above it if the HEROES Act’s SNAP policies were enacted. (These numbers sum to more than 12.2 million because some people would have their income raised above the poverty threshold because of more than one of the individual policies.)
- Of the 8.3 million people projected to avoid poverty in August to December because they receive HEROES Act stimulus checks, 6.0 million (or about 72 percent) are in households that do not have anyone who lost a job because of the pandemic. But our estimates do not address the number of people among this group who may be experiencing income loss despite still being employed. About the same share of people projected to avoid poverty because of the SNAP benefit increase are in households without pandemic-related job loss.
- At the state level, the percentage reduction in the projected August–December poverty rate attributable to the three HEROES Act policies ranges from 21 percent in North Dakota and Wyoming to 42 percent in Delaware. For people in households with job loss, the projected percentage reduction in the August–December poverty rate if the proposed policies are enacted ranges from 23 percent in Washington to 55 percent in Alaska.

Like our earlier projections of annual poverty, these are based on estimates of who is unemployed and how long they will remain unemployed. As noted, our estimates consider only job loss and do not consider that some people are still working during the pandemic but earning less money. Nevertheless, the analyses can give a sense of how many people are helped by providing different types of support and what poverty rates might look like in August through December of this year if no additional supports are enacted versus if this set of policies is enacted.

Projecting Poverty in August through December

Official data on income and poverty rates in 2020 will not be available until September 2021, but policymakers need information now as they consider whether to enact additional policies in response to the COVID-19 pandemic and recession. To inform federal and state decisions, Urban is using its ATTIS

model to project poverty rates nationally, by demographic subgroups, and by state. The projections are based on data from the 2018 American Community Survey (ACS) that have been adjusted to reflect changing economic conditions and public assistance policies in place during 2020. To determine eligibility and participation in public assistance and social insurance programs, the model applies either the actual or proposed policies to the families in the survey data, capturing the policies as closely as possible and including state-level variations.

In an earlier analysis (Giannarelli, Wheaton, and Acs 2020), we projected what the poverty rate might be for 2020 as a whole under two scenarios: (1) if no response policies had been enacted; that is, without the first stimulus check, the SNAP changes, and the UI changes enacted in March 2020 in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Families First Coronavirus Response Act, and (2) with those policies in place. However, that annual view of poverty does not reflect the fact that many families are unable to spread resources over the year. For example, a family that received a stimulus check in the spring may have needed to spend it immediately to pay rent and could not save a portion for later in the year. Such a family might thus have annual income above the poverty threshold but would still face serious economic challenges in later months. Moreover, our prior analysis only considered the policies already enacted in March 2020—we assumed the extra \$600 in UI payments would not be extended and did not model a second stimulus check or additional SNAP expansions.

This new brief extends the analysis in two ways. First, we measure poverty for just the last five months of the year assuming that the supports for families and individuals enacted in March are the only policies in place. Second, we look at how those August–December poverty numbers might change if the policies proposed in the HEROES Act are enacted. For our five-month poverty rates, we compare the resources available to a family from August through December to five-twelfths of the annual poverty level for the family. We then compare the poverty rates in August through December without and then with the three above-mentioned proposals in the HEROES Act.

Like our prior work, the projections assume that US social insurance and safety-net programs, which automatically expand during economic downturns because of increases in eligibility due to lower incomes, will continue to respond as they are designed to. For example, even if the additional \$600 in UI benefits expires and UI is not otherwise expanded, some people may become newly eligible for SNAP benefits or become eligible for more SNAP benefits in the latter part of the year.

Key Definitions and Assumptions

Below, we describe the assumptions needed to project poverty rates for August through December 2020.

Poverty: Following the methods from our previous analysis, we include the cash value of SNAP benefits and stimulus checks that people received from the Internal Revenue Service as part of a family's resources for purposes of computing poverty rates. This differs from the official poverty definition, which counts only cash income in the resource measure. A crucial difference for this analysis is that we

only count the cash income and the value of SNAP benefits that a family is projected to receive in August through December.⁸ We assume that families have now already spent the first check (from the March legislation), meaning that in the scenario assuming no additional supports are enacted, no stimulus check funds are present, and in the scenario assuming a second stimulus check is provided, that payment is counted as income in August through December. We compare our augmented definition of resources in August through December to an amount equal to five-twelfths of the official poverty thresholds. (Throughout this brief, measures of poverty rates for August to December are calculated using this five-twelfths amount. Measures of poverty rates using the full-year amount are qualified as “annual” poverty rates.) This gives a measure of people’s economic well-being on average over August to December (instead of on average over the whole year, which is how the official poverty rate is measured). Applied to ACS data for 2018 (before modifying those data to simulate the recession, a process we describe next), this modified definition produces an August–December poverty rate of 11.3 percent.⁹

Job loss and recovery: Our assumptions about job loss and returns to work are the same as in our previous analysis, in part because the worsening of the pandemic in some parts of the country during late June and July creates additional uncertainty about the pace of the recovery.¹⁰ To mimic the effects of the recession, we “disemploy” 24.0 million people in the 2018 ACS.¹¹ A person’s initial probability of losing his or her job is based on job losses by industry and state as reported by the US Bureau of Labor Statistics.¹² We adjust the assignment of job loss to reflect the nationwide demographic characteristics of people who lost their jobs as reported in the monthly Current Population Survey.¹³

We then “reemploy” people based on CBO projections of unemployment for the fourth quarter of 2020 combined with Bureau of Labor Statistics data on employment increases between April and May.¹⁴ This part of the modeling is simplified and does not capture variations in circumstances that could result in some people taking the first opportunity to return to any employment (for example, if they are not eligible for UI) and others delaying returns to work (if the augmented UI benefits under a HEROES Act UI policy results in total UI benefits that exceed their regular earnings).¹⁵ A fuller understanding of changes in work behavior could influence our poverty projections, but small variations in employment patterns are unlikely to affect our key findings.

People who are not modeled to lose their job keep the same earnings they would have had before the recession; because of limitations of the currently available data, this analysis does not reflect that some people may have lost hours or earnings even if they remained employed. This simplification works in the direction of understating economic hardship.

Unemployment insurance benefits: In all the simulations in this analysis, we assume the March UI response policies are in place. This means almost everyone we simulate as having lost a job because of the pandemic is considered eligible for benefits, including self-employed people and most students. However, we assume that unauthorized immigrants are never eligible and that people with very low amounts of annual earnings (that were likely casual earnings) are also not eligible.¹⁶ Anyone eligible for UI is assumed to retain eligibility for all of their weeks of unemployment through the year—that is, nobody “runs out” of weeks of eligibility. Not everyone who is eligible receives UI (because of difficulty in applying or in providing employment documentation, for example). Among all wage earners who lost

their jobs (including those who do not appear to be eligible for UI), we estimate 61 percent will receive UI benefits. This is comparable to the overall reciprocity rate of UI benefits during the initial years of the Great Recession, considering weeks of receipt of both regular and extended benefits.¹⁷

Our simulations estimate the regular state unemployment benefit that a person would be eligible for based on each state's rules combined with each person's prerecession earnings. In our simulations that assume that only the policies enacted in March are in place, the extra \$600 is applied to weeks from April through July.¹⁸ To simulate the UI policy in the HEROES Act, the extra \$600 is also applied to weeks of UI benefits from August through December. For a person who is unemployed from August to December and who is simulated to receive UI benefits, the extra payment means about \$13,000 in additional income (on top of regular state UI payments), which is equivalent to the earnings from working full time for five months for \$15 an hour. The aggregate amount of payments made under this policy declines as people return to work; in the fourth quarter, the additional benefits could amount to about \$27 billion a month.¹⁹

The additional federal UI benefit is treated as income by most means-tested benefits (including SNAP) from April through July. However, when the HEROES Act's UI policy is being modeled (allowing the extra \$600 per week from August through December), the extra payment is *not* counted when determining eligibility and benefits for means-tested benefit programs during those months.

