THE HAMILTON PROJECT

FRAMING PAPER | JUNE 2022

Targeting, Universalism, and Other Factors Affecting Social Programs' Political Strength

Robert Greenstein

ACKNOWLEDGMENTS

The author is deeply grateful to Richard Kogan of the Center on Budget and Policy Priorities both for producing the interactive budget table with five decades of budget data that is central to this paper and for his guidance on analyzing those data and other matters; Kogan is also the author of the two technical appendices to the paper. The author is also grateful to the CBPP data team and especially Danilo Trisi for running an array of poverty data and advising on its use. And the author is greatly appreciative for the many insightful comments he received from Bob Reischauer, Wendell Primus, Diane Whitmore Schanzenbach, Belle Sawhill, Sheldon Danziger, Jason Furman, Sarah Reber, Indivar Dutta-Gupta, Adam Looney, David Wessel, Wendy Edelberg, and Lauren Bauer—which improved the paper—and to Larry Haas both for his comments and his expert editorial assistance and counsel on how to improve the paper's structure and presentation. The author also thanks the Kennedy School of Government and its dean Douglas Elmendorf for inviting him to deliver the 2022 Godkin Lecture in April 2022, which was drawn from a draft of this paper.

The author is especially indebted to his colleagues at The Hamilton Project. He is particularly grateful to Natalie Tomeh for excellent research and other assistance; Mitchell Barnes, Sara Estep, and Moriah Macklin for valuable research support; and Lauren Bauer for guiding him in turning the draft of the paper into a finished product. The author also thanks Jeanine Rees for the design of various figures and the layout of the paper and Alison Hope for final copy-editing, and is grateful to Laura Mooney of the Brookings Institution's library team for tracking down so many articles and books used in this paper. Finally, the author would like to thank a number of his former colleagues at CBPP for patiently responding to various questions, and especially to Anton Marx, without whose help on a number of fronts the paper would not have reached fruition.

THE HAMILTON PROJECT MISSION STATEMENT

The Hamilton Project seeks to advance America's promise of opportunity, prosperity, and growth.

We believe that today's increasingly competitive global economy demands public policy ideas commensurate with the challenges of the 21st Century. The Project's economic strategy reflects a judgment that long-term prosperity is best achieved by fostering economic growth and broad participation in that growth, by enhancing individual economic security, and by embracing a role for effective government in making needed public investments.

Our strategy calls for combining public investment, a secure social safety net, and fiscal discipline. In that framework, the Project puts forward innovative proposals from leading economic thinkers—based on credible evidence and experience, not ideology or doctrine—to introduce new and effective policy options into the national debate.

The Project is named after Alexander Hamilton, the nation's first Treasury Secretary, who laid the foundation for the modern American economy. Hamilton stood for sound fiscal policy, believed that broad-based opportunity for advancement would drive American economic growth, and recognized that "prudent aids and encouragements on the part of government" are necessary to enhance and guide market forces. The guiding principles of the Project remain consistent with these views.

THE HAMILTON PROJECT

THE HAMILTON PROJECT

Targeting, Universalism, and Other Factors Affecting Social Programs' Political Strength

Robert Greenstein
The Hamilton Project and Economic Studies, The Brookings Institution

June 2022

BROOKINGS

Contents

Summary and Overview

A popular narrative in policy circles holds that federal programs that are targeted by income almost invariably fare poorly politically and tend to be cut or eliminated over time.[1] "Programs for the poor," an old adage states, "are poor programs." By contrast, the narrative holds, programs that are universal (i.e., available to people at all income levels) fare far better in the political process.[2]

The experience of recent decades, however, raises doubts about this narrative. As this paper shows, over the 40 years preceding COVID-19 and the accompanying recession—1979 to 2019—mandatory programs[3] that are targeted by income grew faster and expanded more as a group than mandatory programs that are universal. Consequently, as a share of total mandatory spending, targeted programs rose significantly while universal programs remained unchanged.[4] Universality *does* confer some advantages. But multiple factors affect a program's political strength—in other words, whether a program endures and even expands over time or whether it is cut or eliminated. Among both targeted and universal mandatory programs, some have grown significantly while others have been cut. The variation among programs within these two program groups exceeds the variation between the two groups, indicating that other factors have significant impacts on how social programs fare.

This paper primarily examines how targeted and universal programs fared from 1979 to 2019, both of which were peak years of an economic expansion, while also providing data that start in the 1960s. In addition, it identifies program characteristics beyond a program's targeted or universal nature that contribute to political weakness or strength. The paper also examines several other aspects of targeted and universal programs, including their poverty-reducing impacts, their take-up rates (i.e., the percentage of eligible people who participate in them), and issues related to program access.[5]

Targeted mandatory programs, as noted, have grown faster and expanded more than universal programs even as the aging of the population has significantly raised Social Security and Medicare enrollment and costs. The growth in Medicaid, SNAP (the Supplemental Nutrition Assistance Program, or food stamps), the Earned Income Tax Credit (EITC), and the refundable (or low-income) component of the Child Tax Credit (CTC)—all targeted programs—has been particularly dramatic and has played a large role in substantially increasing the share of low-income people that US social programs keep out of poverty. Yet while those programs were expanded, cash welfare assistance for poor mothers and children (Aid to Families with Dependent Children, or AFDC, and its successor, Temporary Assistance for Needy Families, or TANF) has been cut severely. So have state and local cash welfare programs (often termed general assistance) for very poor people who are not raising children and are neither elderly nor disabled.

Universal programs have also experienced a range of outcomes. Medicare expanded in 2003 when policymakers added a prescription drug benefit to it (although they also enacted a number of cuts aimed at Medicare providers in recent decades and raised Medicare premiums substantially for affluent beneficiaries). But unemployment insurance (UI) has fared poorly outside of recessions, with cuts at both the federal level and at the state level in various states. Other than during recessions—when the federal government typically expands UI benefits with federal financing but only on a temporary basis—UI has been serving less than 30 percent of the unemployed, which is considerably less than several decades ago. In addition, while Social Security grew overall—primarily due to the aging of the population and increased applications for disability benefits—policymakers in the early 1980s reduced Social Security retirement benefits, mainly for people who would retire in future decades, and those reduced benefits are now a basic part of the program's benefit structure. Those reductions include an increase in Social Security's "full retirement age" that translates into a significant benefit cut for most new retirees.

The data and history thus demonstrate, among other things, that cash welfare aid does not represent how targeted programs in general fare, nor does Medicare or Social Security reflect how all universal programs fare. That is true for several reasons: First, the divergent treatment of different programs in both the targeted and universal categories—particularly the harsh cuts to cash welfare assistance and the erosion of UI outside of recessions even as other programs expanded—is consistent with years of public opinion surveys that reveal public hostility to cash aid for people who are not employed but who are considered capable of doing so, alongside public support for assisting struggling families with specific necessities such as food and health care.

Second, to qualify for Social Security and Medicare people generally must have an extensive employment record and be elderly or have serious work-limiting disabilities (or be the spouse or survivor of someone with an extensive work record). Cash welfare aid, by contrast, goes primarily to people with little or no earnings. Comparing how Social Security and Medicare have done politically with how cash public assistance has done conflates the targeted-versus-universal issue with the work issue (i.e., the view that beneficiaries should be employed or have a substantial employment record).

Targeted programs also seem to have one political advantage over universal programs, particularly when policymakers are considering program expansions: lower costs. For policymakers, cost is often a prime consideration. If they must pay for program expansions to secure the needed votes in Congress, or if proposed expansions face resistance on Capitol Hill due to concerns about deficits and debt, the lower cost of expansions in targeted programs can enhance their political prospects relative to expansions in universal programs. That dynamic played out during deliberations over the Build Back Better (BBB) legislation when the House-passed BBB of November 2021 included expansions in two targeted health programs—Medicaid and the Patient Protection and Affordable Care Act's (ACA) premium subsidies—but not the addition of a universal dental and vision benefit in Medicare, primarily due to its high cost.

Why Some Programs Fare Better Than Others

That some programs have fared well while others have fared poorly raises the question—central to this paper—of whether we can identify other program characteristics that are associated with political strength or weakness, especially among targeted programs. As this paper explains, programs appear to be stronger and more durable politically when they:

- are tied to work, especially when beneficiaries have financed their benefits at least in part through payroll-tax contributions;
- serve working families significantly above the poverty line and often at least part of the middle class along with those who are poor, rather than only the latter;
- are fully federally financed;
- are federally administered or, if not, at least have federally established minimum eligibility, benefit, and access standards that apply nationally, rather than leaving those standards largely or entirely to the states;
- provide benefits either in-kind or through the tax code rather than as straight cash (except for those going to people who are elderly or who have disabilities);
- are focused on groups such as the elderly or children, for whom there is more public support (and who are not expected to be employed);
- operate as entitlement programs rather than as discretionary programs that policymakers fund through the annual appropriations process; and
- are considered by policymakers as highly effective in achieving important goals.

One particularly noteworthy development of recent decades is the creation and spread of what might be considered a new model for targeted programs, under which they serve not only those who are poor but also those who are at least somewhat above the poverty line and, in many cases, a significant share of the middle class. The targeted mandatory programs that have fared badly (i.e., cash welfare programs) are limited to the very poor, with state-determined income limits that are well below the poverty line. By contrast, the targeted programs that have expanded robustly now nearly all serve beneficiaries with incomes well above the poverty line, and several of the programs now extend close to or above median family income levels.[6]

The EITC provided benefits in 2021 to a married couple with two children with income up to $53,865. The income limit in 2020 in the median state for children in Medicaid or the companion Children's Health Insurance Program (CHIP) was 255 percent of the poverty line, or $55,386 for a family of three and $66,810 for a family of four that year.[7] And the premium tax-credit subsidies that help people buy health-care coverage in the ACA's health-insurance marketplace are targeted on people with incomes up to four times the poverty line, which in 2022 exceeds $92,000 for a family of three and $110,000 for a family of four.[8]

Along with broadening the clienteles of programs without making them universal, the extensions of various programs to cover at least part of the middle class may have altered the racial imagery surrounding some programs. Cash welfare has been infused with racist themes and negative stereotypes of Black female-headed households. As Martin Gilens demonstrated in *Why Americans Hate Welfare* (1999), racial prejudice has been a potent force behind the paucity of AFDC and TANF cash aid. By contrast, the imagery of Social Security has been whiter. The evolution of various targeted programs into ones that serve poor, modest-income, and some or many middle-income families together likely has lessened racially driven animus toward those programs.

Program performance, however, is not simply the issue of whether a program has been expanded or cut, or how rapidly its costs have grown. Also important, for example, is the issue of take-up rates.

Universal programs generally have higher take-up rates and fewer barriers to access than targeted programs. But here, too, the story is more complex than is often recognized. Among targeted programs, the evidence shows changes in SNAP and Medicaid over the past 25 years have improved access and substantially raised take-up rates. Some major targeted programs now have impressive take-up rates that equal or exceed those of some universal programs. Among universal programs, take-up rates are particularly low for UI. Once again, the variations *among* targeted programs and *among* universal programs appear to exceed the variation *between* the two program categories.

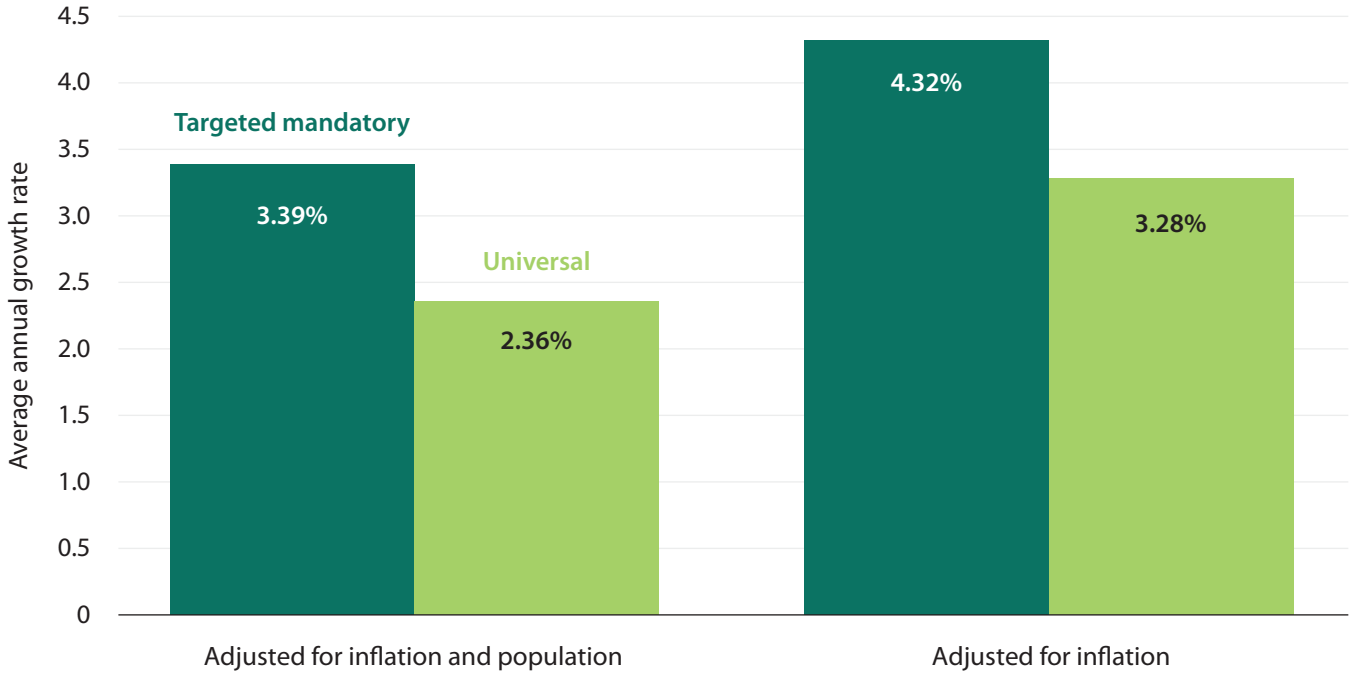
This paper now examines these issues in more detail. It concludes with a discussion of how the matters examined here might inform efforts to strengthen US social programs in the years ahead.

Growth and Retrenchment in Targeted and Universal Programs

Both targeted and universal mandatory programs have grown over the past four decades, as well as in the 1960s and 1970s. But while the universal programs remain much larger than the targeted programs, the latter programs have grown significantly faster. Decades of federal budget data that Richard Kogan of the Center on Budget and Policy Priorities (CBPP) assembled, and that are accessible on this paper's page on The Hamilton Project website, show that over the 1979–2019 period, mandatory programs that are *targeted*—which include SNAP, Medicaid, Supplemental Security Income (SSI), cash welfare assistance for families with children, subsidies to make health coverage affordable in the ACA marketplaces, and the EITC[9]—grew at an average annual rate of 3.39 percent, after adjusting for inflation and increases in the size of the US population[10] (which is the most meaningful way to assess spending changes in such programs over a period in which the population grew substantially). The three major *universal* benefit programs—Social Security (including its disability and survivors' components), Medicare, and

FIGURE 1.

Targeted Mandatory Programs Have Grown Faster Than the Three Main Universal Programs: Average Annual Growth Rates (1979–2019)



Source: Kogan 2022.

Note: The three main universal programs are Social Security, Medicare, and Unemployment Insurance. See endnote 9 and Appendix B for a list of the targeted mandatory programs. In adjusting for inflation and population, we index the historical values of the CPI-U-RS (a series the BLS created to apply recent improvements in inflation measurement to earlier years) to the fiscal year 2019 value of the CPI-U and index each fiscal year's overall US population total to its fiscal year 2019 level. For more details, see Appendix A.

THE HAMILTON PROJECT
BROOKINGS

UI[11]—grew at an average annual rate of 2.36 percent over this period, or nearly a third less quickly.[12]

Similarly, targeted mandatory programs grew 280 percent between 1979 and 2019 after adjusting for inflation and population growth, while the three major universal programs grew 154 percent. In one telling comparison, the universal Medicare program and the targeted Medicaid program both grew at impressive rates between 1979 and 2019, but Medicaid grew more swiftly: it grew at an annual average rate of 4.94 percent per year, after adjusting for inflation and population, as compared with an annual average rate of 4.12 percent for Medicare.[13] (See Figure 1.)

Largely reflecting this difference in growth rates, the share of total mandatory spending (not counting interest payments on the debt) that the targeted programs constitute climbed from 19.7 percent in 1979 to 29.4 percent in 2019 (and averaged 30.3 percent over the five years from 2015 through 2019). The three major universal programs, by contrast, did not rise as a share of total mandatory spending during this period, and accounted for 61.0 percent of it in both 1979 and 2019. (Both targeted and universal mandatory programs increased as a share of the *total* federal budget, since growth in mandatory programs far outdistanced that in discretionary programs.) (See Figure 2.)

Nor does the story change if the comparison starts in the 1960s rather than in 1979. After adjusting for inflation and population growth, targeted mandatory programs grew at an annual average rate of 4.9 percent over the 1965–2019 period and 4.4 percent over the 1969–2019 period. The three universal programs grew at a slower, 3.8 percent rate over the period starting in 1965 and a 3.3 percent rate over the period starting in 1969.[14]

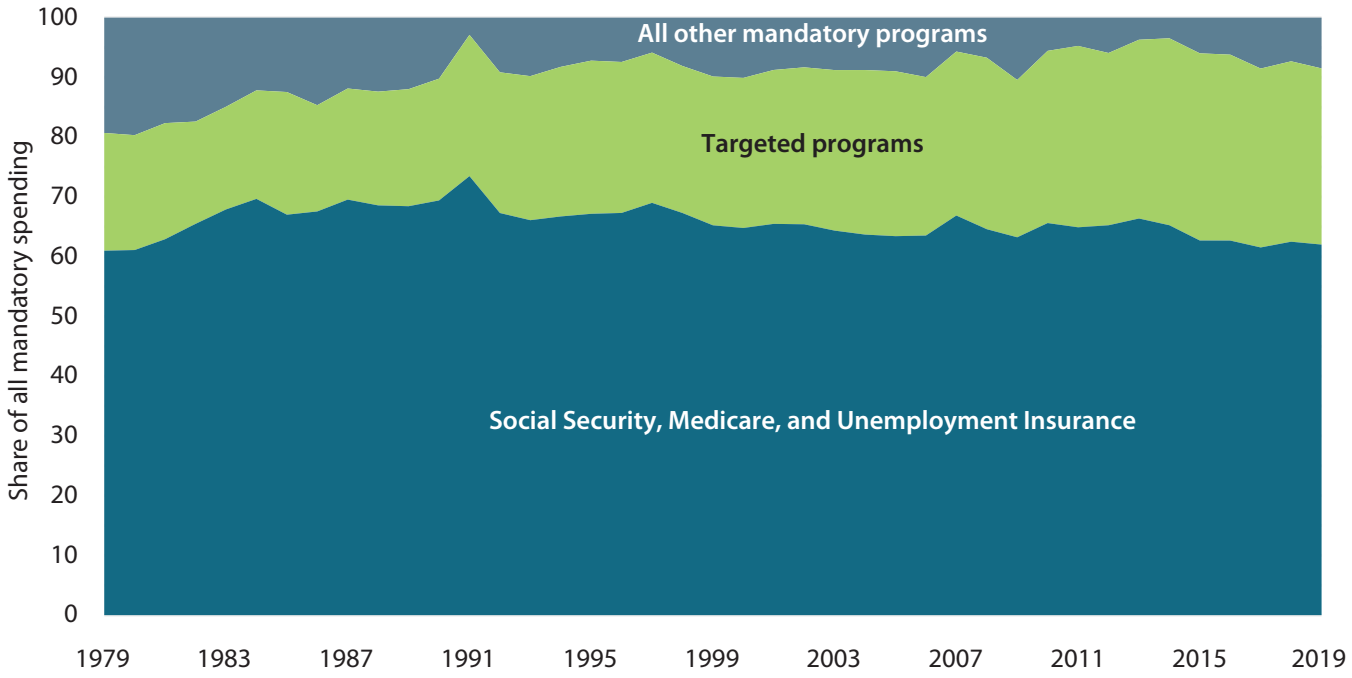
Divergent Outcomes among Targeted and Universal Programs

Beneath these figures lie large differences in how individual programs in both the targeted and universal categories fared. Federal spending for SNAP rose from less than $23 billion in 1979 (in 2019 dollars) to $63 billion in 2019, and the number of beneficiaries over this period nearly tripled, outstripping the 43 percent growth in the overall population. Medicaid grew even faster, with federal spending on Medicaid and CHIP (an adjunct to Medicaid that operates as part of it in many states) climbing from $41.7 billion in 1979 (in 2019 dollars) to $428 billion in 2019. The EITC provided about $2.6 billion in benefits (in 2019 dollars) in 1979 but more than $59 billion in 2019.[15] Policymakers also created a bevy of new, targeted programs during this period (1979–2019), including subsidies to help low- and moderate-income people buy health insurance in the ACA marketplaces.

At the same time, targeted programs that deliver cash assistance to people who are not elderly or disabled—programs that are often labeled "welfare"—fared dismally.

FIGURE 2.

Targeted Mandatory Programs Grew Faster Than Universal Mandatory Programs as Shares of All Mandatory Spending (1979–2019)



Source: Kogan 2022.
Note: The "all other mandatory programs" category consists primarily of programs for former federal employees or veterans and includes veterans' disability compensation, civil service retirement and disability programs, military retirement, and the like. See endnote 3. These programs grew only slightly between 1979 and 2019 and declined as a share of total mandatory spending.

THE HAMILTON PROJECT BROOKINGS

Between 1993 and 2016 real spending on cash assistance through AFDC and TANF plunged by 78 percent[16] (Parolin 2021), and that was on top of large reductions in benefits before 1993. In 1970 AFDC benefits lifted a family of three with no other income above 60 percent of the poverty line in most states, and no state provided benefits equal to less than 20 percent of the poverty line. Today, not a single state provides TANF benefits equal to 60 percent of the poverty line, 46 states provide benefits of less than 40 percent, and 18 states provide benefits that fall below 20 percent. Moreover, in 1979, for every 100 families with children that had cash incomes below the poverty line, 82 received AFDC cash assistance; by 2019, for every 100 such families, only 23 received TANF cash assistance (CBPP 2021).

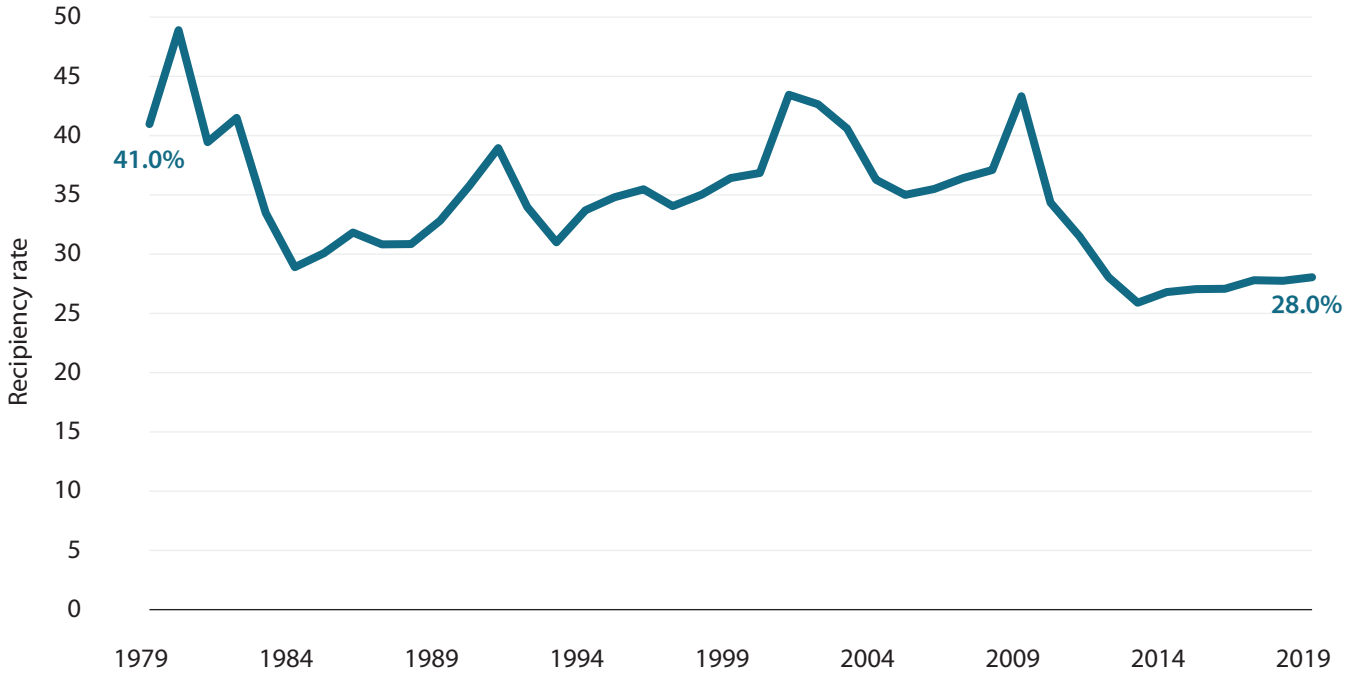
Universal programs experienced divergent outcomes as well. UI suffered from cuts at the federal level, especially in the early 1980s, when the president and Congress scaled back UI's Extended Benefits program, making it harder for states to qualify, and imposed significant interest charges on the loans that many states take from the federal UI trust fund during recessions (Committee on Ways and Means 1993). The interest charges provided incentive for states to pare back UI eligibility or benefits. UI also has suffered from cuts at the state level in a number of states, particularly over the past decade, when various states reduced the number of weeks of available UI benefits or added or tightened eligibility restrictions (Congdon and Vroman 2021; von Wachter 2019). Data from the Department of Labor (DOL) show that, on average, from 2011 through 2019 only 27 percent of the unemployed received UI in an average month (DOL n.d.).

Aggravating these problems, low-wage workers who lose their jobs fare worse under UI than affluent workers who lose theirs. "Although low-wage workers were almost two and a half times as likely to be out of work as higher-wage workers," a Government Accountability Office (GAO) study found, "they were about half as likely to receive UI benefits. This was true even when job tenure for both groups was similar: for example, among unemployed workers who had worked for 35 weeks or more in the year prior to their unemployment, low-wage workers were still about half as likely to receive UI benefits as high-wage workers" (GAO 2007, 3). Other studies suggest that Black workers who lose their jobs are less likely to receive UI benefits than White workers who do (Donnan, Pickert, and Campbell 2021; Ganong et al. 2022; O'Leary, Spriggs, and Wandner 2022; GAO 2022).[17] (See Figure 3.)

Indeed, political scientist Paul Pierson rated UI as one of the most vulnerable of US income-support programs, noting, "The argument that [unemployment] payments to the able-bodied must be cut so they will seek jobs" (Pierson 1994, 102–3) has been used successfully to limit the program's generosity. That cash welfare aid and UI have fared poorly while programs such as Medicaid and SNAP have grown substantially also mirrors public opinion data showing public resentment toward providing cash for jobless individuals who are viewed as able to work, but public support

FIGURE 3.

Percent of Unemployed Workers Receiving UI Benefits (1979–2019)



Source: DOL 1979–2019.

Note: Values are annual quarterly averages.

THE HAMILTON PROJECT
BROOKINGS

for providing "assistance to the poor," particularly aid that helps families meet basic needs such as food and health care (Hasenfeld and Rafferty 1989; Howard 2007; Howard et al. 2017; Shapiro et al. 1987; Shaw 2007, 2009; Shaw and Shapiro 2002a, 2002b).

The Reagan Years and Beyond

The developments of recent decades also demonstrate that another popular narrative—that targeted programs were cut significantly during the Reagan years and never recovered while the universal Social Security program remained unscathed—is mistaken. SNAP, Medicaid, and some other targeted programs were indeed cut in 1981 and 1982. But the story changed dramatically after that, with repeated expansions of programs such as SNAP and Medicaid—and with the spending reductions in mandatory programs during the rest of the 1980s and early 1990s coming mainly from universal programs such as Medicare. In his review of the Reagan-era changes in social programs, Pierson noted that Reagan's efforts to shrink targeted entitlement programs largely "ran out of steam by the end of 1982 after producing only marginal [lasting] changes" (Pierson 1994, 115).[18] Some of the principal SNAP and Medicaid cuts of 1981 or 1982 expired by the end of 1984, and SNAP and Medicaid were then expanded repeatedly during the remaining Reagan years and the George H. W. Bush years (Committee on Ways and Means 1993; Pierson 1994).

Before the mid-1980s, for example, Medicaid was largely limited to people who were receiving cash welfare assistance. But Congress then passed, and Reagan and Bush signed, a series of laws requiring states to extend Medicaid coverage to children and pregnant women with incomes well above states' welfare eligibility limits, which had largely set the bounds for Medicaid eligibility until then. These laws mandated that states provide Medicaid coverage to pregnant women and children under age 6 with incomes below 133 percent of the poverty line and to children age 6–18 with incomes below 100 percent of the poverty line. That was a major program enlargement, which grew further with the 1997 creation and later expansion of CHIP and which provided coverage to millions of previously uninsured children.

SNAP (then called food stamps) followed a similar pattern. Pierson notes that, despite cuts in 1981 and 1982, "liberalization of benefits and/or eligibility were enacted every year between 1985 and 1990. . . . By 1990, average monthly benefits were more than 10 percent higher in real terms than they had been a decade before" (Pierson 1994, 118). These liberalizations included increases in food stamp benefits for households with earnings, high housing costs, or high dependent-care costs; an across-the-board benefit increase; and a prohibition on state sales taxes on the food that recipients bought with food stamps, which increased the benefits' purchasing power in a number of states (Committee on Ways and Means 1993).

Moreover, as noted, while targeted mandatory programs were cut disproportionately at the start of Reagan's tenure, universal programs (principally Medicare) bore the brunt of the budget cuts in the final six Reagan years and the ensuing Bush years. The principal deficit-reduction measure of this period—the bipartisan Omnibus Budget Reconciliation Act of 1990—did not cut targeted programs and

further expanded Medicaid even as it included reductions in Medicare, mainly by tightening payments to providers. In fact, the Medicaid expansions during this period often were funded at least in part by measures producing Medicare savings (a pattern repeated in the ACA of 2010). Writing in 1994, Pierson observed, "Virtually every budget round since 1981 has involved some significant effort to reduce Medicare expenditures" (Pierson 1994, 137). Indeed, policymakers enacted 10 reconciliation bills between 1981 and the early 1990s, and all but one included measures reducing Medicare costs.[19] The large 1993 deficit reduction package continued this pattern, featuring substantial SNAP and EITC expansions and avoiding cuts in targeted programs while including further Medicare cost-savings measures.

The 1996 Welfare Law and After

The political pendulum then swung back. Targeted programs, including SNAP and Medicaid, were cut significantly under the 1996 welfare law. But, again, SNAP and Medicaid rebounded strongly, due to both legislative and administrative actions, and both programs ultimately expanded well beyond their pre-welfare-law parameters (though some cuts remained, including restrictions on the eligibility of certain categories of immigrants for various programs and restrictions on SNAP eligibility for people age 18–49 who are not raising children and are not employed or in a work training program at least half time).

SNAP was expanded under George W. Bush in both the 2002 and 2008 farm bills, as well as through an array of administrative measures to improve program access that began in the final Clinton years and continued through the Bush years. During this period, SNAP eligibility was fully restored for legal immigrant children in their first five years in the United States and certain other immigrants. (It had been partially restored in the late 1990s.) SNAP benefits also were increased, especially for larger households, and transitional benefits were authorized for people leaving TANF cash assistance. In addition, states received new authority to raise the program's income limits and dispense with much or all of its asset tests, and most states did so. Other new state options enabled them to reduce administrative burdens on applicants and recipients, such as by simplifying and scaling back requirements for recipients to report small changes in their circumstances and easing practices that required many households, especially those with earnings, to reapply and reestablish their eligibility every few months (Committee on Ways and Means 2004; Congressional Research Service [CRS] 2006; Rosenbaum 2008). Moreover, in 2005, when President Bush, a Republican House, and a Republican Senate enacted a new deficit-reduction law through the budget reconciliation process—the Deficit Reduction Act of 2005—it included no SNAP cuts.

That 2005 law did contain some Medicaid trims. Most of them were relatively modest, however, and the provision with the largest adverse impact on beneficiaries—requiring many Medicaid applicants and recipients to verify their citizenship or eligible immigrant status primarily by producing a birth certificate, passport, or naturalization documents—was overhauled in 2009 legislation, eliminating virtually all of the new burden on applicants and recipients. The 2009 law established procedures under which the Social Security Administration now verifies citizenship and immigration status electronically for nearly all Medicaid applicants and recipients who are subject to this requirement, rather than requiring them to produce these documents themselves (Cohen Ross 2007, 2010; Solomon and Cohen Ross 2009). Children's health legislation enacted in 2009 and the ACA in 2010 further expanded Medicaid and CHIP while including additional measures to ease administrative burdens. (See Figure 4.)

Due to these and other developments, SNAP and Medicaid are much larger and more expansive today than they were before the 1981 and 1982 Reagan cuts and before the 1996 welfare law. Medicaid has far more expansive coverage now, both for those below the poverty line and those above it (CRS 2021b). These programs are no longer closely tied to cash welfare assistance,[20] and they provide broader benefits that go to larger shares of the US population.

Consider the changes in program caseloads. In the late 1980s and early 1990s, 42 percent of SNAP's caseload consisted of households that received AFDC; about 70 percent received AFDC, SSI, or state general assistance (Committee on Ways and Means 1994). By 2019, only 4 percent of SNAP's much-larger caseload received TANF cash assistance, and only 29 percent received TANF, SSI, or general assistance (US Department of Agriculture [USDA] 2021a).[21] Medicaid experienced a similar transformation from a program that was largely linked to welfare to one serving a broader population. Today, Medicaid covers about half of all births in the United States. In a survey conducted in 2019 and issued in early 2020, 66 percent of Americans said they had a personal connection to Medicaid, meaning that they or a family member or friend had received Medicaid coverage at some point (Kaiser Family Foundation [KFF] 2020).

Medicaid's enhanced political strength was on full display in 2017. When President Trump and a Republican Congress sought to repeal the ACA, the Medicaid cuts that would have resulted proved a key reason why proponents fell short of gathering the needed votes for repeal (Grogan and Park 2018; Schmitt 2017).

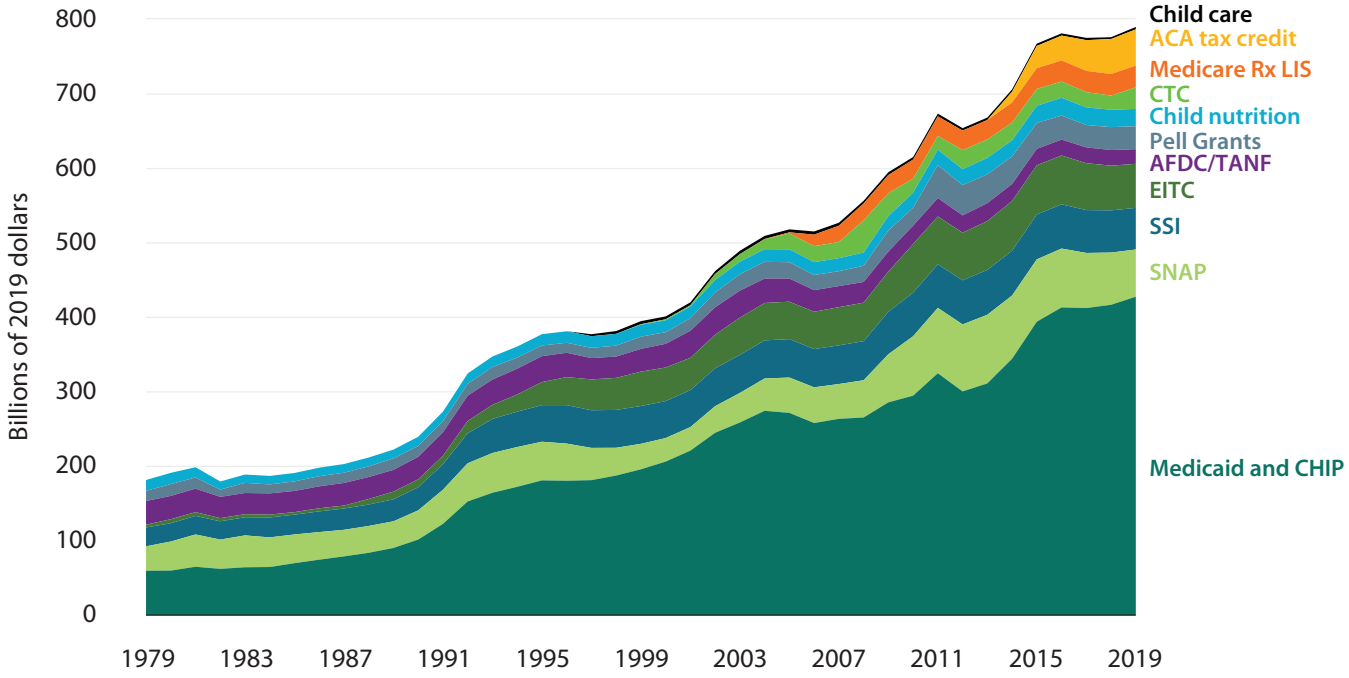
Social Security

The narrative that targeted programs never recovered from the Reagan-era cuts and the 1996 welfare law, while programs such as Social Security went unscathed, is problematic for a second reason: Social Security did *not* escape the 1980s without significant cuts.