Supplemental Nutrition Assistance Program: In all our simulations, we continue to model two key SNAP policy changes made by the Families First Coronavirus Response Act: (1) "emergency allotments" that allow states to request waivers to provide all participants with the maximum SNAP benefit and (2) suspension of the three-month time limit on SNAP benefits for adults without disabilities who live in households without children and do not meet work requirements. SNAP benefit amounts typically fall as income rises. The emergency allotment increases the SNAP benefit for all participants up to the maximum amount based on household size. States were initially permitted two months of emergency allotments and can request monthly extensions so long as a federal government emergency declaration is in effect and the state has an emergency or disaster declaration.²⁰

For this analysis, we model states as having the waiver in place from the first approved month for the state and extending it through the end of October in all states except Wisconsin (where May was the last month with the waiver). We base this on the assumption that the federal emergency declaration will be extended through late October and that states with waivers in July (the most recently available information) will continue to request them.²¹ Absent other data, we model the emergency allotments as ending at the end of October. When we conducted the earlier analysis, we did not model extensions beyond July; therefore, this new analysis produces a slightly lower annual poverty rate than the prior analysis even before we consider the HEROES Act proposals.

To model the SNAP policy in the HEROES Act, we perform benefit computations using a maximum allotment that is 15 percent higher than what it would have been otherwise. For a four-person household, the policy change means an additional \$97 in resources in each month of the period. When the "emergency allotment" waiver is assumed to be in place (through October in all states but Wisconsin) each family simulated to receive SNAP benefits receives the increased maximum amount for

their family size. In November and December, we compute the benefit using the standard formula, which reduces benefits as net income increases, but the formula starts from the higher maximum allotments and captures the higher \$30 monthly minimum benefit for one- and two-person households provided by the HEROES Act.

Economic Impact Payments: For simulations in which we assume only the policies passed in March are in place, we do not include any stimulus payment in August–December income. In other words, we assume that the first stimulus check has been entirely spent before August. In simulations that include the payment proposed in the HEROES Act, we follow the same general procedures as we used to model the first stimulus checks in our previous analysis: we base the amount of the rebate on income and circumstances in the 2018 ACS data (to approximate the information in the 2018 and 2019 tax returns upon which the payments are based), but we make some changes to capture differences between the new payment and the previous payment.

Several aspects of the proposed new payments are the same as in the payments authorized in March. The payment would be \$1,200 for an individual (\$2,400 for a married couple) for people with an adjusted gross income of up to \$75,000 (\$150,000 if married) and would phase down beyond that threshold.²² People with no income and those whose income consists only of nontaxable benefits are also eligible. However, people claimed as dependents continue to be ineligible to claim the credit on their own behalf.

A few aspects of the new proposal would allow some people to receive a higher amount than they received from the first check and would make others newly eligible. The first stimulus payment provided \$500 for each child under age 17 but did not provide benefits for older dependents. The new proposal provides \$1,200 per dependent for up to three dependents per filer. Unlike the first stimulus, the new proposal does not require that people have a work-eligible Social Security Number (and that a person's spouse and dependents have Social Security Numbers) to receive the payments. Instead, someone would be able to file for this rebate using an Individual Taxpayer Identification Number. Individual Taxpayer Identification Numbers may be used by temporary residents and by unauthorized immigrants. Therefore, in modeling the rebate proposal in the HEROES Act, we do not impose any restrictions based on an immigrant's legal status. The HEROES Act also retroactively affects the first stimulus payments, making those changes in eligibility based on Social Security number and the change in definition of eligible dependents; we do not model those retroactive changes.²³

Many people would receive the HEROES Act checks automatically, but some will not, and some people who do not receive them automatically might not take steps to obtain the payment. Following our prior methods, we automatically assign the rebate to eligible tax filers and to individuals receiving Social Security or Railroad Retirement benefits or Supplemental Security Income, and we randomly select additional families and individuals to provide the information needed to claim the rebate.²⁴

Using these methods, we assign \$331 billion in rebates under the HEROES Act proposal. A total of 156 million unmarried adults and couples are projected to receive the payments (93 percent of all nondependent unmarried adults and couples). The average payment for a family with dependents is

\$3,808, and 70 percent of checks for families with dependents are projected to exceed \$3,600, with a maximum of \$6,000 (for couples with three dependents).

Other safety-net programs: Job loss could cause a family to become eligible for greater benefits from Temporary Assistance for Needy Families (TANF) or to become newly eligible for that program; those situations are included in our simulation, and we capture some new enrollment in TANF (implicitly assuming an increase in the share of the TANF block grant spent on cash aid). Our simulation also captures benefit changes in Supplemental Security Income and in rent payments in public and subsidized housing (which have secondary impacts on SNAP benefits).²⁵ We assume that safety-net programs do not count the stimulus checks as either income or resources, that they always count the value of regular unemployment benefits as income, and that they count the additional \$600 in weekly UI in April through July (the policy already enacted) but not in August through December (the policy proposed in the HEROES Act). State-specific programs, such as general assistance programs and payments made by some states or localities to assist noncitizens ineligible for federally funded benefits, are not included in this analysis.

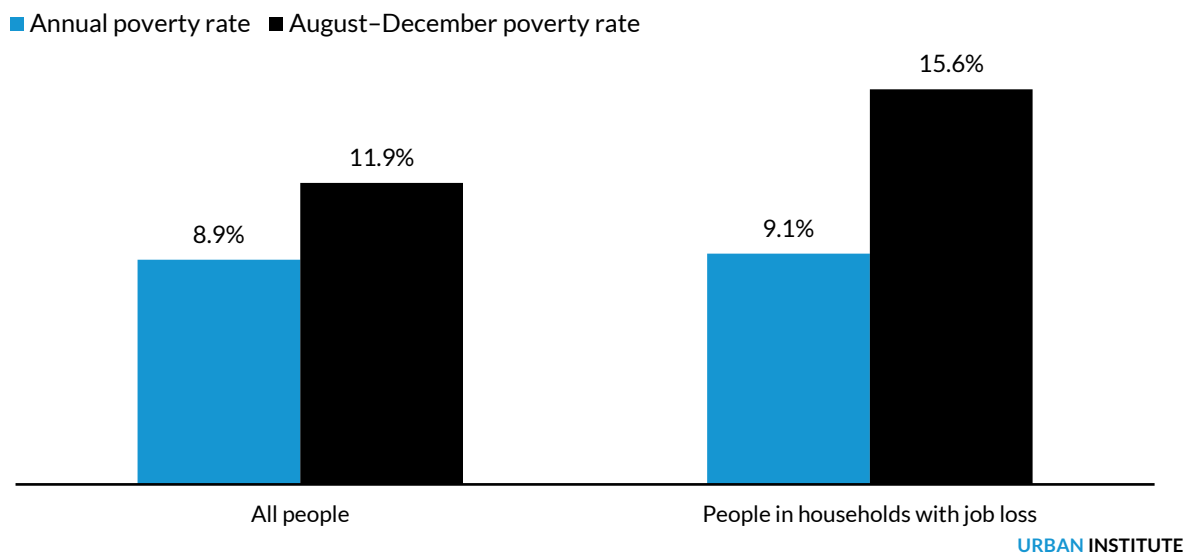
Projected National-Level Poverty in August through December Compared with the Full Year