After policymakers expanded Social Security benefits considerably in the late 1960s and early 1970s, they pared them back in the early 1980s, including as part of the 1983 Social Security solvency legislation, and most of those cuts are still in place. Among other benefit reductions, policymakers eliminated Social Security's minimum benefit (except for people who were beneficiaries at the time); phased out benefits for children of elderly, disabled, or deceased beneficiaries who are students over age 19 or enrolled in post-secondary school; and limited eligibility for Social Security's lump-sum death benefit (CRS 2021f). Most important, the 1983 Social Security solvency legislation raised, from 65 to 67, the age at which an individual can receive full, rather than reduced, Social Security retirement benefits. That change was phased in gradually over many years

FIGURE 4.

Targeted Mandatory Programs: Significant Growth (1979–2019), Adjusted for Inflation and Population Growth



Source: Kogan 2022.

THE HAMILTON PROJECT
BROOKINGS

and takes full effect only for people who turn 62 in 2022 or later. But for those born in 1960 or later who begin drawing retirement benefits at or before age 67, it results in a reduction in their monthly benefit of up to 14 percent, compared to the benefits they would receive if the age for full benefits had remained at 65. (This reflects the combined effect of the increase in the full-benefit age and an upward adjustment in Social Security's "delayed retirement credit.")[22]

Finally, federal laws that mandate sequestration (i.e., across-the-board program cuts if policymakers miss certain budget targets or breach certain budget rules) also conflict with the conventional narrative about targeted and universal programs. Starting with the 1985 Gramm-Rudman-Hollings law, which first established sequestration procedures, and continuing through the 1990 Budget Enforcement Act, the 2010 Statutory PAYGO Act, and the 2011 Budget Control Act—all of which included sequestration provisions—policymakers have exempted only a limited number of programs from the across-the-board cuts if sequestration is triggered. The exempt programs, however, include *every* major targeted entitlement program (as well as Social Security, veterans' disability compensation, and federal retirement benefits), while Medicare,[23] federal UI benefits (as distinguished from regular state UI benefits),[24] and student loans are *not* exempt.[25] (See Box 1.)

As these developments indicate, the notion that targeted programs inevitably fare poorly in the political realm over time and endure damaging cuts while universal programs virtually always fare better is much too simplistic.

Implications of These Developments

The strong performance of a number of targeted programs that now extend well beyond people living in poverty indicates that policymakers can broaden the constituencies of targeted programs and strengthen them politically without making them universal. As noted, the cash welfare programs that have fared poorly tend to be narrowly targeted on those who are well below the poverty line. In *Why Americans Hate Welfare* (1999), Martin Gilens argued persuasively that racial animosity and negative stereotypes about Black female–headed households have played significant roles in driving this poor record, while Alesina, Sacerdote, and Glaeser (2001) called race the single most important predictor of support for or opposition to welfare. By contrast, the targeted programs that have expanded robustly in recent decades now extend to families above—and often *far* above—the poverty line, which may have led to their being viewed in less racially charged terms.

Medicaid, CHIP, subsidies to buy health-care coverage in the ACA marketplaces, the EITC, and the CTC now all extend well into the middle class (and, with the CTC, beyond the middle class). SNAP has tighter income targeting than that, but most states have raised SNAP's income limits to, or closer to, 200 percent of the poverty line (which in 2022 is $46,060 for a family of three), under authority that

BOX 1.

Some Misperceptions about Restrictions in Targeted and Universal Programs

Misperceptions about targeted and universal programs extend beyond whether they were expanded or cut. Some people assume, for example, that restrictive rules on whether immigrants can qualify for social programs or punitive rules on matters such as drug testing are widespread in targeted programs but not in universal programs. Yet, outside of cash welfare, that is not the case.

Various targeted programs make certain categories of immigrants lawfully residing in the Unites States ineligible for benefits for their first five years here. But, in some respects, Social Security and Medicare are more restrictive; to be eligible for Social Security retirement benefits and for Medicare, an individual generally must have worked at least 10 years in the United States. As a result, many lawfully present immigrants can qualify for programs such as SNAP and Medicaid years before they can qualify for Social Security and Medicare, and many people who immigrated to the United States relatively late in life and did not amass a significant work record here cannot qualify for Social Security and Medicare at all. One group of studies found that income- and age-eligible immigrants receive substantially less per capita in overall benefits from social programs than natives do, "largely because they [immigrants] are less likely to receive Social Security retirement benefits and Medicare" (Nowrasteh and Orr 2018, 7; see also Nowrasteh and Howard 2022).

Regarding drug use or drug testing, restrictions have expanded in recent years in UI (especially since a federal law in 2012 made clear that states can impose these restrictions), while easing considerably in SNAP. Virtually all states now disqualify people for UI if they lost their jobs due to illegal drug use, and in 20 states, illegal drug use, alcohol misuse, or related circumstances such as refusing a drug test or testing positive for drugs can disqualify someone from UI (CRS 2019). Meanwhile, 28 states and the District of Columbia have dropped all drug-related restrictions from their SNAP programs, and only South Carolina still has a lifetime ban on SNAP for drug felons (National Conference of State Legislatures [NCSL] 2019; Thompson and Burnside 2021).

the federal government has given them to do so. Policymakers also have eased or eliminated asset tests. The ACA eliminated asset tests in Medicaid, except for the elderly and disabled eligibility categories (reflecting the fact that, in retirement, some people have low incomes but may have considerable liquid assets).[26] And a large majority of states have used their flexibility under federal rules to substantially or entirely eliminate asset tests in SNAP (Gehr 2018; USDA n.d.).

Among nonelderly households in the second and third income quintiles (the 20th to 40th percentile and the 40th to 60th percentile on the income scale, respectively), income under a comprehensive measure that counts in-kind benefits and federal taxes rose 20 percent between 2000 and 2017 in inflation-adjusted terms, according to the Brookings Institution's Gary Burtless and Isabel Sawhill (Burtless and Sawhill 2021)—with about *half* of the rise due to increases in targeted benefits for these households.

Similarly, the CRS found that, in 2017, some 111 million people—about one-third of the US population—received benefits from one or more targeted programs at some point during that year (CRS 2021c).[27] In addition, the Congressional Budget Office found that, in 2018, about a quarter of the benefits from targeted programs went to households in the second income quintile and more than a fifth went to households in the third quintile, although a majority of the benefits still went to people in the bottom quintile (CBO 2021).[28] And, studying the years from 1990 to 2015, Hilary Hoynes and Diane Schanzenbach found a large increase in the amount of targeted benefits for families with children that go to families with annual incomes above the poverty line[29] (see Figure 5; see also Hoynes and Schanzenbach 2018).

Also of note, while policymakers were broadening eligibility for various targeted programs, they were making universal programs less generous for people who are affluent. Policymakers established large income-related premiums for Medicare Part B coverage, so that very affluent beneficiaries now pay most of the coverage costs themselves, with only a relatively modest government subsidy. Policymakers also made UI benefits and a portion of Social Security benefits taxable, which returns a portion of these benefits to the federal Treasury.

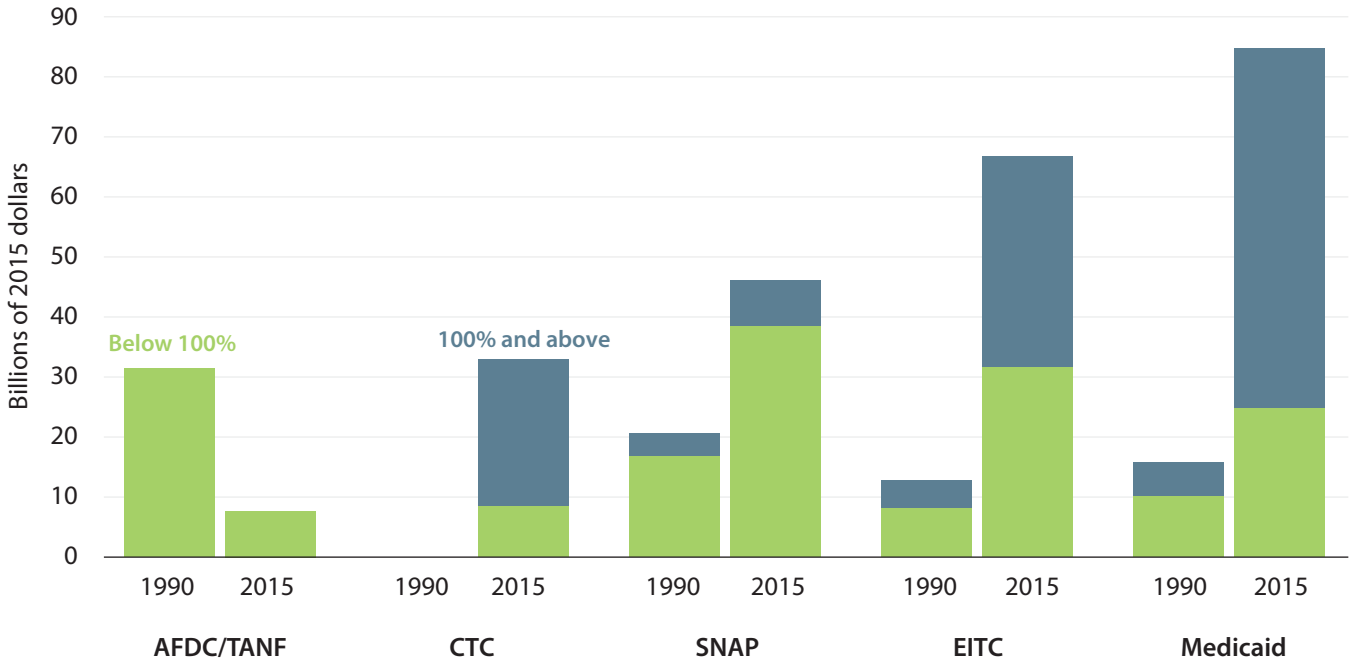
Several decades ago, political scientist and sociologist Theda Skocpol argued that targeted programs are inherently weak politically because people with incomes not far above the poverty line, who may themselves be struggling, often dislike programs that give benefits to people with less income that they cannot get themselves. Working families that struggle but do not qualify for targeted programs, she wrote in 2000, "can easily come to resent other, slightly less well-off families who are getting such benefits" (Skocpol 2000, 109–10). In an earlier piece (Skocpol 1991, 414), she challenged proponents of targeted programs to explain "why working-class families with incomes just above the poverty line, themselves frequently struggling economically . . . should pay for programs that go only to people with incomes below the poverty line."

A proponent of universality, Skocpol called for "new policies that could address the needs of less privileged Americans along with those of the middle class and the stable working class" (Skocpol 1991, 428). Three decades later, that is essentially what has occurred in a number of key programs—but without universality. As we have seen, the choice is not limited to targeting programs only on the poor or making programs universal. A significant development of recent decades is the emergence and growth of programs that serve *both* poor families *and* many above the poverty line, often including a sizeable share of the middle class.

Mark Schmitt, a former *American Prospect* editor-in-chief and now director of the New America Foundation's political reform program, noted these developments in 2017 when he tied Medicaid's growth (from a program largely for

FIGURE 5.

Government Spending on Children, by Income Relative to Poverty Threshold, 1990 and 2015



Source: Hoynes and Schanzenbach 2018.

THE HAMILTON PROJECT
BROOKINGS

people receiving welfare benefits to one that also serves millions of working families) to Medicaid's political strength during that year's battle over repealing the ACA—when strong support for the program played a vital role in thwarting ACA repeal. Medicaid's strength also was clear when, in recent years, voters in five red states and one purple state faced ballot questions on whether their state should adopt the ACA's Medicaid expansion, and said yes each time.[30] "The knowledge," Schmitt observed, "that programs don't need to provide universal benefits to build strong political support should give progressives greater flexibility, when the opportunity comes, to design programs that directly address need. We don't always have to spread benefits thinly across the entire population in order to achieve lasting social progress" (Schmitt 2017).

Schmitt's observation raises a related issue. While targeted programs have some political weaknesses compared to universal programs, they appear to have one relative advantage: their lower cost. When policymakers must find ways to fully cover the costs of program expansions in order to secure the votes to pass Congress (as they often must do outside of recessions), the lower price tag of targeted program expansions can enhance those expansions' prospects. That is likely a significant reason why policymakers have expanded targeted programs more than universal programs over recent decades.

Other Factors Associated with Program Political Strength or Weakness

Besides the issue of whether a targeted program is focused on the very poor or serves a broader clientele, what factors help to explain why some programs have fared well and others have done poorly?

Programs tied to work have generally fared better than others. Most major universal social insurance programs (i.e., Social Security, Medicare, and UI) require a significant employment record to receive benefits.[31] The EITC also requires earnings, as does the CTC (except in 2021, when the American Rescue Plan (ARP) eliminated the CTC's earnings requirement, producing a sharp reduction in child poverty). Numerous analysts have concluded that in the view of many Americans, earnings or a significant earnings record convey "deservingness," or worthiness, for benefits (Heclo 1986; Katz 1986; Waldfogel 2013), a view that is apparently influenced and sharpened by racial prejudice.

Targeted programs that provide benefits in-kind or through the tax code have fared better than direct cash assistance. An extensive literature shows considerably greater public support for in-kind assistance that helps people with necessities such as food and health care than for straight cash aid (Hasenfeld and Rafferty 1989; Howard 2007; Howard et al. 2017; Shapiro et al. 1987; Shaw 2007, 2009; Shaw and

Shapiro 2002a, 2002b). Recent opinion research by Zachary Liscow and Abigail Pershing, for example, finds that when asked to choose between providing a cash benefit and a benefit that recipients can spend only on necessities, Americans "overwhelmingly preferred in-kind over cash transfers to the poor" and were willing "to redistribute considerably more in-kind than in cash" (Liscow and Pershing 2020).[32]

Consider AFDC/TANF and SNAP. The former has been cut severely; the latter has expanded markedly even though SNAP is a "near-cash" benefit: a large share of its benefit substitutes for food purchases that beneficiaries would otherwise have made out-of-pocket, thereby freeing up cash for other necessities (Hastings and Shapiro 2018; Hoynes and Schanzenbach 2009).

A related factor also contributes to SNAP's relative political strength: because its benefits are provided as food aid, the program is administered by the USDA and overseen by the House and Senate Agriculture Committees. Every four or five years, the Agriculture Committees draft a major farm bill that benefits an array of agriculture and food constituencies. But because many fewer Americans work in agriculture today than in earlier decades, farm bills generally cannot pass Congress now with just the votes of rural lawmakers. They need support from urban lawmakers. And for some time, urban lawmakers' main interest in farm bills has been to ensure that they treat SNAP decently, creating a dynamic that has benefited SNAP politically.

Medicaid, too, has powerful constituencies, including hospitals and state governments. Noting this support as well as the broadening of Medicaid eligibility since the 1980s, Schmitt concluded that Medicaid has become "a program that, while still means-tested and targeted, now reaches enough people, and has enough secondary beneficiaries such as governors and hospitals, that its future is likely as secure as a 'cross-class' universal program would be" (Schmitt 2017).

By its very nature, cash assistance does not enjoy support from secondary constituencies and is weaker politically for it. The 1996 welfare law, for example, converted cash welfare aid to a block grant, with federal funding that now has essentially remained frozen for more than 25 years. By contrast, efforts to end the SNAP and Medicaid entitlements and convert these programs to block grants have repeatedly failed.

Finally, while EITC and CTC benefits come in cash, not in kind, they come through the tax code rather than through what the public views as public assistance. (They also are limited to people with earnings.) Researchers Christopher Ellis and Christopher Faricy find considerably more public support for benefits delivered through the tax code than for benefits provided by spending programs (Ellis and Faricy 2021). Other opinion research shows a 14- to 18-percentage-point drop in support for the CTC when it is described as cash for families rather than as a tax credit (McCabe 2021).

The EITC and CTC also benefit from the trade-offs and logrolling that often occur when lawmakers assemble tax legislation. Supporters of the EITC and CTC have secured expansions of one or both more than a dozen times since the early 1980s, both in bills that cut taxes and in bills that raise taxes. As part of broader tax legislation in 2015, for example, lawmakers made permanent the 2009 American Recovery and Reinvestment Act's (ARRA) temporary expansions in the EITC, the CTC, and a tax credit for college costs. These tax-credit expansions were the only social program expansions in the ARRA to achieve permanent status. Also of note, the ACA's subsidies to make health-care coverage affordable in the ACA marketplace and the economic impact payments of 2020 and 2021 were delivered as tax credits.