We project that the *annual* poverty rate under currently enacted policies will be 8.9 percent, but the poverty rate for *August–December* will be three percentage points higher, at 11.9 percent (figure 1).²⁶ For people in households in which at least one person lost a job because of the recession, the difference between the annual and August–December poverty rates is much larger: an estimated annual poverty rate of 9.1 percent compared with an August–December rate of 15.6 percent. (Some people are estimated to be out of work for only a short time; the poverty rate for households in which someone is unemployed from April through the end of the year would be higher.)

When we model only the policies that have already been enacted, the poverty rate for August to December is higher than for the year as a whole for several reasons. First, the annual estimate includes January to March, before the recession and before many people had lost jobs. Second, for people who have lost a job, the additional \$600 in weekly benefits (\$2400 a month) ends after July absent new legislation; for many families, that extra \$600 a week from April through July was enough to stay above the annual poverty threshold. Third, the stimulus payment authorized in the spring (and counted as part of annual resources) was enough to keep some families above the poverty threshold for the year, but because no portion of that first stimulus check is counted as part of August–December resources, some of those families are calculated as falling below the poverty threshold when considering only August to December. Fourth, all five months of August to December may have pandemic-related job loss, but we assume that only three have the emergency SNAP allotment (i.e., all recipients getting the maximum benefit); in contrast, for the year as a whole, we assume that seven of the nine recession months include those higher benefits for SNAP recipients. Finally, part-year poverty estimates tend to be somewhat higher than annual estimates because there is a shorter time span over which to receive income that can make up for shortfalls in some months.

FIGURE 1

Projected Poverty Rate in 2020, Annual Compared with August to December, with Only Currently Enacted Policies in Place



Source: Urban Institute projections as of July 24, using the ATTIS model.

Note: The COVID-19 pandemic response policies reflected in these estimates include three policies authorized in March with the passage of the CARES and Families First Acts: Economic Impact Payments (stimulus checks), expansions to SNAP eligibility and benefits, and expansions and extensions related to unemployment insurance benefits. Our measure of poverty defines family resources as cash income plus the value of SNAP and the value of the stimulus and compares that amount to the official poverty threshold (or five-twelfths of the official poverty threshold, representing August to December). The value of the stimulus check is included in annual resources but not in August to December resources.

Considering the results by race and ethnicity (table 1) shows that the increase in the projected poverty rate from the annual rate to the August-December rate is slightly greater for white non-Hispanic people (a 37 percent increase) than for Black non-Hispanic people or Hispanic people (both a 32 percent increase). This may be related to how much people of different races and ethnicities benefited from the first round of stimulus checks, which are included in annual income but not in August-December income. Focusing on people in households with people who have lost jobs, however, the group with the largest increase in poverty rate from annual to August-December estimates is Black non-Hispanic people. This may be because the extra \$600 in weekly UI benefits (expiring in August) is important for people who have lost jobs, and a larger share of Black non-Hispanic workers and Hispanic workers have lost their jobs because of the recession than have white non-Hispanic workers.²⁷ For Hispanic people in households with job loss, the poverty rate is projected to increase 55 percent, from the annual estimate of 13.3 percent to the August-December rate of 20.6 percent. This relative increase is somewhat lower than for other racial and ethnic groups, possibly because that 13.3 percent annual poverty rate for Hispanic people affected by job loss was already projected to be higher than for any other group; the lower relative increase could also be at least partly because a somewhat higher share of Hispanic people are unauthorized immigrants, since unauthorized immigrants are ineligible for UI and therefore are not affected by whether the extra benefit is in place and were generally ineligible for the initial stimulus payment.

TABLE 1

Projected Poverty Rates in 2020 By Race and Ethnicity, Annual Compared with August to December, with Only Currently-Enacted Policies in Place

	All People			People in Households with Job Loss from COVID-19 Pandemic		
	Annual	August-December	August-December vs. annual	Annual	August-December	August-December vs. annual
National	8.9%	11.9%	+34%	9.1%	15.6%	+71%
White non-Hispanic	6.4%	8.7%	+37%	6.8%	12.2%	+79%
Black non-Hispanic	14.6%	19.3%	+32%	10.8%	20.4%	+88%
Hispanic	13.3%	17.5%	+32%	13.3%	20.6%	+55%
AAPI non-Hispanic	8.0%	10.8%	+35%	8.1%	14.3%	+78%

Source: Urban Institute projections as of July 24, using the ATTIS model.

Notes: AAPI = Asian American and Pacific Islander. The COVID-19 pandemic response policies reflected in these estimates include three policies authorized in March with the passage of the CARES and Families First Coronavirus Response Acts: Economic Impact Payments (stimulus checks), expansions to SNAP eligibility and benefits, and expansions and extensions related to unemployment insurance benefits. Our measure of poverty defines family resources as cash income plus the value of SNAP and the value of the stimulus and compares that amount to the official poverty threshold (or five-twelfths of the official poverty threshold, representing August to December). The value of the stimulus check is included in annual resources but not in August-December resources. Non-Hispanic people who do not identify as white, Black, or AAPI, or who identify with multiple races, are included in the total but not shown separately because of sample size limitations.

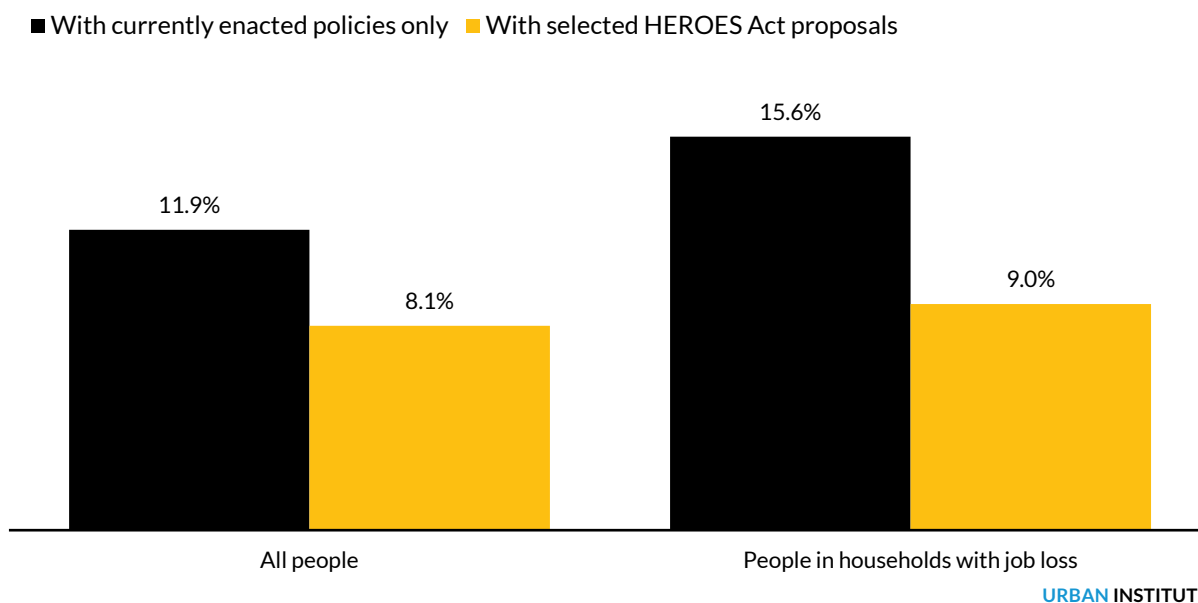
Projected National-Level Poverty in August through December if Selected Policies in the HEROES Act Were Enacted

Absent new legislation, the projected poverty rates for August through December of 2020 are about one-third higher than the projected rates for the year as a whole. To mitigate hardships in the latter portion of the year, legislators and the Trump administration are considering various policy options. Here, we estimate how the components of the HEROES Act previously mentioned (the continued boost of \$600 a week to UI benefits; the additional SNAP expansions, including a 15 percent increase in maximum SNAP allotments and increase in the SNAP minimum benefit; and an additional stimulus check) could affect poverty rates in August through December.

When all those policies are in place, poverty rates (using our modified poverty definition) in August through December are projected to be substantially lower than if no new policies were enacted. The August-December poverty rate is projected to decline from 11.9 percent to 8.1 percent for all people and from 15.6 percent to 9.0 percent for people in households affected by job loss (figure 2). Enacting the proposals produces a poverty rate for people in households with job loss that is only 0.9 percentage points higher than for people in households in which no one lost a job in the pandemic recession.

FIGURE 2

Projected Poverty Rate in August through December 2020, Without and With Selected Policies Proposed in the HEROES Act



Source: Urban Institute projections as of July 24, using the ATTIS model.

Note: The currently-enacted COVID-19 pandemic response policies include three policies authorized in March with the passage of the CARES and Families First Coronavirus Response Acts: Economic Impact Payments (stimulus checks), expansions to SNAP eligibility and benefits, and expansions and extensions related to unemployment insurance benefits. The additional HEROES Act policies include a second round of stimulus checks, a 15 percent increase in SNAP maximum allotments and increase in the minimum benefit, and the extension of the \$600 weekly addition to UI benefits through January 2021. Our measure of poverty for August through December defines family resources as cash income plus the value of SNAP and the value of the stimulus and compares that amount to five-twelfths of the official poverty threshold. The value of the first stimulus check is not included in August–December resources.

Considering the impacts by race and ethnicity (table 2), the relative antipoverty impact of the policies is greatest for Hispanic people, whose August–December poverty rate is projected to decline 36 percent because of the policies. However, focusing on people in families with at least one person who lost a job, the proposed policies have the greatest impact on August–December poverty for Black non-Hispanic people; for that group, the projected August–December poverty rate is cut in half, from 20.4 percent without the policies to 10.1 percent with them.

Among the HEROES Act proposals examined here, the stimulus checks have the greatest projected antipoverty impact. A total of 8.3 million people are projected to have their family income for August to December raised above the poverty threshold by that policy alone (table 3). One reason for the broad impact is that the rebate is available regardless of a family’s employment status or immigration status. Almost three-quarters of the people whose incomes are raised above the poverty threshold by this policy are in households that do not include anyone who lost a job because of the pandemic recession; instead, they are in lower-income families for whom the additional cash, when added to their other August–December cash income plus SNAP benefits, raised their total resources above the poverty

threshold. As mentioned, the checks under this plan could be as large as \$6,000 for a couple with three children. Even for a smaller family, the check would represent a substantial share of the poverty threshold. For example, for a single parent with two dependent children, the check would be \$3,600, which is about 40 percent of the August–December poverty threshold for a family with one adult and two children.

TABLE 2

Projected Poverty Rate in August through December 2020, without and with Selected Policies Proposed in the HEROES Act, by Race and Ethnicity

	All People			People in Households with Job Loss from COVID-19		
	Currently enacted policies only	Including HEROES proposals	Percent change from HEROES policies	Currently enacted policies only	Including HEROES proposals	Percent change from HEROES policies
National	11.9%	8.1%	-32%	15.6%	9.0%	-43%
White non-Hispanic	8.7%	6.1%	-29%	12.2%	7.3%	-40%
Black non-Hispanic	19.3%	13.1%	-32%	20.4%	10.1%	-50%
Hispanic	17.5%	11.2%	-36%	20.6%	12.0%	-42%
AAPI non-Hispanic	10.8%	7.7%	-28%	14.3%	8.5%	-41%

Source: Urban Institute projections as of July 24, using the ATTIS model.

Notes: AAPI = Asian American and Pacific Islander. The currently enacted COVID-19 pandemic response policies include three policies authorized in March with the passage of the CARES and Families First Coronavirus Response Acts: Economic Impact Payments (stimulus checks), expansions to SNAP eligibility and benefits, and expansions and extensions related to unemployment insurance benefits. The additional HEROES Act policies include a second round of stimulus checks, a 15 percent increase in SNAP maximum allotments and increase in the minimum benefit, and the extension of the \$600 weekly addition to UI benefits through January 2021. Our measure of poverty for August–December defines family resources as cash income plus the value of SNAP and the value of the stimulus and compares that amount to five-twelfths of the official poverty threshold. The value of the first stimulus check is not included in August to December resources. Non-Hispanic people who do not identify as white, Black, or AAPI, or who identify with multiple races, are included in the total but not shown separately because of sample size limitations.

The policy with the next-largest projected antipoverty impact is the extension of the \$600 per week in additional UI benefits, which is enough to raise August–December resources above the poverty threshold for 3.6 million people. The additional payment, if received for five months, is more than the amount of the August–December poverty threshold for families with fewer than five people; however, not all jobless people receive UI, and some people who originally lost jobs are treated as having returned to work before the end of the year. In families that do receive the additional UI benefits during August through December, there is no reduction in their benefits from TANF, SNAP, or other programs, making families better off than if the higher UI would cause a loss of other benefits. A large majority of the people whose August–December income would be raised above the poverty threshold because of this policy are in households in which we simulated a recession-related job loss starting in April. In the model, people who would have been unemployed during the year even absent the recession are also simulated to receive the extra payment (because it would be difficult for UI offices to distinguish between those groups). If it turns out that people with job losses not tied to the pandemic are less likely

to receive the extra payment (e.g., if UI offices can indeed accurately determine that), our estimates of the impact on poverty may be overstated.