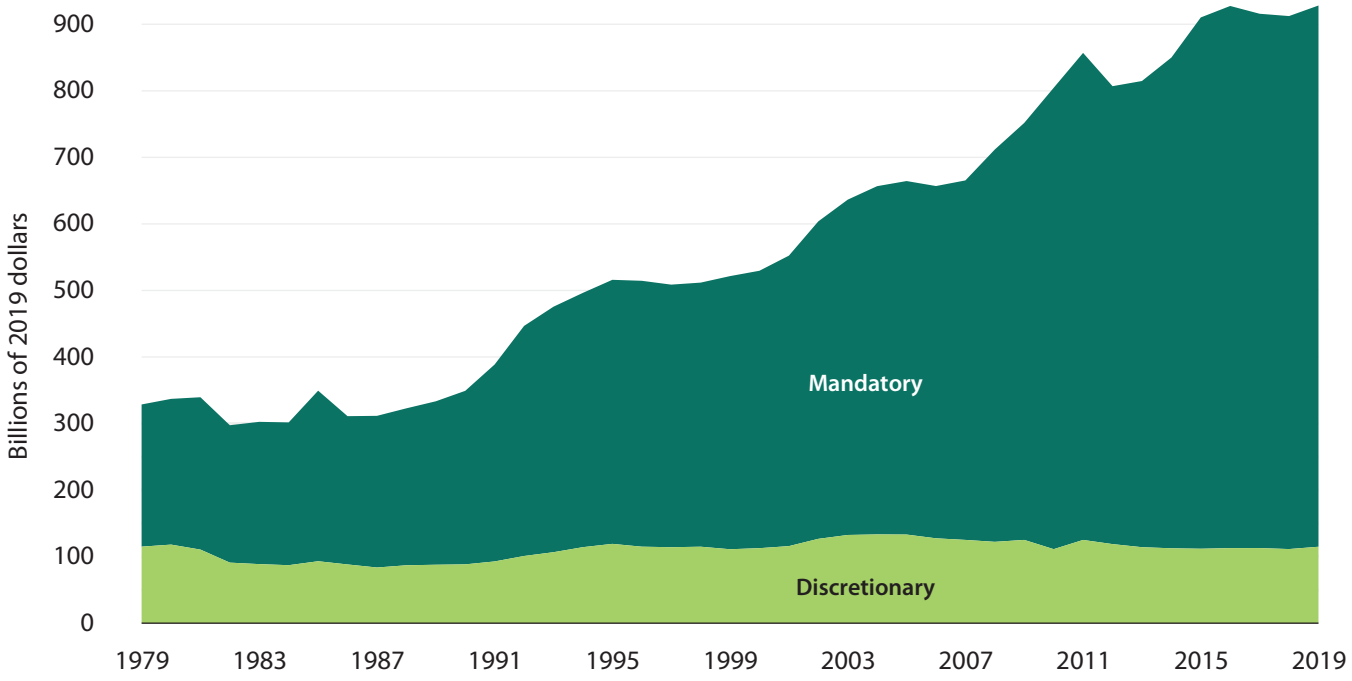
Full federal financing strengthens programs. With full federal financing, a program's reach and growth have tended to be greater, even when states administer the program. Social Security, Medicare, SNAP, the EITC, and the CTC are examples of programs—both universal and targeted—in which the benefits are fully federally financed and not dependent on state budget decisions and politics. When, instead, a program depends in substantial part on state funding or, as with UI, on state taxes on employers, the program is more likely to face cuts and eligibility restrictions in the states. Examining the Reagan era, Pierson concluded, "Programs with shared federal and state responsibilities proved most vulnerable. Where policy was already decentralized (UI and, among targeted programs, AFDC), the Reagan administration was able to harness burden-shifting techniques and interstate competition in the service of retrenchment" (Pierson 1994, 101).

SSI also makes the case. Like TANF, it provides cash assistance primarily to people who are not working. But unlike TANF (and UI), SSI (1) is fully federally financed (except for state supplemental benefits, which have eroded over the years), and (2) goes to those who are elderly or who have serious disabilities and thus are not expected to work. Since its creation in 1974, SSI has performed well compared with TANF; its federal benefits are adjusted annually for inflation and have not been cut. Yet it has performed more poorly than SNAP, Medicaid, or refundable tax credits. Since its inception in 1974, SSI's asset limits have become considerably more restrictive (because they are not adjusted for inflation),[33] and SSI's income eligibility limits for people with other income have similarly eroded (since the income disregards that are used to determine whether someone meets SSI's income limits[34] also are not adjusted for inflation). As Mary Daly and Richard Burkhauser (2003, 85) reported, "The real decline in the income disregards and asset limits over time has effectively eroded the value of SSI benefits and narrowed the population of potential recipients relative to 1974 levels."[35] In addition, SSI take-up rates remain low.

Federal administration of a program, or at least minimum national eligibility and benefit standards, has helped protect programs. SNAP and Medicaid are both state-administered programs, but with at least minimum national eligibility and benefit standards. Over the past 40 years, some of these programs' biggest expansions have come from increased federalization, such as through stronger federal requirements related to children's Medicaid coverage as well as Medicaid and CHIP enrollment procedures, and from the federal government assuming a larger share of the costs for CHIP and the ACA's Medicaid expansion. In SNAP, similarly, when USDA in 2021 revised and updated its Thrifty Food Plan (which estimates the cost of a healthy but budget-conscious diet and serves as the basis for the benefit levels that SNAP provides), it resulted in an increase of more than 20 percent in both SNAP's maximum and average benefits. By contrast, TANF and UI lack meaningful federal benefit and eligibility standards[36] and have suffered cuts and program restrictions in numerous states.

FIGURE 6.

Spending for Mandatory Targeted Programs Has Grown Far More Than for Discretionary Targeted Programs: Adjusted for Growing Prices and Population (1979–2019)



Source: Kogan 2022.

THE HAMILTON PROJECT
BROOKINGS

Programs that operate as block grants to states or localities have fared particularly poorly. A 2017 CBPP analysis found that, since 2000, overall federal funding for the 13 major housing, health, cash assistance, and social service block grants had fallen by 37 percent, after adjusting for inflation and population growth, with 12 of the 13 block-grant programs suffering declines (Reich et al. 2017).

Programs focused on groups such as the elderly have tended to fare better than others, while programs for children (other than cash welfare assistance) fare the next best, and programs for people who are not elderly, disabled, or raising children fare the worst. The weakest programs politically have been those that serve adults who are not raising children, are not elderly or disabled, *and* are jobless.

Entitlement programs have fared much better than discretionary programs. Entitlement programs, both universal and targeted, have grown substantially in recent decades. By contrast, nondefense discretionary programs—the funding for which must fit each year within an appropriations ceiling that Congress sets—have barely grown at all. (In addition, most social programs that are not entitlements continue to serve only a fraction of those eligible for them.) Total federal spending for nondefense discretionary programs, which include social programs ranging from education to low-income housing, rose only 10.3 percent between 1979 and 2019, after adjusting for inflation and population—and that was almost entirely due to sharp increases in veterans' health-care costs. Outside of veterans' health care, nondefense discretionary spending rose a meager 1.8 percent over this 40-year period, after adjusting for inflation and population.[37] By contrast, overall spending for mandatory programs grew by 154 percent. Indeed, mandatory spending rose from 32 percent of the federal budget excluding interest payments in 1969 and 49 percent in 1979, to 68 percent in 2019, while total discretionary spending (including defense) dropped to less than a third of federal spending by 2019. That federal low-income housing assistance programs are discretionary is a key reason why their assistance reaches only about one in four eligible households; that is as far as its funding stretches.

The same trends as in *overall* discretionary versus mandatory spending also are visible in the spending trajectories for *targeted* discretionary and mandatory programs, as Figure 6 shows.

Policymakers' perceptions of effectiveness can strengthen a program's prospects. Perceptions of whether a program is effective in achieving important social goals—especially the perceptions of federal policymakers who set funding priorities—can bolster a program's prospects. For example, strong evidence of SNAP's impact in reducing shocking levels of child malnutrition and undernutrition in parts of the United States in the late 1960s was an important factor in securing support, at times bipartisan, for the program's expansion and defense in subsequent decades. The

TABLE 1.

Number of People Lifted Above the Poverty Line by Various Programs, 2017

Age Category	Social Security	EITC/CTC	SNAP	SSI	Rental Assistance	TANF	UI	All programs and taxes*	Targeted federal programs
People of all ages	26.9	9.5	6.3	4.3	3.3	0.7	0.6	39.2	21.4
Under 18	1.5	5.1	3.0	1.1	1.0	0.4	0.1	8.7	9.5
18 to 64	8.0	4.3	2.9	2.6	1.6	0.3	0.4	12.7	10.3
Under 65	9.4	9.3	5.9	3.7	2.6	0.7	0.5	21.5	19.8
65 and over	17.4	0.1	0.4	0.6	0.6	0	0	17.7	1.5

Source: CBPP 2021. See endnote 52.

Note: * These data reflect federal income and payroll taxes and state income taxes (which include state EITCs). Taxes, by themselves, not counting the federal EITC and CTC, increase the number of people in poverty. That is why the number of children lifted out of poverty by targeted programs, as shown in the last column of this table, is somewhat larger than the number lifted out by programs and taxes (the next-to-last column of the table). Programs reflected in the "All programs and taxes" column that are not targeted include veterans' disability compensation and workers' compensation in addition to Social Security and UI. ** The targeted programs column reflects the impact of the CTC's refundable component, but not its nonrefundable component. The EITC/CTC column reflects the effects of both the CTC's partially refundable component and its non-refundable component. (If only the refundable component is considered, the numbers for the EITC/CTC column are 8.6, 4.6, 3.9, 8.5, and 0.1.) The programs reflected in the targeted programs column include—in addition to the EITC and CTC, SNAP, SSI, rental assistance, and TANF—free and reduced-price school lunches, WIC, the low-income home energy assistance program, and needs-based veterans' benefits.

Supplemental Nutrition Program for Women, Infants, and Children (WIC) is another example; it is a rare discretionary program that operates like an entitlement in that, for most of the time since 1997, all eligible women, infants, and children who apply for WIC have been enrolled (Carlson, Neuberger, and Rosenbaum 2017). That is in part because, since the late 1990s, presidents and members of Congress of both parties have worked to provide enough funds each year to serve all eligible people who apply (although for occasional periods of a few months not every state could do so).[38] Perceptions of WIC as one of the most effective programs for children, based on extensive research and an influential 1992 GAO report—which concluded that WIC substantially reduced the incidence of low-weight births and that, as a result, "providing WIC benefits to pregnant women more than pays for itself within a year" and "each federal dollar invested in WIC benefits returns an estimated $3.50 over 18 years in discounted present value" (GAO 1992, 2, 4)—helped drive that record. That WIC goes to pregnant women, infants, and young children; is fully federally financed, with the federal government largely prescribing program rules and benefits; and is provided in-kind also are key factors contributing to WIC's impressive performance in the political sphere.

How Well Do Universal and Targeted Programs Reduce Poverty?

A goal of many social programs, both targeted and universal, is to reduce poverty, meet essential needs, and raise living standards. Both universal and targeted programs reduce poverty significantly, but with different impacts on different groups. Universal programs have their greatest antipoverty impact on the elderly because of Social Security. Targeted programs have their largest impact on the non-elderly.[39]

In the late 1960s government benefits and taxes (not counting health insurance) kept out of poverty about 9 percent of those who would otherwise be poor, according to analysis by Danilo Trisi and his colleagues at the CBPP, using the Supplemental Poverty Measure (SPM) and adjusting for the underreporting in US Census Bureau data of benefits received.[40] But by 2017, the last year for which we now have these data, government benefits and taxes kept out of poverty about 47 percent of those who would otherwise be poor (Trisi and Saenz 2021).[41] Their analysis and the CRS analysis discussed in this section do not reflect possible impacts of behavioral responses on poverty rates (see Ben-Shalom, Moffitt, and Scholz 2011; and Furman 2017 for a discussion of that issue).[42] (See Table 1.)

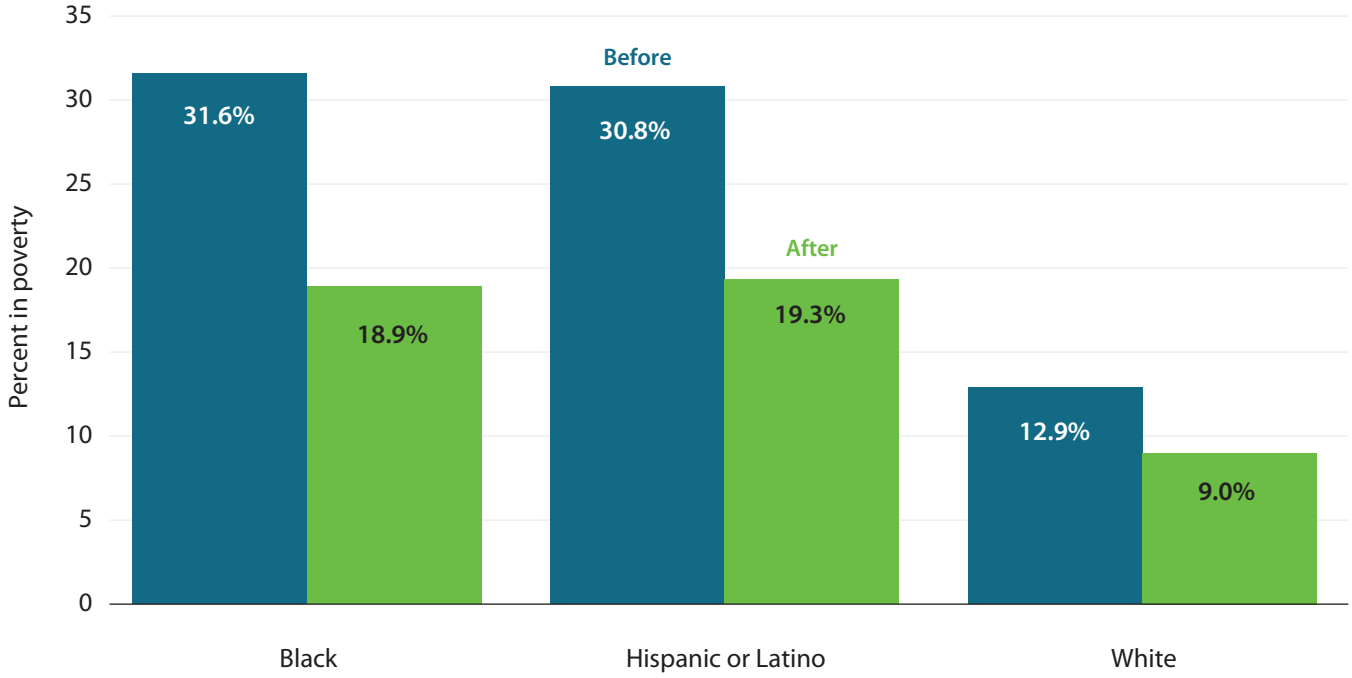
The predominant factor in how much more social programs now reduce poverty has been the growth of both targeted programs and Social Security. Refundable tax credits kept 9.5 million people out of poverty in 2017, while SNAP kept 6.3 million, SSI kept 4.3 million, and rental assistance kept 3.3 million out of poverty that year. Targeted programs overall kept 21.4 million people out of poverty and reduced the SPM poverty rate by 6.6 percentage points.[43] Social Security kept even more people—26.9 million—out of poverty in 2017 and lowered the poverty rate by 8.3 percentage points (Trisi and Saenz 2021).[44] When these programs did not lift beneficiary households above the poverty line, they reduced the depth of poverty for beneficiaries, often significantly.

Not surprisingly, Social Security's poverty-reducing impact is greatest among those 65 and older. For that group, Social Security outdistances the antipoverty impacts of all other programs combined. But, for those under 65, targeted programs have the greatest antipoverty impact; for that group, targeted programs kept 19.8 million out of poverty in 2017 while Social Security kept out 9.4 million and UI kept out 500,000. Among children under age 18, targeted programs kept 9.5 million out of poverty in 2017, compared with 1.5 million kept out by Social Security.

Social programs, especially targeted programs, also reduce poverty disparities by race, as CBPP and CRS analyses show, although those disparities remain wide. CRS found that targeted programs reduced poverty rates among Black

FIGURE 7.

Impact of Targeted Programs on Poverty by Race/Ethnicity, 2017: Poverty Rates Before and After Targeted Programs



Source: CRS 2021d.

Note: Poverty rates are given using the Supplemental Poverty Measure. The columns illustrating "Poverty Rates Before Targeted Programs" show poverty rates after benefits from universal programs are counted, but before benefits from targeted programs are counted.

THE HAMILTON PROJECT BROOKINGS

households in 2017 from 31.6 to 18.9 percent and poverty rates among Hispanic households from 30.8 to 19.3 percent, while lowering poverty rates among white households from 12.9 to 9.0 percent (CRS 2021d).[45] Targeted programs, CRS also found, reduced the "poverty gap"—the aggregate amount by which the incomes of all who are poor fall below the poverty line—by 57 percent among Black households, 51 percent among Hispanic households, and 38 percent among White households. Various targeted programs such as SNAP, Medicaid, and the EITC also generate mid- and long-term benefits beyond poverty reduction, especially for children, a growing body of research shows (Butcher 2017; Council of Economic Advisers [CEA] 2014; Currie 2021; National Academies of Sciences, Engineering, and Medicine 2019). Those benefits include better school performance in childhood and better health and higher productivity and earnings in adulthood. (See Figure 7.)

Take-Up Rates in Targeted and Universal Programs

Social Security and Medicare's Part A (which provides inpatient hospital coverage) and Part B (which provides physician, out-patient, and laboratory coverage) have take-up rates close to 100 percent. That is, nearly all who are eligible (and who do not have comparable coverage elsewhere) participate. As a result, some observers have assumed that universal programs as a group have take-up rates close to 100 percent and inherently far out-perform targeted programs in this respect.

The reality is more complex. Take-up rates among both universal and targeted programs vary considerably. As Janet Currie observed, "There is almost as much variation in the take-up of . . . non-means-tested programs as there is in that of the means-tested programs" (Currie 2006, 119).

In particular, UI has a much lower take-up rate than a number of key targeted programs. Before the pandemic and ensuing recession, fewer than 30 percent of the unemployed were receiving UI benefits in an average month (DOL n.d.; von Wachter 2019). To be sure, that is not UI's take-up rate, because many unemployed workers are ineligible for UI due to program rules and restrictions. While UI's take-up rate is challenging to measure, estimates in the research literature range from 40 to 70 percent (Kroft 2008). In another universal program—Medicare's prescription drug benefit (Medicare Part D)—the take-up rate is 88 percent (meaning that 88 percent of those eligible either enroll or have comparable drug coverage from another source), which is well above UI's take-up rate but below that for Social Security and the rest of Medicare. And Part D's take-up rate is lower than 88 percent among those who are not enrolled in it automatically[46] (Medicare Payment Advisory Commission [MedPac] 2021).

Among targeted programs, USDA's latest study on SNAP's take-up rate (which Mathematica conducted for

USDA) finds that 83.4 percent of eligible households, containing 82 percent of the eligible individuals, received SNAP benefits in 2018 (USDA 2021b). In the health-care arena, an impressive 92 percent of children who are eligible for Medicaid or CHIP (and are not otherwise insured) were enrolled in those programs in 2019, an Urban Institute study found (Haley et al. 2021). The Urban study also estimates that 84 percent of the parents eligible for Medicaid in states that have adopted the ACA's Medicaid expansion participated in 2019. (The Urban study could not estimate take-up rates among parents in non-expansion states. Also of note, some people who are eligible for Medicaid but are not enrolled do enroll later when they face a need for substantial health care, although that leaves them without coverage for preventive care until they enroll.)