TABLE 3

Reduction in Number of People in Poverty, August through December 2020, from Selected Policies Proposed in the HEROES Act, by Race and Ethnicity

	Estimated number in poverty, currently-enacted policies only (millions)	Reduction in Number of People with Income below Poverty Threshold from Each Potential Policy (millions)			
		HEROES Act UI expansion	HEROES Act SNAP expansion	HEROES Act stimulus check	All policies
All People					
<i>National</i>	38.062	3.600	1.677	8.335	12.158
White non-Hispanic	16.747	1.451	0.691	3.387	4.940
Black non-Hispanic	7.445	0.707	0.365	1.566	2.393
Hispanic	10.256	1.094	0.474	2.598	3.706
AAPI non-Hispanic	1.969	0.176	0.051	0.402	0.560
People in households with recession-induced job loss					
<i>National</i>	10.579	3.048	0.467	2.310	4.500
White non-Hispanic	4.383	1.263	0.186	0.893	1.768
Black non-Hispanic	1.605	0.564	0.104	0.391	0.808
Hispanic	3.585	0.916	0.126	0.803	1.489
AAPI non-Hispanic	0.565	0.161	0.023	0.115	0.230

Source: Urban Institute projections as of July 24, using the ATTIS model.

Notes: AAPI = Asian American and Pacific Islander. The currently enacted COVID-19 pandemic response policies include three policies authorized in March with the passage of the CARES and Families First Coronavirus Response Acts: Economic Impact Payments (stimulus checks), expansions to SNAP eligibility and benefits, and expansions and extensions related to unemployment insurance benefits. The additional HEROES Act policies include a second round of stimulus checks, 15 percent increase in SNAP maximum allotments and increase in the minimum benefit, and the extension of the \$600 weekly addition to UI benefits through January 2021. Our measure of August–December poverty defines family resources as cash income plus the value of SNAP and the value of the stimulus and compares that amount to five-twelfths of the official poverty threshold. The value of the first stimulus check is not included in August–December resources. Non-Hispanic people who do not identify as white, Black, or AAPI, or who identify with multiple races, are included in the total but not shown separately due to sample size limitations.

Finally, we project that the SNAP expansions in the HEROES Act would raise about 1.7 million people’s August–December resources above the poverty threshold. Although the dollar amounts involved with this policy are lower than for the other two policies (e.g., \$97 extra a month for a four-person family receiving SNAP) many families have resources below but close to the poverty thresholds, and for some of those families, the additional SNAP resources are sufficient to raise their resources above the threshold.

If *all* of these policies were enacted, an estimated 12.2 million people would have their resources for August to December raised above the poverty threshold, including 4.5 million in households in which someone lost a job because of the recession, and 7.7 million in households without any recession-related job loss. The total projected reduction in the number of people with incomes below that poverty threshold is slightly less than the sum of the impacts of the individual policies. That is because some

families would have their resources raised over that threshold by more than one of the individual policies. On the other hand, for other families, a combination of policies is necessary to raise their resources above it.

The people projected to have their resources raised above the poverty threshold in August to December because of the selected HEROES Act policies include 4.9 million white non-Hispanic people, 2.4 million Black non-Hispanic people, 3.7 million Hispanic people, and 0.6 million Asian Americans and Pacific Islanders. The relative contributions of the policies are similar across the racial and ethnic groups, with a few exceptions. Among people who are projected to have resources below the threshold without additional policies, 25 percent of Hispanic people would rise above it for August–December because of the HEROES Act’s stimulus checks compared with 22 percent overall. Among people in households with job loss, 35 percent of Black non-Hispanic people are projected to be raised above the threshold by the HEROES Act’s UI policy (extending the \$600 a week increase) compared with 29 percent overall. (The percentages are based on the numbers in table 3 but are not shown in the table.)

Projected Poverty Rates by State in August to December if Selected Policies in the HEROES Act Were Enacted

The ATTIS model allows us to examine results at the state level as well as nationally. For all people (including those not affected by recession-induced job loss), the poverty rate for August to December absent any new policies is projected to range from 6.6 percent in Hawaii to 17.6 percent in Mississippi (table 4). For people in households affected by job loss, the August–December poverty rate is projected to be as high as 24.4 percent (in the District of Columbia).

The proposed HEROES Act policies modeled here—the extension of the extra \$600 in weekly UI benefits; the increase in the maximum SNAP allotment; and the second, more generous stimulus checks—have substantial antipoverty impacts in all states. For all people in a state combined, the percentage reduction in the August–December poverty rate because of the proposed policies ranges from 21 percent in North Dakota and Wyoming to 42 percent in Delaware. For people in households with job loss, the percentage reduction in the August–December poverty rate that is projected to occur if the proposed policies are enacted ranges from 23 percent in Washington to 55 percent in Alaska. The different results are likely attributable to many factors, including the degree of job loss from the recession and the extent and depth of prerecession poverty.

TABLE 4

Projected Poverty Rate in August through December 2020, Without and With Selected Policies Proposed in the HEROES Act, by State

	All people			People in households with recession-induced job loss		
	Currently enacted policies only	Including HEROES proposals	Percent change from HEROES policies	Currently enacted policies only	Including HEROES proposals	Percent change from HEROES policies
Alabama	15.5%	10.3%	-34%	23.5%	12.9%	-45%
Alaska	9.1%	5.6%	-38%	15.6%	7.0%	-55%
Arizona	12.8%	9.0%	-30%	18.9%	10.4%	-45%
Arkansas	15.3%	10.8%	-30%	20.2%	12.3%	-39%
California	11.6%	7.6%	-35%	14.4%	7.9%	-45%
Colorado	9.6%	7.1%	-26%	13.4%	8.4%	-37%
Connecticut	9.1%	6.0%	-34%	12.0%	6.8%	-43%
Delaware	11.8%	6.9%	-42%	17.6%	8.9%	-49%
District of Columbia	15.2%	10.9%	-28%	24.4%	12.8%	-47%
Florida	12.3%	8.1%	-34%	18.3%	8.6%	-53%
Georgia	12.7%	8.6%	-33%	16.0%	8.3%	-48%
Hawaii	6.6%	4.7%	-28%	6.6%	4.4%	-33%
Idaho	11.8%	7.9%	-33%	18.7%	11.4%	-39%
Illinois	10.9%	7.5%	-31%	13.8%	7.9%	-43%
Indiana	12.3%	8.9%	-28%	16.7%	10.1%	-39%
Iowa	9.8%	7.1%	-28%	16.2%	10.9%	-32%
Kansas	11.6%	8.2%	-29%	17.8%	11.3%	-36%
Kentucky	15.4%	10.9%	-30%	18.1%	11.4%	-37%
Louisiana	17.0%	11.5%	-32%	21.8%	10.3%	-53%
Maine	9.6%	7.0%	-27%	8.3%	5.5%	-34%
Maryland	8.2%	5.7%	-31%	12.0%	6.4%	-47%
Massachusetts	8.5%	5.4%	-36%	10.0%	5.7%	-42%
Michigan	13.9%	9.7%	-30%	17.8%	11.0%	-38%
Minnesota	8.9%	5.8%	-34%	12.2%	7.2%	-41%
Mississippi	17.6%	12.0%	-32%	23.1%	11.3%	-51%
Missouri	11.8%	8.0%	-32%	17.2%	10.0%	-42%
Montana	11.0%	7.7%	-30%	21.2%	14.1%	-34%
Nebraska	10.1%	7.6%	-24%	17.2%	11.7%	-32%
Nevada	12.9%	8.6%	-33%	16.5%	8.7%	-47%
New Hampshire	7.4%	5.3%	-29%	9.1%	5.8%	-36%
New Jersey	9.0%	6.4%	-29%	11.0%	7.3%	-33%
New Mexico	17.1%	11.8%	-31%	20.6%	11.9%	-42%
New York	12.3%	7.8%	-36%	14.9%	8.2%	-45%
North Carolina	13.4%	8.9%	-34%	21.6%	10.2%	-53%
North Dakota	10.6%	8.3%	-21%	18.7%	11.1%	-41%
Ohio	12.6%	9.0%	-29%	16.5%	10.8%	-35%
Oklahoma	13.1%	9.1%	-30%	18.9%	11.7%	-38%
Oregon	11.0%	7.5%	-32%	15.6%	11.3%	-28%
Pennsylvania	10.3%	6.9%	-33%	12.1%	6.8%	-44%
Rhode Island	11.4%	8.0%	-30%	14.3%	9.3%	-35%
South Carolina	13.8%	9.2%	-33%	18.6%	8.6%	-54%
South Dakota	11.5%	8.7%	-25%	18.4%	9.3%	-49%
Tennessee	14.1%	9.4%	-33%	20.3%	10.5%	-48%
Texas	13.5%	9.3%	-31%	18.1%	11.7%	-35%
Utah	8.6%	6.2%	-27%	13.7%	8.8%	-36%
Vermont	10.4%	6.7%	-36%	10.5%	6.2%	-41%

	All people			People in households with recession-induced job loss		
	Currently enacted policies only	Including HEROES proposals	Percent change from HEROES policies	Currently enacted policies only	Including HEROES proposals	Percent change from HEROES policies
Virginia	10.0%	7.4%	-26%	14.9%	9.3%	-37%
Washington	9.4%	7.0%	-25%	13.1%	10.1%	-23%
West Virginia	15.3%	10.0%	-34%	19.8%	9.8%	-51%
Wisconsin	10.7%	6.8%	-36%	15.8%	8.3%	-47%
Wyoming	10.6%	8.3%	-21%	16.7%	12.0%	-29%

Source: Urban Institute projections as of July 24, using the ATTIS model.

Note: The currently enacted COVID-19 pandemic response policies include three policies authorized in March with the passage of the CARES and Families First Coronavirus Response Acts: Economic Impact Payments (stimulus checks), expansions to SNAP eligibility and benefits, and expansions and extensions related to unemployment insurance benefits. The additional HEROES Act policies include a second round of stimulus checks, a 15 percent increase in SNAP maximum allotments and increase in the minimum benefit, and the extension of the \$600 weekly addition to UI benefits through January 2021. Our measure of August-December poverty defines family resources as cash income plus the value of SNAP and the value of the stimulus and compares that amount to five-twelfths of the official poverty threshold. The value of the first stimulus check is not included in August-December resources.

Among people projected to have resources below the poverty threshold in August to December absent additional supports, the relative impacts of the proposed HEROES Act policies in individual states are similar to the impacts seen in the national results: the proposed stimulus checks have the largest antipoverty impact, followed by the extension of the federal UI payments and then the SNAP expansion. In absolute terms, the number of people projected to have resources above the poverty threshold if the HEROES Act proposals were enacted who would otherwise fall below it ranges from 13,000 in Wyoming to over 1.5 million in California (table 5).

TABLE 5
Reduction in Number of People in Poverty, August through December 2020, Due to Selected Policies Proposed in the HEROES Act, by State

Thousands of people

	Estimated number in poverty, currently enacted policies only	Reduction in Number of People with Income below Poverty Threshold from Each Potential Policy			
		HEROES ACT UI expansion	HEROES Act SNAP expansion	HEROES Act stimulus check	All policies
Alabama	739	59	41	172	248
Alaska	64	12	2	14	25
Arizona	898	72	35	199	268
Arkansas	449	24	23	100	133
California	4,487	551	163	1,087	1,559
Colorado	534	38	19	96	139
Connecticut	314	42	10	71	108
Delaware	111	23	4	33	47
District of Columbia	101	8	3	18	28
Florida	2,574	289	106	531	879

	Estimated number in poverty, currently enacted policies only	Reduction in Number of People with Income below Poverty Threshold from Each Potential Policy			All policies
		HEROES ACT UI expansion	HEROES Act SNAP expansion	HEROES Act stimulus check	
Georgia	1,302	94	66	310	424
Hawaii	90	6	11	19	25
Idaho	204	14	7	46	68
Illinois	1,350	132	58	278	415
Indiana	799	75	29	141	224
Iowa	301	24	10	57	83
Kansas	327	23	15	71	94
Kentucky	669	51	31	129	198
Louisiana	772	80	37	166	251
Maine	125	8	5	24	34
Maryland	486	51	25	98	152
Massachusetts	565	63	44	156	206
Michigan	1,354	148	67	277	411
Minnesota	485	50	25	119	166
Mississippi	509	40	28	110	162
Missouri	702	68	30	156	228
Montana	114	11	4	20	34
Nebraska	189	14	6	32	46
Nevada	388	47	19	81	129
New Hampshire	98	8	8	19	28
New Jersey	786	74	23	159	224
New Mexico	352	30	24	69	109
New York	2,330	298	114	580	848
North Carolina	1,356	161	48	289	455
North Dakota	78	8	3	8	17
Ohio	1,437	81	54	299	410
Oklahoma	502	25	23	111	153
Oregon	449	23	30	106	142
Pennsylvania	1,271	147	56	265	415
Rhode Island	116	11	6	26	35
South Carolina	683	75	31	150	226
South Dakota	98	7	3	18	24
Tennessee	932	78	48	213	307
Texas	3,785	235	157	849	1,172
Utah	266	22	10	47	72
Vermont	62	4	2	17	22
Virginia	828	56	34	159	219
Washington	697	30	26	128	177
West Virginia	269	28	18	56	93
Wisconsin	606	82	37	142	217
Wyoming	60	3	0 ^a	11	13

Source: Urban Institute projections as of July 24, using the ATTIS model.

Note: The currently enacted COVID-19 pandemic response policies include three policies authorized in March with the passage of the CARES and Families First Acts: Economic Impact Payments (stimulus checks), expansions to SNAP eligibility and benefits, and expansions and extensions related to unemployment insurance benefits. The additional HEROES Act policies include a second round of stimulus checks, a 15 percent increase in SNAP maximum allotments and increase in the minimum benefit, and the extension of the \$600 weekly addition to UI benefits through January 2021. Our measure of August–December poverty defines family resources as cash income plus the value of SNAP and the value of the stimulus and compares that amount to five-twelfths of the official poverty threshold. The value of the first stimulus check is not included in August to December resources.

^a Value rounds to under 1,000.