Moreover, the data just cited paint an incomplete picture. Take-up rates do not tell us *what share of the eligible benefits are claimed*. Such data often are not available, which can make targeted programs appear to perform less well than they actually do. That is because benefit size matters greatly in determining take-up rates, as extensive research shows (Currie and Gahvari 2008; Cunnyngham 2010; Remler and Glied 2003; USDA 2021b).

Generally, the larger the benefit, the higher the take-up rate. As noted, an estimated 83.4 percent of eligible households participated in SNAP in 2018. But the last Mathematica study that provides an estimate of the program's benefit receipt rate, the study for 2012, estimates that SNAP beneficiaries received 95.6 percent of the benefits that would be provided if everyone eligible enrolled. The Mathematica studies show very high SNAP take-up rates among those who are eligible for substantial benefits and sharply lower take-up rates among those eligible only for small benefits (USDA 2021b), who mainly are households on the highest parts of SNAP's income eligibility scale. Low take-up rates among those eligible for small benefits reduce the overall individual and household take-up rates.

For example, the take-up rate for those eligible for no more than SNAP's minimum benefit was only 27 percent in 2018. (The minimum benefit in 2018 was $15 a month for one- and two-person households, and some larger households at the top of SNAP's income scale qualified for even smaller benefits.) By contrast, the take-up rate among those eligible for at least half of the SNAP maximum benefit was close to 100 percent. Similarly, SNAP's take-up rate exceeded 95 percent for individuals with net household income (income after the income deductions that SNAP allows) below the poverty line but was only 18 percent for households with net income above 130 percent of the poverty line (USDA 2021b).

Targeted programs generally seek to avoid cliffs, under which an increase in income causes a larger loss of program benefits. Accordingly, many targeted programs phase out benefits gradually at the top of their income eligibility scales. Not surprisingly, people in the upper part of those phase-out ranges—who qualify for smaller benefits and tend to have less acute need—participate at lower rates. Thus, using a single overall take-up rate for a targeted program with a phase-out range can make the program appear to be performing worse than it is with its main intended beneficiaries.

A program's overall take-up rate also can mask disparate take-up rates for different parts of the same program, especially when one part provides much smaller benefits than the rest of the program. Take the EITC. Analysts often assume that its take-up rate is about 80 percent, based on IRS data and estimates. (The IRS's most recent estimate, for tax year 2016, is an overall take-up rate of 78 percent; CRS 2021a.) But the EITC for workers not raising children at home provides only small benefits, averaging $298 for tax year 2017, and its take-up rate is just 65 percent. Meanwhile, the EITC for families with children provides much larger benefits, averaging $3,191 in 2017, and its take-up rate is an estimated 82 to 86 percent (CBPP 2019; CRS 2021a).

In addition, IRS and Census Bureau studies show a higher take-up rate among families with children that are eligible for substantial EITC benefits than among families with children eligible for only small benefits (Hoynes 2019; Jones 2014; Plueger 2009). Several studies place the benefit receipt rate (i.e., the share of available benefits that actually are received) for the EITC as a whole—including its childless worker component—at 85 to 89 percent (GAO 2001; Goldin 2018; Lipman 2021; Treasury Inspector General for Tax Administration 2018). This suggests that, overall, *families with children* receive close to 90 percent of the EITC benefits for which they qualify. Unfortunately, research also indicates that those with lower take-up rates disproportionately include families at the bottom of the income scale that qualify only for small EITC benefits because their earnings are very low and thus they are not required to file tax returns (Jones 2014). Other research finds that younger workers, Black workers, women, and workers with less education, among others, have higher-than-average EITC take-up rates (Caputo 2011).

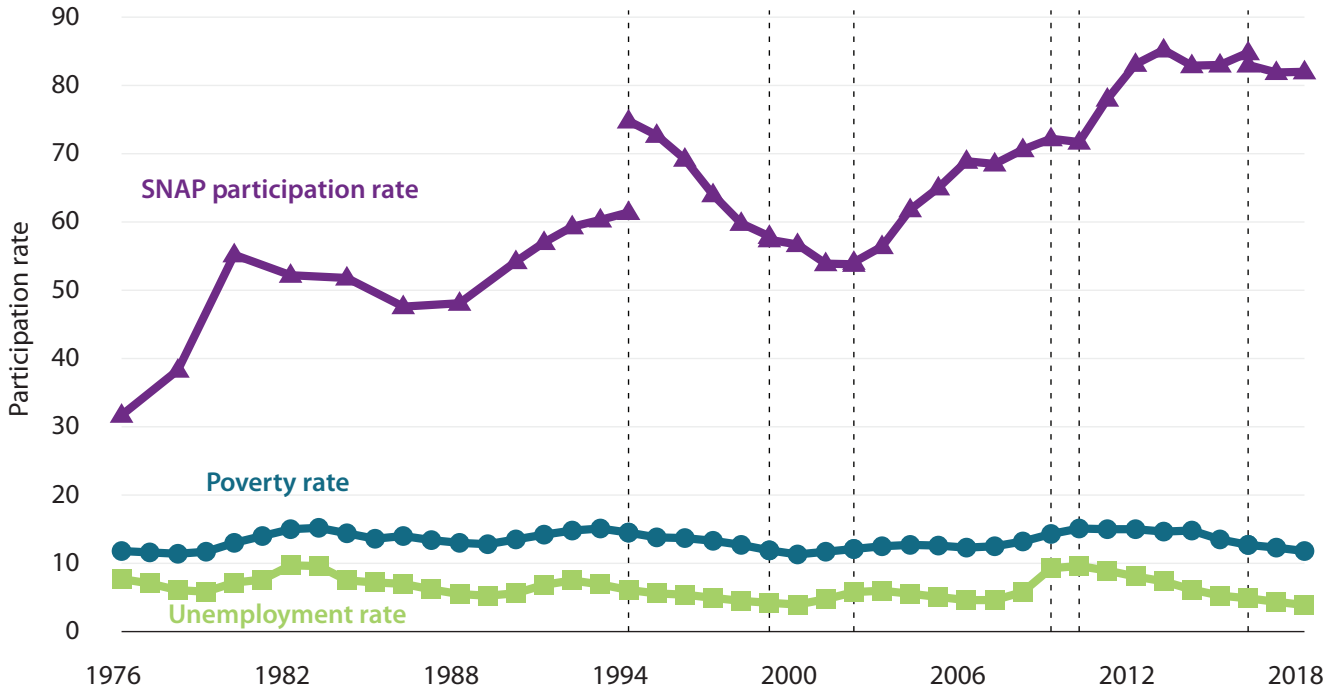
Program Access

Take-up rates are affected by program access. Administrative burdens can complicate access to programs and, in turn, significantly reduce take-up rates, as Pamela Herd and Donald Moynihan show in their book, *Administrative Burden* (2018). Fortunately, take-up rates in programs such as SNAP and Medicaid have risen considerably over the past two decades, and extensive research finds that various changes in these programs that were designed to reduce administrative burdens have been significant factors behind this progress. "Relatively simple administrative changes can reduce burden," Herd and her colleagues noted after examining such changes in Medicaid, "resulting in positive and substantive increases on enrollment" (Herd et al. 2013, 577).

Universal social insurance programs tend to have less administrative burden (though burdens can be substantial in UI). That is due in part to how those programs define the eligibility units for their benefits. In Social Security, Medicare, and UI, eligibility is determined on an individual basis, based on the person's earnings data, which the administering agency has readily available and does not need to ask an applicant to provide. In most targeted programs, by contrast, eligibility is determined on a household or family basis, and the agency must determine who is a member of a family or household. That determination can be complicated, especially in the case of divorced, separated, or extended families, as well as families whose composition fluctuates. The CTC, for instance, can raise significant issues, especially among divorced or separated families, in determining

FIGURE 8.

Trends in SNAP Individual Participation Rate Estimates, Poverty Rates, and Unemployment Rates (1976–2018)



Source: BLS 2021; Census Bureau 2021; Lauffer and Vigil 2021, tab C.1.

Note: There are breaks in the time series in 1994 and 1999 because of revisions in the methodology for determining eligibility, in 2002 and 2009 because of revisions in the methodology for determining eligibility and the number of participants, and in 2016 because of changes in the CPS ASEC.

THE HAMILTON PROJECT
BROOKINGS

which adult can receive the credit for a child—particularly when the CTC is provided on a monthly basis, as it was in the latter half of 2021 (Smeeding 2021). That would be true whether the CTC were universal or not.

Not long ago, take-up rates in programs such as SNAP and Medicaid were significantly lower than they are today. To be sure, the methodologies to estimate SNAP's take-up rates have been modified over the years, and analysts should not make precise comparisons between today's take-up rates and those of earlier periods. Nevertheless, SNAP's household take-up rate was an estimated 48 to 58 percent from 1997 to 2004, compared with an estimated rate of 80 to 85 percent today (USDA 2021b). Methodological changes can explain only a small share of this substantial increase (see Figure 8). Medicaid's participation rates have risen substantially, as well (Haley et al. 2021; Kenney et al. 2012).

SNAP legislation enacted in 2002 and 2008, CHIP legislation enacted in 2009, and the ACA of 2010 all included measures to ease burdens and raise take-up rates. They were accompanied by federal administrative actions and policies enabling—and in some cases offering financial incentives for—states to streamline program access in various ways. The 2009 CHIP legislation, for example, provided federal funding bonuses to states that adopted a number of proven strategies to boost children's enrollment in Medicaid and CHIP. As noted, federal law also eliminated asset tests in Medicaid (except for its elderly and disabled eligibility categories), and most states have largely or entirely eliminated asset tests in SNAP, further reducing applicant burdens.

In addition, policymakers lengthened certification periods in both SNAP and Medicaid, reducing the frequency with which participating households must have their eligibility redetermined.[47] Longer certification periods increase beneficiary retention and raise take-up rates, research has found (Herd and Moynihan 2018; Homonoff and Somerville 2021). Along similar lines, both SNAP and Medicaid eased requirements for applicants and participants to go to state or county offices in person to apply, and the programs have simplified their rules for when clients must report information about changes in their circumstances. And along with simpler and less onerous application and reporting requirements, more people are applying and reporting online. As of 2017, 46 states allowed SNAP applicants to apply for benefits online (USDA 2018), while in Medicaid, applying online and by phone has "become largely standard" (Brooks et al. 2020, 3), with virtually all states using these approaches. (The Trump administration sought to roll back some of the actions of prior administrations to improve access or otherwise expand SNAP and Medicaid, but most of its efforts were blocked by the courts, did not make it through the regulatory process before Trump's term ended, or have been reversed by the Biden administration.)

In another significant development, information technology (IT) advances have enabled states to verify income

and other household circumstances to a greater degree by tapping into wage and other data bases, shifting burdens off applicants and beneficiaries. The Children's Health Insurance Program (CHIP) Reauthorization Act of 2009, for example, authorized states to stop requiring most Medicaid applicants to provide documentary proof of citizenship or eligible immigration status, and enabled states to coordinate electronically with Social Security Administration databases that can verify citizenship and immigration status virtually overnight. The result was a marked decline in client burdens and significant increases in program participation (Cohen Ross 2007, 2010; Solomon and Cohen Ross 2009).

Various targeted programs also are employing cross-program enrollment or automatic enrollment more extensively, using participation in one program to enroll an individual in another program or to substantially ease the enrollment process. States enrolled more than 700,000 people in the ACA's Medicaid expansion by using SNAP case records to determine that these individuals met Medicaid's eligibility criteria and then to contact the individuals and enable them to enroll largely burden-free (Gonzales 2016).[48] States also are using a household's enrollment in SNAP and increasingly in Medicaid to enroll the household's schoolchildren in free school meals without requiring an application. Such measures, along with continued IT advances that can enable states to rely more on electronic verification, can reduce client burdens and enable states to more widely use cross-program enrollment and full or partial auto-enrollment, which some researchers have called the single most effective way to boost take-up rates (Herd and Moynihan 2018; Remler and Glied 2003). These strategies, and related developments such as smartphone apps that can make applying and participating easier, hold promise to further strengthen access and raise take-up rates, especially in targeted programs.

The Bipartisan Infrastructure Law of 2021 should help raise take-up rates still more. It invests $65 billion in broadband expansion, with a focus on improving internet access for low-income and rural households. Among other measures, it creates a permanent, monthly benefit through the Affordable Connectivity Program (ACP) to enable lower-income households to afford internet access. These measures should facilitate participation in various social programs, especially as programs increasingly rely on online interactions.

Finally, in December 2021 President Biden issued a detailed executive order (Executive Order 14058) that directs federal agencies to take an array of steps to reduce application and enrollment burdens in social programs (White House 2021c). It directs agencies to act to the full extent that the law allows, to (among other things) "support coordination between benefit programs to ensure applicants and beneficiaries in one program are automatically enrolled in other programs for which they are eligible . . . [and] support streamlining state enrollment and renewal processes and removing barriers, including by eliminating face-to-face interviews and requiring pre-populated electronic renewal forms" (White House 2021c, 5, 7). Moynihan and Herd have called this order a "landmark" and "huge sea-change" (Moynihan and Herd 2021). The White House then followed this executive order with a further detailed directive to federal agencies in April 2022 to guide their work in identifying and reducing administrative burdens in social programs (White House 2022).

In short, take-up rates and retention remain significant issues in many programs, but there is now a foundation on which to make further progress. To fully leverage that foundation, however, policymakers and program administrators will need to make improving access to, and strengthening take-up rates in, social programs a higher government-wide priority than it generally has been in the past.

Where Should Social Programs Go from Here?

Despite the progress over recent decades in reducing poverty, expanding health-care coverage, and the like, the Unites States still has unusually high levels of poverty for a Western, industrialized nation. Most other such countries do more than the United States does to reduce poverty and raise living standards. This prompts the question of how to pursue policies that would make substantial further progress, and how to do so in ways that reflect political realities so that proposed policy advances can have better chances of becoming law and actually helping people. Accomplishing that will entail some trade-offs between policies that are the soundest on a pure policy basis but have little political viability and policies that are substantially more viable politically and much more likely to become law.

One issue is whether and (if so) to what degree we should seek to expand targeted programs or whether we should concentrate instead on expanding universal programs and converting targeted aid to universal forms of support. As we have seen, targeted programs have fared considerably better politically than policymakers and advocates often recognize, and they often achieve respectable take-up rates, especially with reforms to strengthen access and reduce administrative burdens. Moreover, President Biden's executive order offers the potential for further take-up gains in the years ahead. Yet if universal programs tend to have stronger political support (even if that has often been heavily overstated), and if universal programs generally have higher take-up rates (even if that has been overstated as well), why shouldn't policymakers establish virtually all important programs on a universal basis?

The main reason not to do so is that universal programs cost considerably more than targeted programs, and political opposition makes it extremely difficult to raise the federal taxes needed to support a fully universal strategy. As a result, were policymakers to move to a largely or entirely universal approach to social programs, they could risk squeezing the funding available for people in greater need as well as funding for other essential government endeavors outside of benefit programs (e.g., addressing climate change and expanding the stock of affordable housing). Proposals to create a Universal Basic Income (UBI) help illustrate some of these trade-offs.

In analyzing UBI issues, economists Hilary Hoynes and Jesse Rothstein note that a "truly universal UBI would be enormously expensive," with the most-discussed kinds of UBIs costing "nearly double current total spending on the 'big three' programs (Social Security, Medicare, and Medicaid)" (Hoynes and Rothstein 2019, 2). A CRS analysis of

two prominent UBI proposals found they would cost $2 trillion to $3 trillion a year, or $20 trillion to $30 trillion over a decade[49] (CRS 2018), representing roughly half of all current federal noninterest spending. Nor would counting UBI benefits as taxable income reduce the cost to manageable levels; with the substantial majority of Americans in the zero, 10 percent, or 12 percent income tax brackets,[50] counting UBI payments as taxable income would lower UBI's cost only modestly. Moreover, Hoynes and Rothstein observe, "replacing existing anti-poverty programs with a UBI would be highly regressive unless substantial additional funds were put in" (Hoynes and Rothstein 2019, 24), since policymakers would be reallocating to higher-income households some income and other benefits that the federal government now provides through social programs to people with low or modest incomes.

Some UBI proponents and others who favor a largely or entirely universal approach to social programs may respond that policymakers should not worry about the higher costs due to a growing view in policy circles that the economy can tolerate considerably higher deficits and debt than previously thought (largely because real interest rates were significantly lower in recent years than economists had previously projected). But policymakers cannot ignore cost considerations.

In a January 2021 paper, Peter Orszag, Joseph Stiglitz, and Robert Rubin discussed whether there are limits (what they call "fiscal anchors") on the amounts of deficits and debt that the federal government can safely incur. "We are skeptical," they write, "that we can define a top-down fiscal anchor that is sensible and can be implemented in the face of substantial uncertainty over budget forecasts. But we believe it is prudent to assume there is a fiscal limit somewhere even if we do not know where it is" (18). Economists generally agree that there are fiscal limits even if they disagree on what those limits may be.

Political economy issues also are important considerations. "Even if there were not such a [fiscal] limit," Orszag, Stiglitz, and Rubin note, "if large parts of the population believe there is, it is prudent to be mindful of such in the budget" (Orszag, Stiglitz, and Rubin, 2021, 18). That is, if a large share of the population as well as policymakers believe there are such limits, that will likely constrain the options in crafting legislation. If so, overreliance on universality could squeeze funds for other vital needs, and people of lesser means could fare less well than they would under a mix of universal and targeted programs. For any given amount of funding that policymakers elect to spend, targeted programs can deliver more substantial benefits to people of lesser means than universal programs do (Greenstein 2019).

The greater cost of universal programs would be of less concern if the federal government could raise substantially more in tax revenue—securing considerably more, in particular, from middle-class as well as wealthy households and corporations, as Western European nations do through mechanisms such as value-added taxes. With Republican policymakers opposing virtually all tax increases, however, and Democratic policymakers generally opposing tax increases on anyone who makes less than $400,000 a year, that does not seem politically viable for the foreseeable future.