Conclusion

The ATTIS poverty projections suggest that absent additional policy action, poverty rates in August to December will be higher than for the year as a whole for two primary reasons: the extra \$600 a week in UI benefits is currently slated to stop at the end of July, and low-income families may need to spend any stimulus checks they received in the spring before the end of the summer. Without additional support policies, we project an August–December poverty rate of 11.9 percent (compared with 8.9 percent for the year as a whole), with 15.6 percent estimated for people in families with job loss (compared with 9.1 percent for the year as a whole). (Because our measure of poverty counts SNAP benefits together with cash, poverty rates are lower than rates produced by the official poverty measure.)

To assess the potential for additional policies to mitigate poverty in August to December, we projected poverty considering key policies in the HEROES Act both individually and combined. We modeled these policies because they were documented and well specified. The policies proposed in the HEROES Act would lead to substantially fewer people with resources below the poverty threshold in August through December. With key HEROES Act policies in place (the continued boost of \$600 a week to UI benefits; the additional SNAP expansions, including a 15 percent increase in maximum SNAP allotments and increase in the SNAP minimum benefit; and an additional stimulus check that has expanded eligibility for noncitizens and higher amounts for dependents), poverty rates in August to December are projected to fall to 8.1 percent overall and 9.0 percent for people in households with job loss. We project that the aforementioned policies would keep 12.2 million people out of poverty in the August–December period.

Among the HEROES Act policies we modeled, the stimulus checks would have the greatest antipoverty impact, resulting in 8.3 fewer people with resources below the poverty threshold in August to December, including 2.3 million people in households with job loss and 6.0 million people in households without job loss (although some of those people might be in families in which someone’s hours or earnings were reduced). The substantial impacts on people who were not affected by job loss are because the stimulus check amounts are large relative to the August–December poverty thresholds used for this analysis. In other words, a generous stimulus payment acts as an antipoverty policy. Less generous stimulus checks might have a smaller antipoverty impact, though the results would depend on the policy specifics.

The HEROES Act’s UI policy, extending the additional \$600 weekly payment, also has a strong antipoverty effect; we project that 3.6 million fewer people would have resources below the poverty threshold in August to December if this policy were enacted. An extended federal UI payment at a lower level would be expected to have somewhat smaller antipoverty effects.

The HEROES Act’s SNAP policy (increasing SNAP maximum allotments 15 percent) has the least independent impact of the three policies, reducing the number of people projected to have resources below the poverty threshold from August to December by 1.7 million absent the other policies. There are likely additional people who would have their income raised over the poverty threshold when this

policy is combined with one or both of the other policies who would *not* rise above it with the other policies alone.

The HEROES Act's policies would have substantial antipoverty effects for all racial and ethnic groups, reducing the August–December poverty rate 29 percent for white non-Hispanic people, 32 percent for Black non-Hispanic people, 36 percent for Hispanic people, and 28 percent for Asian Americans and Pacific Islanders. For Black non-Hispanic people in households that lost a job because of the recession, the proposed policies cut the projected August–December poverty rate in half, from 20.4 percent to 10.1 percent.

Absent any additional support, rates of hardship will increase from current levels, particularly for households that continue to include someone who is unemployed. Policymakers can consider these results as they debate the appropriate types and levels of additional stimulus and additional support for people remaining out of work.

Notes

- ¹ These policies were passed as part of the “CARES Act,” H.R. 748, 116th Cong. (2020); and the “Families First Coronavirus Response Act,” H.R. 6201, 116th Cong. (2020).
- ² This most recent CBO projection, of a fourth-quarter unemployment rate of 10.5 percent, is somewhat lower than in its work released in May with a projection of 11.5 percent (CBO 2020a). But in some parts of the country, the public health and economic crises have worsened throughout July rather than improved, increasing uncertainty about the trajectory of the economic recovery in the upcoming months.
- ³ For example, see an analysis of changes in employment and hours using data from the Homebase scheduling and hours tracking system by researchers at the University of Chicago’s Rustandy Center. See Alexander Bartik, Marianne Bertrand, Feng Lin, Jesse Rothstein, and Matt Unrath, “Week 7 and 8: Labor Market Impacts of COVID-19 On Businesses: Update with Homebase Data Through May 23,” University of Chicago Rustandy Center blog, May 29, 2020, <https://www.chicagobooth.edu/research/rustandy/blog/2020/week-7-labor-market-impacts-from-covid19>.
- ⁴ “HEROES Act,” H.R. 6800, 116th Cong. (2020), <https://www.congress.gov/bill/116th-congress/house-bill/6800>.
- ⁵ For the current SNAP maximum allotments, see the memorandum from the Food and Nutrition Service to SNAP regional directors, “SNAP – Fiscal Year 2020 Cost-of-Living Adjustment,” July 24, 2019, <https://fns-prod.azureedge.net/sites/default/files/media/file/COLA%20Memo%20FY%202020.pdf>.
- ⁶ The projected annual poverty rate of 8.9 percent stated here is slightly lower than the 9.2 percent figure given in Giannarelli, Wheaton, and Acs (2020) because when that prior projection was made, the SNAP waivers allowing all recipients to receive the maximum monthly allotment were only allowed through the end of July; this projection assumes most states will continue to request and receive waivers through the end of October.
- ⁷ Some job loss was of relatively short duration; other people are projected to be out of work from April through the end of the year.
- ⁸ As an initial step in using a year of ACS data for ATTIS modeling, we allocate the annual income amounts that people report in the survey across the months of the year. Earnings are allocated based on the number of weeks that a person says he or she worked. Income from Social Security and other retirement sources, investment income, and public assistance income that is assumed not to be from TANF is allocated evenly across the year. The amount of income that people report in response to a question about any other income is first imputed to be either child support income (in which case it may be allocated to some or all months based on patterns observed in survey data), unemployment compensation (in which case it is allocated to weeks of unemployment), or some other type of income (in which case it is allocated evenly across the year). Monthly TANF income and monthly

income from the Supplemental Security Income (SSI) program is estimated through the simulation process. We then adjust earnings, unemployment compensation, and other program benefits when simulating the recession.