Consider the wide gap between how much revenue government raises in the United States (from national, state, and local levels combined) as a percentage of gross domestic product (GDP) and how much Western European nations raise. In 2019, Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, and Sweden all raised tax revenue equal to between 38 and 47 percent of their GDP. The figure was 33 percent in Great Britain and 34 percent in Canada. By contrast, in 2019 United States tax revenue equaled 25 percent of GDP (Organisation for Economic Co-operation and Development [OECD] n.d.). Every country with a more generous universal program landscape raises substantially more in tax revenue than the United States. Without much greater revenue, US policymakers face limits on how far they can go in a universal program direction.

Moreover, in the years ahead, policymakers will face the challenge of addressing the approaching insolvency of Social Security and Medicare. In doing so, can policymakers avoid Social Security and Medicare benefit reductions that lower living standards for tens of millions of nonaffluent people, and can they also address gaps in the current Social Security benefit structure, in part by raising Social Security and Medicare payroll tax rates and thereby raising taxes on middle-class households? The answer to that is unclear. Can we, in turn, realistically assume that, on top of any such payroll tax increases, policymakers will enact substantial additional tax increases on middle-class as well as wealthy households to support more universality? For the foreseeable future, that does not seem likely. (Howard [forthcoming] notes that congressional Democrats have shied away from using payroll taxes to finance a universal paid leave program as a number of Western European countries have done, because that would raise taxes on middle-class households.)[51]

As an alternative, some have suggested making more programs universal and taxing program benefits as income, as the federal government does with UI[52] and, to a significant extent, Social Security. That may be promising in some program areas, but is not a panacea. The costs of providing benefits to those with the highest incomes would still be substantial. Even after taxing those benefits at the current top individual income tax rate of 37 percent or the previous top rate of 39.6 percent, more than 60 percent of the cost of providing the benefits to very affluent people would remain. In addition, many moderate-income households would see their benefits diluted somewhat due to the taxes on them, and research shows that taxing UI benefits has reduced UI take-up rates (Anderson and Meyer 1997; Remler and Glied 2003).

If, on the other hand, we cannot rely almost entirely on universal programs due to their costs and to opposition to raising taxes to Western European levels, neither can we rely too heavily on targeted programs. Targeted programs phase down benefits as incomes rise above specified levels, gradually reducing benefits and, in turn, raising effective marginal tax rates on earnings in the phase-down ranges. To be sure, as many analysts have noted, if some second earners in a family respond to these higher marginal tax rates by spending more time raising their children and less time working outside the home, that may not be a problematic outcome. And now that a number of targeted programs serve people with incomes well above the poverty line, different programs phase down over somewhat different income ranges, which can help keep combined marginal tax rates from

climbing too high. (Nor do higher marginal tax rates invariably reduce hours worked; for many people, those tax rates make little or no difference, and some people may choose to increase their work hours in response to lower take-home pay. Moreover, if federal policymakers could raise considerably more in taxes to finance more universality, those taxes themselves likely would mean higher marginal tax rates in other ways.) Nevertheless, marginal tax rates remain an issue in this context, and they are another reason why we need a mix of universal and targeted programs rather than relying too greatly on one or the other.

For the foreseeable future, the federal government almost certainly will continue to provide a mix of targeted and universal programs. There are strong arguments for some proposed programs to be universal, such as paid family and medical leave. Other programs, such as SNAP and rental assistance, should and almost certainly will remain targeted.

A key question is whether policymakers can find ways to strengthen both targeted and universal programs to address some of the most significant gaps in the current social-support system. Consider, in particular, the gaps related to cash assistance, especially for poor families with children and for unemployed workers. In-kind benefits can go only so far; cash gives struggling individuals and families a greater ability to allocate their resources in ways that address their most pressing needs.

Addressing these gaps will not be easy. The debate over the Build Back Better legislation showcased the obstacles to addressing one of the current system's most serious inadequacies—the lack of adequate cash assistance for struggling families with children—by strengthening the CTC so poor children receive it in full. Currently, the CTC provides no credit or only a partial credit to an estimated 23 million to 27 million children in families with little or no earnings. The 2021 ARP addressed this problem by providing an expanded credit that went in full to children in families with low or no earnings—but only for 2021. The Build Back Better legislation the House passed in the fall of 2021 would have made permanent the provisions extending the full CTC to low-income children, but that legislation has stalled in the Senate. And with these ARP provisions now having expired, more than one in every three children, more than half of all Black and Hispanic children, and 70 percent of all children in families headed by a single female parent once again receive no credit or only a partial credit because their families lack earnings or their earnings are too low (Collyer, Harris, and Wimer 2019; Goldin and Michelmore 2021; Marr et al. 2021).

Yet despite the setbacks the Build Back Better legislation has faced, the CTC still likely offers the most politically viable opportunity to secure more adequate cash assistance for low-income families with children and make major progress in reducing child poverty. When policymakers established the credit in 1997, most families that did not earn enough to owe federal income tax were entirely ineligible for it. By 2001 policymakers had created a partially refundable component of the CTC, with the credit beginning to phase in when a family's earnings for the year surpassed $10,000. And, in subsequent years, policymakers lowered the $10,000 threshold to $2,500 in several steps before ARP made the credit fully refundable for 2021. The history of repeated CTC expansions to cover more families with low incomes suggests that it may well be possible in future years for policymakers to continue this progress in broadening the CTC's refundable component and ultimately to make the credit fully refundable on a permanent basis.[53]

To be sure, providing adequate cash assistance to families without earnings has historically faced considerable political opposition. But, as we have seen, the CTC—unlike cash public assistance—has a number of the attributes that historically have provided for program strength. It is delivered through the tax code. Its beneficiaries include tens of millions of middle-income children alongside those with lower incomes. It is fully federally financed with national eligibility rules and benefits levels that states cannot (and have no incentive to) scale back. And it is increasingly viewed as highly effective, not only in reducing current child poverty but also in improving children's long-term prospects.

UI is another cash program that needs substantial strengthening but that faces formidable political obstacles. Its financing (through state and federal taxes on employers) pits employers against workers, giving employers incentives to press their states to limit access to benefits and keep benefits low and to challenge workers' claims. Although policymakers expanded UI greatly during the pandemic and ensuing recession, those expansions have expired, and even the early, $3.5 trillion House version of Build Back Better did not include provisions to strengthen UI on an ongoing basis (Gwyn 2021). Moreover, some UI analysts expect further state UI cuts in the years ahead, and some states already are moving in this direction (Gwyn 2021, 2022; Golshan and Delaney 2021; Stone 2021).

The UI expansions that were in effect for most of 2020 and much of 2021 came about only because they were fully federally financed and mandated. That suggests that reforming and strengthening UI so it does a more adequate job in supporting unemployed workers is likely to necessitate a much greater federal role both in UI financing and in setting program rules. That, however, would entail substantial federal budget costs and likely face serious opposition from some stakeholders, making such reforms politically very difficult to achieve, at least in the near term.

In strengthening targeted programs, one question is how high up the income scale they need to extend to be politically durable. The answer is likely different for different programs. Most targeted programs that have expanded significantly in recent decades have broadened their income eligibility and their constituencies but still phase out benefits below median family income (which was $86,372 in 2020) and concentrate their benefits primarily on those in the bottom fifth in income. On the other hand, given the political problems that cash assistance programs for people who are not employed and who are neither elderly nor disabled have encountered, a fully refundable CTC probably should extend higher up the income scale, encompassing more of the population, to bolster its support.

Even so, the CTC's current income thresholds, which give married filers a full credit for each child until their income reaches $400,000 and a partial credit for another $40,000 in income above that for each child they have, seem higher than necessary. From 1997 to 2017, the credit began phasing out at $110,000 for married filers and ended entirely at $150,000 for married filers with two children, and those

thresholds generated no noticeable political opposition. Policymakers continued to expand the credit during those years, especially its partially refundable component for lower-income families. This suggests that the thresholds in the main Democratic CTC expansion bill before ARP—the 2019 American Family Act, which was cosponsored by most House and Senate Democrats and would phase out the credit for married filers at incomes around $200,000—are likely high enough to maintain the credit's political strength.

In strengthening both targeted and universal programs, policymakers should also aim for strong federal financing and federal eligibility, benefit, and access standards where possible. The programs that have fared the worst, such as TANF and UI, not only provide cash assistance primarily to people who are not employed, but also are highly decentralized in both funding and program rules. Meanwhile, increased federal funding and stronger federal rules have played crucial roles in the expansion of programs such as Medicaid and CHIP, while SNAP, the EITC, and the CTC all are fully federally funded.

Whatever the precise mix of programs, policymakers should improve program performance—by reducing administrative burdens, streamlining and improving access, and raising take-up rates in both targeted and universal programs. Too many people in need do not receive aid for which they qualify. Fortunately, the program reforms of recent decades, IT advances, and growing interest in these matters among policymakers—reflected most recently in President Biden's Executive Order in December 2021—indicate that we can make considerable progress on this front (Moynihan and Herd 2021).

Finally, while this paper has focused on strengthening social programs so they do more to reduce poverty, raise living standards, and improve children's life chances, the political pendulum at times will swing toward hostility to social programs—and both targeted and universal programs will need to weather the storms. In periods when policymakers have sought to scale back programs, targeted programs have tended to face greater risk. Nevertheless, universal programs that are financed at least in part by dedicated payroll taxes and operate through trust funds have been vulnerable when trust-fund insolvency has loomed, as with Social Security in the early 1980s. With insolvency now approaching again for the trust funds of both Social Security and Medicare Hospital Insurance (Medicare Part A), those programs will likely face challenges in the years ahead, including calls for various cuts in their benefits or eligibility as cost-reduction measures to extend solvency. In addition, when the political pendulum has swung back in a more favorable direction after a period of hostility to social programs, policymakers have generally expanded targeted programs (other than TANF) more than universal ones, with the expansions often more than offsetting the prior cuts.

The efforts to cut programs at various points in recent decades also highlight the importance of maintaining strong federal financing and strong federal eligibility, benefit, and access rules in social programs to the greatest degree possible. The evolution of programs such as SNAP, Medicaid, and TANF illustrates why. When programs with large federal financing and rule-setting roles experience specific eligibility or benefit cuts, policymakers very often have subsequently reversed the cuts or compensated for them in other ways. But when policymakers seriously diminish the federal role, such as when they convert a federal program to a block grant to states with extensive state flexibility, program retrenchment is more likely to be permanent and even to intensify over time.

Appendix A: The Data Used in This Analysis

Richard Kogan[1]

This appendix explains the data on federal budget expenditures ("spending" or "outlays") used in this analysis: where the figures come from, how we subdivide the figures among categories, and how we adjust the raw figures to make them more meaningful. All the figures used in the analysis are shown in a table posted on The Hamilton Project website. The explanations in this appendix refer to that table.

Original Source: Spending by Budget Account, Posted by the Office of Management and Budget (OMB)

Accompanying each presidential budget is a public database[54] showing the nominal dollar level of spending for each budget account for each fiscal year from 1962 on.[55] Budget accounts have unique names and numerical account codes. An account may encompass a single program or a set of related programs that the administration and Congress desire to treat as a single account for funding and administrative purposes. For example, the Job Corps program has existed as a single budget account since 2009. In contrast, the budget account for the Health Resources and Services Administration encompasses many programs, including health centers and free clinics; the Ryan White HIV/AIDS program; health workforce development; rural health; and family planning.[56]

OMB's spending database for the 2022 budget is reproduced as the "data" tab in the posted table.[57] The database does not divide an account among the multiple programs that it may encompass nor between regular and emergency funding. However, the database does divide accounts between mandatory and discretionary amounts[58] and between grants to states (or other jurisdictions) and non-grant amounts.

Categories of Spending Used in This Analysis

This analysis focuses on two categories of spending: A) key mandatory programs (or groups of programs) with benefits explicitly targeted to beneficiaries based on their income (and in some cases, on their assets as well); and B) three programs that are broadly universal. These are the first two categories shown on the green tabs of the posted table.[59]

Key targeted programs or program groups:

- Medicaid and the Children's Health Insurance Program (CHIP);
- the Supplemental Security Income program (SSI);
- the Temporary Assistance for Needy Families program (TANF) and its predecessor, the Aid to Families with Dependent Children program (AFDC);[60]
- the Supplemental Nutrition Assistance Program (SNAP);[61]
- the refundable component of the Earned Income Tax Credit (EITC)
- the refundable component of the Child Tax Credit (CTC);
- the refundable component of the Affordable Care Act's premium tax credit;[62]
- the Child Nutrition programs;
- the Child Care Entitlement to States;
- Pell Grants;[63] and
- Medicare's Low-Income Subsidy (LIS), which helps low-income people who are elderly or have disabilities afford Medicare prescription drug coverage (see Box A-1).

Three universal programs or program groups:

- the Unemployment Insurance trust fund;
- Social Security benefits; and
- Medicare benefits (see Box A-1).

In 2019 these key targeted programs constituted 23.3 percent, and these three universal programs constituted 49.5 percent, of total federal budget expenditures other than for national defense or net interest. While the budget contains 130 accounts that we view as encompassing targeted programs, in 2019 the key accounts listed above accounted for 97 percent of all targeted mandatory spending (and

1. Richard Kogan is a Senior Fellow at the Center on Budget and Policy Priorities. He previously served as Senior Adviser to the Director of the Office of Management and Budget and as Director of Budget Policy for the House Budget Committee.

BOX A-1.

Medicare's Prescription Drug Low-Income Subsidy

Medicare provides overall Rx drug benefits, among which is a special "low-income subsidy," approximately one-third of the Medicare Prescription Drug Account. That subsidy is both targeted and substantial; in 2019 its cost was an estimated $29 billion. For these reasons, and because estimates of the cost of this subsidy since its establishment in 2004 are generally available, we make an exception here to our practice of treating an entire budget account as either targeted or not: when we refer to Medicare, we generally do not include the prescription drug low-income subsidy in our data, and when we speak of targeted programs (mandatory or in total), we count that subsidy. Whether we treat the low-income subsidy as targeted or as part of universal Medicare, however, does not meaningfully affect the findings in this paper about the relative growth of targeted and universal mandatory programs, as endnote 9 of the paper demonstrates.

85 percent of all targeted spending, whether mandatory or discretionary). The names and account codes of all 130 targeted programs are shown on the "List" tab of our posted table and in Appendix B.

Adjustments to Make the Data More Meaningful: Smoothing the Data[64]

We smooth our data in two ways. First, some programs—e.g., Medicare, Supplemental Security Income, and Veterans' Compensation and Pensions—accelerate their monthly payments by a few days if the payments would otherwise fall on a weekend. When October 1 (the start of the federal fiscal year) falls on a weekend, there may be 13 "monthly" payments in the prior fiscal year; when that happens, some other fiscal year will have only 11. This distorts the year-to-year path of spending. We smooth the path by assuming 12 such payments each fiscal year. CBO's most recent year-by-year, program-by-program estimates of these timing anomalies can be found in the "timing" tab of the posted table.

Second, because we are examining underlying long-term trends in the trajectories of targeted and universal programs, we smooth the data by removing outlays resulting from the American Recovery and Reinvestment Act of 2009 (ARRA), which temporarily boosted expenditures for various programs in response to what was then the deepest recession since the Depression. ARRA resulted in an estimated $574 billion in outlays over time. Including those outlays would, for the affected years, alter such measures as the share of overall mandatory spending that targeted and universal programs make up, and could create misimpressions that Congress had first expanded and then cut various program categories rather than providing temporary recession-related boosts. Moreover, because ARRA's outlays in 2019 are miniscule, excluding the ARRA outlays does not affect this paper's comparisons between spending for various programs and program categories in 2019 to their levels in 1979 or earlier years.

Nevertheless, for readers who would like to see the year-by-year budget numbers with ARRA outlays included, the interactive table that accompanies this paper—which provides year-by-year outlay numbers for various programs and program categories for all years from 1962 through 2019—includes in the "nominal" tab a switch that enables readers to add back the ARRA outlays.

We also remove outlays for the 2008 TARP legislation and for legislation responding to the savings and loan crisis of the 1989-91 period, which were substantial but temporary, given our goal of showing underlying trends in expenditures for targeted and universal mandatory programs, including the shares of overall mandatory spending that those expenditures account for.[65] Here, too, the "nominal" tab in the interactive table enables readers to add back these outlays if they wish. In any event, as with the ARRA expenditures, whatever approach one takes on the TARP and savings and loan costs barely affects the data in this paper's analysis comparing expenditures levels for various programs and program categories between 1979 and 2019.

Ideally, we would also remove temporary spending that flowed from legislation to address natural disasters. But it is largely or entirely impossible to identify precisely and remove the estimated spending flowing from, for example, relief and reconstruction after major hurricanes such as Katrina, Sandy, and Andrew.

The "ARRA" tab of our posted table shows CBO's year-by-year, account-by-account estimate of ARRA spending, and our "adjust" tab displays in one place the dollar amounts of our account-level adjustments for timing anomalies, ARRA, TARP, and the 1989 savings and loan legislation.

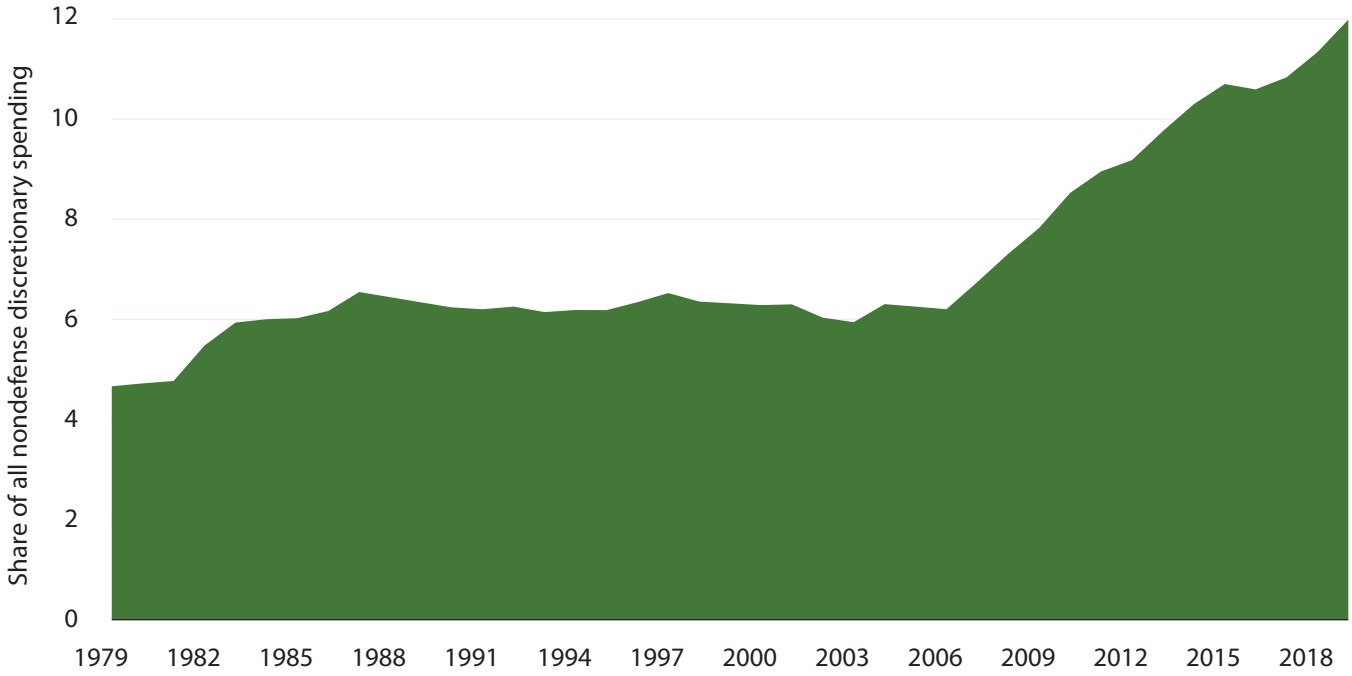
The table then displays adjusted federal budget spending in two steps. First, the "nominal raw" tab extracts from the "data" tab the unadjusted spending for each year for:

- the 11 key targeted mandatory accounts;
- the three universal mandatory accounts[2];
- totals for all discretionary accounts (both defense and non-defense, whether or not targeted);
- totals for all non-defense discretionary (NDD) accounts, split between veterans' medical care and all other (see Figure A-1);
- totals for all targeted NDD accounts;
- totals for all mandatory programs (excluding net interest); and
- totals for all targeted mandatory accounts, split between health and non-health programs.

2. As explained in Box A-1, we generally treat the Medicare Rx drug low-income subsidy as targeted. In this "nominal.raw" tab and each succeeding tab, we show two versions of these subtotals: with the Rx drug low-income subsidy treated as "targeted" rather than as universal "Medicare," and with this subsidy treated as "Medicare" rather than as a "targeted" program.

FIGURE A-1.

Medical Care As a Share of All NDD Spending (1979–2019)



Source: Kogan 2022.

THE HAMILTON PROJECT
BROOKINGS

Finally, the table's green "nominal" tab—the leftmost tab on the table—shows the year-by-year nominal dollar amounts from the "nominal.raw" tab but with modifications to reflect each of the four adjustments: 1) removing the timing anomalies when there are 11 or 13 "monthly" payments per year in order to obtains results with 12 monthly payments each year, 2) removing ARRA spending, 3) removing TARP spending, and 4) removing the spending from the 1989 savings and loan legislation.

Adjustments to Make the Data More Meaningful: Accounting for the Effect of Growing Prices and Population and a Growing Economy

In 1962 —

- the nation's population was 195 million, 59 percent of its 2019 level.[66]
- the federal minimum wage was $1.15 per hour, 16 percent of its 2019 level;[67] and
- the nation's economy totaled $586 billion, three percent of the 2019 level.[68]

As a result, $10 billion of federal spending in 1962 has a very different meaning from $10 billion in 2019. Therefore, in the charts and tables and in the posted table, we further adjust the spending figures shown in the "nominal" tab: we account for inflation in the "prices" tab, we account for both inflation and a growing population in the "PP" tab, and we account for a growing economy in the "GDP" tab.

Specifically, in the "prices" tab, we index the historical values of the R-CPI-U-RS (a series the Bureau of Labor Statistics created to apply recent improvements in inflation-measurement methods to earlier years) to the fiscal year 2019 value of the official CPI-U. By indexing the CPI-U to its 2019 value of 374.9, we produce index values of 1.000 for 2019 and lower levels for prior years; the 1962 level equals 0.136, for example. This means that hypothetical goods or services costing $13.60 in 1962 would cost $100 in 2019. Next, by dividing federal dollars spent in 1962 by 0.136, we make 1962 dollars equivalent to 2019 dollars. For example, the "nominal" tab shows that all non-defense discretionary spending totaled $19.5 billion in 1962. Dividing that figure by 0.136 produces a result of $143.7 billion in 2019 dollars; this is the figure for all nondefense discretionary spending for 1962 shown on the "prices" tab. Economists would say, "In 1962, federal spending for non-defense discretionary programs totaled $143.7 billion in real 2019 dollars."

In the next tab, the "PP" tab, we adjust nominal dollar amounts for both growing prices and a growing population. The method is the same; we index the fiscal year population to 1.000 in 2019, producing lower values in prior years, and we then multiply the CPI-U index value for a given fiscal year by the population index for that year. The 2019 "price and population" index is still 1.000, of course, while the 1962 "price and population" index is 0.080, for example. (Recall that the population in 1962 was only 59 percent as

large as in 2019. Multiplying the 1962 CPI-U index value of 0.136 by 59 percent gives 0.080.) As noted, nominal spending for non-defense discretionary programs totaled $19.5 billion in 1962. Dividing that figure by the 1962 index value of .080 produces $245.4 billion, the value of all non-defense discretionary spending in 1962 adjusted for both growing prices and a growing population.[69]

To summarize, calculating spending in "real 2019 dollars" can be phrased as "adjusting spending prior to 2019 for growing prices" (i.e., for inflation). Analogously, the "PP" tab adjusts spending prior to 2019 for growing prices and a growing population.

In our view, in determining whether the average value of the goods, services, or benefits provided by the federal government has increased over time, it is most meaningful to adjust federal spending for both growing prices and a growing population. Adjusting federal spending for both growing prices and a growing population also is more meaningful than adjusting only for growing prices in determining whether the average cost to a US resident of providing federal goods, services, and benefits is increasing over time.

In the final tab, "GDP," we divide nominal spending in any year by the size of the economy in that year, measured by gross domestic product (GDP). This shows whether the nation is devoting an increasing or decreasing share of its total income to federal programs over time. That is a different question from whether the programs are becoming more generous over time. For example, the "PP" tab shows that total non-defense discretionary spending has grown from $245 billion in 1962 to $638 billion in 2019. But the "GDP" tab shows that non-defense discretionary spending has shrunk from 3.33 percent of GDP in 1962 to 3.01 percent of GDP in 2019. In short, although the value (or cost) of federal non-defense discretionary programs was noticeably greater in 2019 than in 1962, the economy grew even faster. In this case, a shrinking percentage of GDP does not mean that those programs were cut in any meaningful sense. Rather, it means that the nation devoted a smaller share of its overall income to those programs in 2019 than in 1962.

Appendix B: Targeted Mandatory Programs

Richard Kogan

This appendix lists the 54 budget accounts with mandatory funding that we treat as targeted. It also lists Medicare's low-income subsidy, which helps low-income Medicare beneficiaries afford the premiums for Medicare's prescription drug benefit; this is the one program we list that is a portion of, rather than the entirety of, a larger budget account (see the box in Appendix A). Some of these accounts have no outlays in 2019 but did in prior years. We first list the accounts we treat as "key" and then the others.

This list displays the formal account name used in OMB's database, the two-digit Treasury code representing the federal agency that administers the account, the four-digit number that identifies the account within that agency,[70] and the three-digit number that identifies the budget subfunction. In combination, these three sets of numbers allow each budget account in OMB's database to be uniquely identified. For example, the Supplemental Nutrition Assistance program (SNAP) has a Treasury code of 12, referring to the Department of Agriculture, a four-digit account number of 3505, and a subfunction code of 605; that subfunction is called "food and nutrition assistance" and is within the overall budget function 600, called "income security." Other than the key accounts, we sort the accounts first by subfunction and, within a subfunction, by the account number. (See Table B-1.)

TABLE B-1.

List of Targeted Mandatory Programs

Account name	Agency	Acct #	Sub-function
Key Targeted Programs/Accounts			
Grants to States for Medicaid	75	512	551
Children's Health Insurance Fund	75	515	551
Supplemental Security Income Program	28	406	609
Temporary Assistance for Needy Families	75	1552	609
Payments to States for Child Support Enforcement and Family Support Programs*	75	1501	609
Supplemental Nutrition Assistance Program**	12	3505	605
Payment Where Earned Income Credit Exceeds Liability for Tax	20	906	609
Payment Where Child Tax Credit Exceeds Liability for Tax	20	922	609
Refundable Premium Assistance Tax Credit	20	949	551
Child Nutrition Programs	12	3539	605
Child Care Entitlement to States	75	1550	609
Student Financial Assistance (mostly Pell Grants)***	91	200	502
The "Low-Income Subsidy Payment" (A Portion of Medicare's Prescription Drug Account)	75	8308	571
Other Targeted Mandatory Accounts			
Payment Where Energy Credit Exceeds Liability for Tax	20	907	271
Payment Where American Opportunity Credit Exceeds Liability for TAX	20	932	502
Academic Competitiveness/SMART Grant Program	91	205	502
Welfare to Work Jobs	16	177	504
Job Opportunities and Basic Skills Training Program	75	1509	504
Social Services Block Grant	75	1534	506
Health Insurance Supplement to Earned Income Credit	20	920	551
Payment Where Health Coverage Tax Credit Exceeds Liability for Tax	20	923	551
Payment Where Small Business Health Insurance Tax Credit Exceeds Liability for Tax	20	951	551
Payment Where COBRA Credit Exceeds Liability for Tax	20	9913	551
Pre-Existing Condition Insurance Plan Program	75	113	551
Early Retiree Reinsurance Program	75	114	551
Affordable Insurance Exchange Grants	75	115	551
Prevention and Public Health Fund	75	116	551
Pregnancy Assistance Fund	75	117	551
Consumer Operated and Oriented Plan Program Account	75	118	551
Health Insurance Reform Implementation Fund	75	119	551
Reduced Cost Sharing for Individuals Enrolling in Qualified Health Plans	75	126	551
Consumer Operated and Oriented Plan Program Account	75	118	551
Health Insurance Reform Implementation Fund	75	119	551
Reduced Cost Sharing for Individuals Enrolling in Qualified Health Plans	75	126	551
Health Resources and Services (Subfunction 551)	75	350	551
Consumer Operated and Oriented Plan Program Account, Contingency Fund	75	524	551
Child Enrollment Contingency Fund	75	5551	551
Consumer Operated and Oriented Plan Program Account, Downward Reestimates	75	267403	551
Health Resources and Services (Subfunction 552)	75	350	552
Grants to States for Low-Income Housing Projects in Lieu of Low-Income Housing Credit Allocations	20	139	604
Payment Where Tax Credit to Aid First-Time Homebuyers Exceeds Liability for Tax	20	930	604
Rental Housing Assistance Fund	86	4041	604
Nonprofit Sponsor Assistance Liquidating Account	86	4042	604
Low-rent Public Housing, loans and Other Expenses	86	4098	604
Consolidated Fee Fund	86	5486	604
Housing Trust Fund	86	8560	604
Affordable Housing Program	95	5528	604
Payment Where Recovery Rebate Exceeds Liability for Tax	20	905	609
Payment Where Alternative Minimum Tax Credit Exceeds Liability for Tax	20	929	609
Payment Where Making Work Pay Credit Exceeds Liability for Tax	20	933	609
Payment Where Adoption Credit Exceeds Liability for Tax	20	950	609
Contingency Fund	75	1522	609
Payments for Foster Care and Permanency	75	1545	609
Payments to States from Receipts for Child Support	75	5734	609
Payment Where Recovery Rebate Exceeds Liability for Tax	20	9912	609
Recovery of Beneficiary Overpayments from SSI Program	75	309600	609
Federal Share of Child Support Collections	75	310700	609
Pensions Benefits (For Veterans)	36	154	701

Source: Kogan 2022.

Note: *This account includes all payments under the former Aid to Families with Dependent Children (AFDC) program. **This account includes the Nutrition Assistance for Puerto Rico grant program. ***We treat all of the Pell Grant program as mandatory; see endnote 63 in Appendix A.

THE HAMILTON PROJECT
BROOKINGS

References

AEI/Brookings. 2022. *Rebalancing: Children First: A Report of the AEI-Brookings Working Group on Childhood in the United States*. Washington, DC: AEI/Brookings. https://www.aei.org/wp-content/uploads/2022/02/AEI-Brookings-Rebalancing-Children-First-FINAL-REPORT-FEB-8-2022.pdf?x91208.

Alesina, Alberto, Edward Glaeser, and Bruce Sacerdote. 2001. "Why Doesn't the United States Have a European-style Welfare State?" *Brookings Papers on Economic Activity* (Fall): 187–278. Brookings Institution, Washington, DC.

American Recovery and Reinvestment Act of 2009 (ARRA) Pub.L. 111–5 (2009).

American Rescue Plan of 2021, Pub.L. 117-2 (2021).

Anderson, Patricia M., and Bruce D. Meyer. 1997. "Unemployment Insurance Takeup Rates and the After-Tax Value of Benefits." *Quarterly Journal of Economic*s 112 (3): 913–37. http://www.jstor.org/stable/2951259.

Auerbach, Card, and Quigley, Public Policy and the Income Distribution, 80–148.

Ben-Shalom, Yonatan, Robert A. Moffitt, and John Karl Scholz. 2011. "An Assessment of the Effectiveness of Anti-Poverty Programs in the United States." Working Paper 17042, National Bureau of Economic Research, Cambridge, MA.

Brooks, Tricia, Lauren Roygardner, Samantha Artiga, Olivia Pham, and Rachel Dolan. 2020. "Medicaid and CHIP Eligibility, Enrollment, and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey." Kaiser Family Foundation, San Francisco, CA. https://www.kff.org/report-section/medicaid-and-chip-eligibility-enrollment-and-cost-sharing-policies-as-of-january-2020-findings-from-a-50-state-survey-executive-summary/.

Budget Control Act of 2011, P.L. 112-25.

Bureau of Labor Statistics (BLS). 2021. "Current Population Survey." BLS, US Department of Labor, Washington, DC.

Burtless, Gary, and Isabel V. Sawhill. 2021. "Improving the Fortunes of America's Working Class." *The ANNALS of the American Academy of Political and Social Science* 695 (1): 331–34. https://doi.org/10.1177/00027162211036009.

Butcher, Kristin F. 2017. "Assessing the Long-Run Benefits of Transfers to Low-Income Families." Working Paper 26, Hutchins Center on Fiscal and Monetary Policy, Brookings Institution, Washington, DC. https://www.brookings.edu/wp-content/uploads/2017/01/wp26_butcher_transfers_final.pdf.

Caputo, Richard K. 2011. *TANF and EITC Use: A Study*. New York, NY: Springer. https://doi.org/10.1007/978-1-4419-7674-1_6.

Carlson, Steven, Zoe Neuberger, and Dorothy Rosenbaum. 2017. "WIC Participation and Costs Are Stable." Center on Budget and Policy Priorities, Washington, DC.

Center on Budget and Policy Priorities (CBPP). 2019. "Policy Basics: The Earned Income Tax Credit." CBPP, Washington, DC. Updated December 10, 2019.

———. 2021. *Chart Book: Temporary Assistance for Needy Families (TANF) at 25*. Washington, DC: CBPP. https://www.cbpp.org/research/family-income-support/temporary-assistance-for-needy-families-tanf-at-25.

———. 2022. "Policy Basics: Supplemental Security Income." Updated March 2, 2022. CBPP, Washington, DC.

Chang, Yu-Ling, Jennifer Romich, and Marci Ybarra. 2021. "Major Means-Tested and Income Support Programs for the Working Class, 2009–2019." *The ANNALS of the American Academy of Political and Social Science* 695 (1): 242–59. https://doi.org/10.1177/00027162211033524.

Children's Health Insurance Program (CHIP) Reauthorization Act of 2009, Pub.L. 111-4 (2009).

Cohen Ross, Donna. 2007. "New Medicaid Citizenship Documentation Requirement Is Taking a Toll: States Report Enrollment Is Down and Administrative Costs Are Up." Center on Budget and Policy Priorities, Washington, DC. http://www.jstor.org/stable/resrep27404.

———. 2010. "New Citizenship Documentation Option for Medicaid and CHIP Is Up and Running: Data Matches with Social Security Administration Are Easing Burdens on Families and States." Center on Budget and Policy Priorities, Washington, DC. https://www.jstor.org/stable/resrep27389.

Collyer, Sophie, David Harris, and Christopher Wimer. 2019. "Left Behind: The One-Third of Children in Families Who Earn Too Little to Get the Ful Child Tax Credit." Poverty and Social Policy Brief 3 (6, May 13). Center on Poverty and Social Policy at Columbia University, New York, NY.

Committee on Ways and Means. 1993. *Overview of Entitlement Programs: 1993 Green Book: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means*. 103rd Congress, 1st session, US House of Representatives. Washington, DC: Government Publishing Office. https://www.worldcat.org/title/overview-of-entitlement-programs-1993-green-book-background-material-and-data-on-programs-within-the-jurisdiction-of-the-committee-on-ways-and-means/oclc/36022249.

———. 1994. *Overview of Entitlement Programs: 1994 Green Book: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means*." 103rd Congress, 2nd session, US House of Representatives. Washington, DC: Government Publishing Office. https://www.worldcat.org/title/overview-of-entitlement-programs-1994-green-book-background-material-and-data-on-programs-within-the-jurisdiction-of-the-committee-on-ways-and-means/oclc/34610432&referer=brief_results.

———. 2004. *2004 Green Book: Background Material and Data on the Programs within the Jurisdiction of the Committee on Ways and Means*. 108th Congress, 2d session, US House of Representatives. Washington, DC: Government Publishing Office. https://www.govinfo.gov/content/pkg/GPO-CPRT-108WPRT108-6/pdf/GPO-CPRT-108WPRT108-6-1.pdf.

Congdon, William J., and Wayne Vroman. 2021. "Covering More Workers with Unemployment Insurance: Lessons from the Great Recession." Urban Institute, Washington, DC. https://www.urban.org/sites/default/files/publication/103719/covering-more-workers-with-unemployment-insurance_2.pdf.

Congressional Budget Office. 2018. "Federal Mandatory Spending for Means-Tested Programs, 2008 to 2028." Congressional Budget Office, Washington, DC. https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53922-meanstestedprograms.pdf.

———. 2021. "The Distribution of Household Income, 2018." Congressional Budget Office, Washington, DC. https://www.cbo.gov/publication/57061.