- ⁹ On an annual basis, our modified poverty definition produces a poverty rate of 11.1 percent for 2018 as a whole. The August–December rate under our definition is slightly higher than the annual rate under our definition because the assessed period is smaller, which means families have less opportunity for higher income at one point to compensate for lower income at another point. The annual poverty rate estimate for 2018 produced by our definition differs from the official poverty rate for 2018 (11.8 percent; see Semega et al. 2020) because of three main factors. First, we use ACS data rather than the Current Population Survey’s Annual Social and Economic Supplement data used for the official estimate. Before any other adjustment, our estimated poverty rate for the 2018 ACS is 12.9 percent, which is higher than the official rate. Second, part of the preparation process for ATTIS modeling is to augment the survey-reported amounts of TANF, SSI, and UI benefits to adjust for underreporting and come closer to actual levels. This lowers our estimated annual poverty rate to 12.5 percent. Finally, we include the value of SNAP in resources, lowering our estimated poverty rate to 11.1 percent. (Stimulus checks are not relevant for our 2018 measure because there were no stimulus checks in 2018.)
- ¹⁰ Jim Tankersley and Ben Casselman, “A Resurgence of the Virus, and Lockdowns, Threatens Economic Recovery,” *New York Times*, July 15, 2020, <https://www.nytimes.com/2020/07/15/business/economy/economic-recovery-coronavirus-resurgence.html>.
- ¹¹ For each of 19 industry groups, we used Bureau of Labor Statistics establishment survey data to compute total job loss by subtracting the lower of the April or May employment number from the February figure. The sum of the industry-specific job-loss figures was 22.7 million. We increased that figure 5.8 percent to adjust for the fact that the establishment survey does not include self-employed people or people in agricultural jobs.
- ¹² “Current Employment Statistics – CES (National),” US Bureau of Labor Statistics, accessed July 21, 2020, <https://www.bls.gov/ces/data/employment-situation-table-download.htm>.
- ¹³ “Employment Situation,” news release, US Bureau of Labor Statistics, last updated June 5, 2020, <https://www.bls.gov/news.release/empstat.toc.htm>.
- ¹⁴ From the Bureau of Labor Statistics’ establishment survey data, we computed the share of people who lost their jobs who were back at work by May (i.e., they were out of work for one month). That share was 11 percent overall but varied by industry (up to 44 percent for construction). Also, CBO projections for 2020 (2020a) suggest that among all those who lost their job, about 40 percent will be back at work by the middle of the fourth quarter. Our job-loss assignments capture both the industry-specific initial returns to work and the overall estimate that 40 percent of the people who lost jobs in the spring will be back at work by November or earlier. For each industry, job returns are distributed evenly between June and November, with one-third to one-half of the all people who lost their jobs still unemployed in December, depending on the industry.
- ¹⁵ The CBO has estimated that if the \$600 in additional weekly UI were extended through December, August–December employment would be somewhat lower than it would be without that extension. See the letter from Philip Swagel to Sen. Charles Grassley, “Re: Economic Effects of Additional Unemployment Benefits of \$600 per Week,” June 4, 2020, <https://www.cbo.gov/system/files/2020-06/56387-CBO-Grassley-Letter.pdf>.
- ¹⁶ The assumption regarding unauthorized immigrants may slightly understate eligibility for UI benefits, because unauthorized immigrants with Temporary Protected Status or Deferred Action for Childhood Arrivals status may be considered legally able to work and therefore eligible. On the other hand, we may be somewhat overstating immigrants’ eligibility for UI by assuming that temporary residents are always eligible for UI; the actual rules are complex and vary by specific status and by state. People with annual earnings under \$1,000 are assumed to have had only casual earnings that would not have been sufficiently documented to have been able to qualify for pandemic UI.
- ¹⁷ For example, for the week of June 13, 2009, 6.1 million people received regular state unemployment benefits, and an additional 2.7 million received some type of extended benefit (using non-seasonally-adjusted numbers) for a total of 8.8 million. The number of unemployed people in June 2009 (not seasonally adjusted) was 15.1 million, suggesting that 58 percent of all unemployed people in that month received unemployment benefits. See “Unemployment Insurance Weekly Claims Report,” news release, US Department of Labor, July 2, 2009; and “Labor Force Statistics from the Current Population Survey—Series ID LNU03000000: Unadjusted Unemployment Level,” US Bureau of Labor Statistics, accessed June 30, 2020,

https://data.bls.gov/timeseries/LNU03000000?years_option=all_years&periods_option=specific_periods&periods=Annual+Data.

We assume that 80 percent of wage earners who lose their jobs and are eligible for UI benefits receive them, along with 60 percent of unemployed self-employed people who are eligible for benefits through the Pandemic Unemployment Assistance provision. The likelihood of participation is reduced by half for students.

- ¹⁸ For the simulation, the \$600 payment is deflated from 2020 dollars to the 2018 dollars of the ACS survey data using the change in the consumer price index for all urban consumers between May 2018 and May 2020.
- ¹⁹ The CBO estimates a fourth-quarter unemployment rate of 10.5 percent, or 16.8 million people. If about 61 percent receive UI benefits (with the remainder not eligible or not receiving benefits for other reasons), the monthly cost of the \$600 per week addition is \$26 billion.
- ²⁰ “Most States Are Using New Flexibility in SNAP to Respond to COVID-19 Challenges,” Center on Budget and Policy Priorities, last updated June 22, 2020.
- ²¹ Department of Health and Human Services spokesperson Michael Caputo has tweeted that the federal emergency declaration will be extended another 90 days when it expires on July 25; see Justin Coleman, “Governors Demand Trump Renew Public Health Emergency,” *The Hill*, July 8, 2020, <https://thehill.com/homenews/state-watch/506406-governors-demand-trump-administration-renew-public-health-emergency>. We obtained SNAP waiver information from the Food and Nutrition Service website. See “SNAP COVID-19 Emergency Allotments Guidance,” US Department of Agriculture, last updated July 23, 2020, <https://www.fns.usda.gov/snap/covid-19-emergency-allotments-guidance>. Wisconsin did not receive the waiver after May. All other states had June waivers, and all but Massachusetts and New York are shown on the Food and Nutrition Service website as having waivers for July (as of July 23). We assume that Massachusetts and New York will both receive July waivers because both have announced July waivers on their state websites.
- ²² Head-of-household filers receive the same \$1,200 maximum check as single filers but their benefit begins phasing out at a higher point of \$112,500. Also, for purposes of our simulation, all dollar amounts in the policy are deflated from 2020 to 2018 dollars based on the change in the consumer price index for all urban consumers from May 2018 to May 2020.
- ²³ The HEROES Act includes other tax provisions, including expansion and payment of the child tax credit on an advanced basis. We do not model those changes.
- ²⁴ We do not capture automatic payments to people receiving veterans benefits because income from this source is not separately identified in the ACS. We assume that 10 percent of nonfilers who receive the rebate because of Social Security benefits or SSI would provide the information necessary to receive extra payments for their spouse and any dependents and that 78 percent of other nonfilers would provide the additional information needed to claim a rebate. The selections are random and do not account for the possibility that people with Individual Taxpayer Identification Numbers might be less likely to apply for the payments if they or their family members are unauthorized or if they are concerned that receiving the benefit could affect future immigration status. (See Bernstein et al. 2020).
- ²⁵ All SSI recipients either (a) are age 65 or older or (b) have disabilities and are generally not working. However, SSI benefits could change for some people following job loss within the household because income may be “deemed available” from the parents of an SSI recipient who is a dependent child or from the ineligible spouse of an SSI recipient who is married.
- ²⁶ The projected annual poverty rate of 8.9 percent stated here is slightly lower than the 9.2 percent figure given in Giannarelli, Wheaton, and Acs (2020) because when that prior projection was made, we assumed that the SNAP waivers allowing all recipients to receive the maximum monthly allotment were only allowed through the end of July; this projection assumes most states will continue to request and receive waivers through the end of October.
- ²⁷ Comparing data from the February 2020 and April 2020 Current Population Surveys, as shown in tables A-2 and A-3 of the Bureau of Labor Statistics’ Employment Situation reports, the number of employed white people fell 15.5 percent from February to April, but the decline was 17.7 percent for Black people and 20.9 percent for Hispanic people. See “Employment Situation,” US Bureau of Labor Statistics, last modified July 2, 2020, <https://www.bls.gov/news.release/empstoc.htm>.

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