Congressional Research Service (CRS). 2006. "Food Stamps and Nutrition Programs in the 2002 Farm Bill." Decenber 12, 2016. Authored by Alison Siskin. RL 33690. CRS, Washington, DC. https://sgp.fas.org/crs/misc/RL33809.pdf

———. 2018. "Universal Basic Income Proposals for the United States." April 3, 2018. Authored by Sarah A. Donovan. IF10865. CRS, Washington, DC. https://crsreports.congress.gov/product/pdf/IF/IF10865.

———. 2019. "Unemployment Compensation (UC): Issues Related to Drug Testing." Updated November 4, 2019. Authored by Katelin P. Isaacs, Julie M. Whittaker, David H. Carpenter, and Jon O. Shimabukuro. R45889. CRS, Washington, DC. https://crsreports.congress.gov/product/pdf/R/R45889.

———. 2021a. "The Earned Income Tax Credit (EITC): How It Works and Who Receives It." Updated January 12, 2021. Authored by Gene Falk and Margot L. Crandall-Hollick. R43805. CRS, Washington, DC. https://sgp.fas.org/crs/misc/R43805.pdf.

———. 2021b. "Medicaid: An Overview." Updated February 22, 2021. Authored by Alison Mitchell, Angela Napili, Evelyne P. Baumrucker, Cliff Binder, Kirsten J. Colello, and Julia A. Keyser. R43357. CRS, Washington, DC. https://crsreports.congress.gov/product/pdf/R/R43357.

———. 2021c. "Need-Tested Benefits: Who Receives Assistance?" June 30, 2021. Authored by Gene Falk, Karen E. Lynch, and Paul D. Romero. R46823. CRS, Washington, DC. https://crsreports.congress.gov/product/pdf/R/R46823.

———. 2021d. "Need-Tested Benefits: Impact of Assistance on Poverty Experienced by Low-Income Families and Individuals." June 30, 2021. Authored by Gene Falk, Jameson A. Carter, and Isaac A. Nicchitta. R46825. CRS, Washington, DC. https://crsreports.congress.gov/product/pdf/R/R46825.

———. 2021e. "The Supplemental Nutrition Assistance Program (SNAP): Categorized Eligibility Report." Updated February 25, 2022. Authored by Randy Alison Aussenberg and Gene Falk. R42054. CRS, Washington, DC. https://crsreports.congress.gov/product/pdf/R/R42054.

———. 2021f. "Social Security: Major Decisions in the House and Senate Since 1935." March 26, 2001. Authored by Geoffrey Kollmann and Carmen Solomon-Fears. RL 30920. CRS, Washington, DC. https://www.ssa.gov/history/reports/crsleghist3.html.

Council of Economic Advisers (CEA). 2014. *The War on Poverty 50 Years Later: A Progress Report*. Executive Office of the President of the United States, White House. Washington, DC: Government Publishing Office. https://obamawhitehouse.archives.gov/sites/default/files/docs/50th_anniversary_cea_report_-_final_post_embargo.pdf.

Cunnyngham, Karen. 2010. "State Trends in Supplemental Nutrition Assistance Program Eligibility and Participation among Elderly Individuals: Final Report." Mathematica Policy Research, and Food Assistance & Nutrition Research, US Department of Agriculture, Washington, DC. https://handle.nal.usda.gov/10113/45316.

Currie, Janet. 2006. "The Take-Up of Social Benefits." In *Public Policy and the Income Distribution*, edited by Alan J. Auerbach, David E. Card, and John M. Quigley, 80–148. New York, NY: Russell Sage Foundation. https://gspp.berkeley.edu/faculty-and-impact/publications/public-policy-and-the-income-distribution.

———. 2021. "Hearing: The Nature and Consequences of American Economic Disparity." July 29. Testimony to the House Select Committee on Economic Disparity and Fairness in Growth, US House of Representatives, Washington, DC. https://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=114002.

Currie, Janet, and Firouz Gahvari. 2008. "Transfers in Cash and In-Kind: Theory Meets the Data." *Journal of Economic Literature* 46 (2): 333–83. https://doi.org/10.1257/jel.46.2.333.

Daly, Mary C., and Richard V. Burkhauser. 2003. "The Supplemental Security Income Program." In Moffitt, *Means-Tested Transfer Progress in the United States*, 79–139.

Deficit Reduction Act of 2005 (DRA), Pub.L. 109-171 (2006).

Donnan, Shawn, Reade Pickert, and Madeline Campbell. 2021. "Georgia Shows Just How Broken American Unemployment Benefits Are." Bloomberg.com, November 19, 2021. https://www.bloomberg.com/graphics/2021-georgia-unemployment-bias/.

Ellis, Christopher, and Christopher Faricy. 2021. *The Other Side of the Coin*. New York, NY: Russell Sage Foundation.

Furman, Jason. 2017. "Reducing Poverty: The Progress We Have Made and the Path Forward." January 17. Center on Budget and Policy Priorities, Washington, DC. https://obamawhitehouse.archives.gov/sites/default/files/page/files/20170117_furman_center_on_budget_poverty_cea.pdf.

Ganong, Peter, and Jeffrey B. Liebman. 2018. "The Decline, Rebound, and Further Rise in SNAP Enrollment: Disentangling Business Cycle Fluctuations and Policy Changes." *American Economic Journal: Economic Policy* 10 (4): 153–76. https://doi.org/10.1257/pol.20140016.

Ganong, Peter, Fiona Greig, Pascal Noel, Daniel M. Sullivan, and Joseph Vavra. 2022. "Lessons Learned from Expanded Unemployment during COVID-19." Report. The Hamilton Project, Brookings Institution, Washington, DC. https://www.hamiltonproject.org/papers/lessons_learned_from_expanded_unemployment_insurance_during_covid_19.

Gehr, Jessica. 2018. "Eliminating Asset Limits: Creating Savings for Families and State Governments." Originally published October 2016. Center for Law and Social Policy, Washington, DC. https://www.clasp.org/publications/report/brief/eliminating-asset-limits-creating-savings-families-and-state-governments.

Gilens, Martin. 1999. *Why Americans Hate Welfare: Race, Media, and the Politics of Antipoverty Policy*. Chicago, IL: University of Chicago Press.
Goldin, Jacob. 2018. "Tax Benefit Complexity and Take-Up: Lessons from the Earned Income Tax Credit." *Tax Law Review* 72 (59).
Goldin, Jacob, and Katherine Michelmore. 2021. "Who Benefits from the Child Tax Credit?" Working Paper 27940, National Bureau of Economic Research, Cambridge, MA. http://www.nber.org/papers/w27940.
Golshan, Tara, and Arthur Delaney. 2021. "The Looming Showdown Over Unemployment Benefits." *Huffington Post*, April 12, 2021. https://www.huffpost.com/entry/unemployment-insurance-republican-cuts_n_60749ea8e4b0cd39fcc0465a.
Gonzales, Shelby. 2016. "States Can Use Existing Information to Reduce Number of Uninsured." Center on Budget and Policy Priorities, Washington, DC.
Government Accountability Office (GAO). 1992. "Early Intervention: Federal Investments Like WIC Can Produce Savings." GAO/HRD-92-18. GAO, Washington, DC.
———. 2001. "Earned Income Tax Credit Eligibility and Participation." GAO-02-290R. GAO, Washington, DC. https://www.gao.gov/products/gao-02-290r.
———. 2007. "Unemployment Insurance: Low-Wage and Part-Time Workers Continue to Experience Low Rates of Receipt." GAO-07-1147. GAO, Washington, DC.
———. 2022. "Pandemic Unemployment Assistance: Federal Program Supported Contingent Workers amid Historic Demand, but DOL Should Examine Racial Disparities in Benefit Receipt." GAO-22-104438. GAO, Washington, DC. https://www.gao.gov/assets/gao-22-104438.pdf.
Greenstein, Robert. 2019. "Universal Basic Income May Sound Attractive But, If It Occurred, Would Likelier Increase Poverty Than Reduce It." Updated June 13, 2019. Center on Budget and Policy Priorities, Washington, DC.
Grogan, Colleen M., and Sunggeun Park. 2018. "Medicaid Retrenchment Politics: Fragmented or Unified?" Journal of Aging and Social Policy 30(3–4): 372–399.
Gwyn, Nick. 2021. "Ways and Means Bill Omits UI Reform in Glaring Omission." *Off the Charts* (blog). Center on Budget and Policy Priorities, Washington, DC. September 9, 2021. https://www.cbpp.org/blog/ways-and-means-bill-omits-ui-reform-in-glaring-omission.
———. 2022. "State Cuts Continue to Unravel Basic Support for Unemployed Workers." Center on Budget and Policy Priorities, Washington, DC.
Haley, Jennifer M., Genevieve Kenney, Clare Wang Pan, Robin Wang, Victoria Lynch, and Matthew Buettgens. 2021. "Uninsurance Rates Rose among Children and Parents in 2019." Urban Institute, Washington, DC. https://www.urban.org/research/publication/uninsurance-rose-among-children-and-parents-2019.
Hasenfeld, Yeheskel, and Jane A. Rafferty. 1989. "The Determinants of Public Attitudes Toward the Welfare State." *Social Forces* 67 (4): 1027–48. https://doi.org/10.2307/2579713.
Hastings, Justine, and Jesse M. Shapiro. 2018. "How Are SNAP Benefits Spent? Evidence from a Retail Panel." *American Economic Review* 108 (12): 3493–540.
Heclo, Hugh. 1986. "The Political Foundations of Antipoverty Policy." In Sheldon H. Danziger and Daniel H. Weinberg, eds. *Fighting Poverty: What Works and What Doesn't*, 312–40. Cambridge, MA: Harvard University Press.
Herd, Pamela, Thomas DeLeire, Hope Harvey, and Donald P. Moynihan. 2013. "Shifting Administrative Burden to the State: The Case of Medicaid Take-Up." *Public Administration Review* 73 (s1): S69–S81. https://doi.org/10.1111/puar.12114.
Herd, Pamela, and Donald P. Moynihan. 2018. *Administrative Burden: Policymaking by Other Means*. New York, NY: Russell Sage Foundation.
Homonoff, Tatiana, and Jason Somerville. 2020. "Program Recertification Costs: Evidence From SNAP." Working Paper 27311, National Bureau of Economic Research, Cambridge, MA. http://www.nber.org/papers/w27311.
Howard, Christopher. 2007. *The Welfare State Nobody Knows: Debunking Myths about U.S. Social Policy*. Princeton, NJ: Princeton University Press.
———. Forthcoming. *Who Cares: The Social Safety Net in America*. New York, NY: Oxford University Press. Available for pre-orders, with shipping after October 11, 2022.
Howard, Christopher, Amirio Freeman, April Wilson, and Eboni Brown. 2017. "The Polls-Trends: Poverty." *Public Opinion Quarterly* 81 (3): 769–89. https://doi.org/10.1093/poq/nfx022.
Hoynes, Hilary. 2019. "The Earned Income Tax Credit." *The ANNALS of the American Academy of Political and Social Science* 686 (1): 180–203. https://doi.org/10.1177/0002716219881621.
Hoynes, Hilary, and Jesse Rothstein. 2019. "Universal Basic Income in the US and Advanced Countries." Working Paper 25538, National Bureau of Economic Research, Cambridge, MA. https://doi.org/10.3386/w25538.
Hoynes, Hilary W., and Diane Whitmore Schanzenbach. 2009. "Consumption Responses to In-Kind Transfers: Evidence from the Introduction of the Food Stamp Program." *American Economic Journal: Applied Economics* 1 (4): 109–39. https://doi.org/10.1257/app.1.4.109.
———. 2018. "Safety Net Investments in Children." *Brookings Papers on Economic Activity* (Spring). Brookings Institution, Washington, DC.
Infrastructure Investment and Jobs Act. 2021. H.R. 3684, 117th Congress. Introduced November 15th, 2021.
Jencks, Christopher, and Paul E. Peterson, eds. 1991. *The Urban Underclass*. Washington, DC: Brookings Institution.
Jones, Maggie R. 2014. "Changes in EITC Eligibility and Participation, 2005–2009." Working Paper 2014-04, Center for Administrative Records Research and Applications, US Census Bureau, Washington, DC. https://www.census.gov/library/working-papers/2014/adrm/carra-wp-2014-04.html#content.
Kaiser Family Foundation (KFF). 2020. "Data Note: 5 Charts About Public Opinion on Medicaid." KFF, San Francisco, CA. https://www.kff.org/medicaid/poll-finding/data-note-5-charts-about-public-opinion-on-medicaid/.
Katz, Michael B. 1986. *In the Shadow of the Poorhouse: A Social History of Welfare in America*. New York, NY: Basic Books.
Kenney, Genevieve M., Victoria Lynch, Michael Huntress, Jennifer Haley, and Nathaniel Anderson. 2012. "Medicaid/CHIP Participation Among Children and Parents." Urban Institute, Washington, DC.

Klein, Ezra. 2022. "America Has Turned Its Back on Its Poorest Families." Opinion. *New York Times*, April 17, 2022. https://www.nytimes.com/2022/04/17/opinion/biden-child-tax-credit.html.

Kogan, Richard. 2022. "Project Outlays." https://www.hamiltonproject.org/assets/files/Social_Programs_Federal_Budget_Expenditures_Richard_Kogan_for_Greenstein_2022.xlsx.

Kroft, Kory. 2008. "Takeup, Social Multipliers and Optimal Social Insurance." *Journal of Public Economics* 92 (3–4): 722–37. https://doi.org/10.1016/j.jpubeco.2007.06.011.

Lauffer, Sarah, and Alma Vigil. 2021. "Trends in Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2016 to Fiscal Year 2018." Nutrition Assistance Program Report Series, US Department of Agriculture, Washington, DC.

Lipman, Francine. 2021. "Tax Audits, Economics, and Racism." Posted November 18, 2021. Forthcoming in 2022 in *Oxford Research Economics and Finance*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3956191.

Liscow, Zachary, and Abigail Pershing. 2020. "Why Is So Much Redistribution In-Kind and Not in Cash? Evidence from a Survey Experiment." Forthcoming in the *National Tax Journal*. Available at SSRN: https://ssrn.com/abstract=3672415.

Marr, Chuck, Kris Cox, Stephanie Hingtgen, and Katie Windham. 2021. "Congress Should Adopt American Families Plan's Permanent Expansions of Child Tax Credit and EITC, Make Additional Provisions Permanent." Center on Budget and Policy Priorities, Washington, DC. https://www.cbpp.org/sites/default/files/5-24-21tax.pdf.

McCabe, Joshua. (@JoshuaTMcCabe). 2021. "The *14–18 percentage point drop* when you shift from describing CTC as 'Expand the federal income tax credit for parents to increase family income' vs 'Send cash payments directly to families with children to increase family income' suggests advocates have lots of work to do!" March 26, 2021, 2:07 p.m. https://twitter.com/joshuatmccabe/status/1375509687995523073?s+27.

Medicare Payment Advisory Commission (MedPAC). 2021. *March 2021 Report to the Congress: Medicare Payment Policy*. Table 13-1. Washington, DC: MedPAC. https://www.medpac.gov/document/march-2021-report-to-the-congress-medicare-payment-policy.

Moffitt, Robert A., and Gwyn Pauley. 2018. "Trends in the Distribution of Social Safety Net Support After the Great Recession." Stanford Center on Poverty and Inequality, Stanford, CA.

Moynihan, Don, and Pamela Herd. 2021. "Understanding the Biden Customer Experience Executive Order." Substack.com, December 15, 2021. https://donmoynihan.substack.com/p/understanding-the-biden-customer.

National Academies of Sciences, Engineering, and Medicine (NASEM). 2019. *A Roadmap to Reducing Child Poverty*. Washington, DC: NASEM. https://www.nap.edu/catalog/25246/a-roadmap-to-reducing-child-poverty.

National Conference of State Legislatures (NCSL). 2019. "Most States Have Ended SNAP Ban for Convicted Drug Felons." *The NCSL Blog* (blog), National Conference of State Legislatures, Washington, DC. July 30, 2019. https://www.ncsl.org/blog/2019/07/30/most-states-have-ended-snap-ban-for-convicted-drug-felons.aspx.

New America. n.d. "Pell Grant Budget Scoring." Education Policy. New America, Washington, DC. https://www.newamerica.org/education-policy/topics/higher-education-funding-and-financial-aid/federal-student-aid/federal-pell-grants/pell-grant-budget-scoring/.

Nowrasteh, Alex, and Michael Howard. 2022. "Immigrant and Native Consumption of Means-Tested Welfare and Entitlement Benefits in 2019." Briefing Paper 137, Cato Institute, Washington, DC.

Nowrasteh, Alex, and Robert Orr. 2018. "Immigration and the Welfare State: Immigrant and Native Use Rates and Benefit Levels for Means-Tested Welfare and Entitlement Programs." Immigration Research and Policy Brief 6, Cato Institute, Washington, DC. https://www.cato.org/immigration-research-policy-brief/immigration-welfare-state-immigrant-native-use-rates-benefit.

O'Leary, Christopher, William Spriggs, and Stephen Wandner. 2022. "Equity in Unemployment Insurance Benefit Access." *AEA Papers and Proceedings* 112: 91–96.

Omnibus Budget Reconciliation Act of 1990, Pub.L. 97-35.

Organisation for Economic Co-operation and Development (OECD). n.d. "Global Statistics Revenue Base." stats.oecd.org. OECD, Paris, France.

Orszag, Peter R., Robert E. Rubin, and Joseph E. Stiglitz. 2021. "Fiscal Resiliency in a Deeply Uncertain World: The Role of Semiautonomous Discretion." Policy Brief. Peterson Institute for International Economics, Washington, DC. https://www.piie.com/publications/policy-briefs/fiscal-resiliency-deeply-uncertain-world-role-semiautonomous-discretion.

Parolin, Zachary. 2021. "Decomposing the Decline of Cash Assistance in the United States, 1993 to 2016." *Demography* 58 (3): 1119–41. https://read.dukeupress.edu/demography/article/58/3/1119/173294/Decomposing-the-Decline-of-Cash-Assistance-in-the.

Pierson, Paul. 1994. *Dismantling the Welfare State?* New York, NY: Cambridge University Press.

Plueger, Dean. 2009. "Earned Income Tax Credit Participation Rate for Tax Year 2005." Research Bulletin, 151–95. Internal Revenue Service, Washington, DC. https://www.irs.gov/pub/irs-soi/09resconeitcpart.pdf.

Reich, David, Isaac Shapiro, Chloe Cho, and Richard Kogan. 2017. "Block-Granting Low-Income Programs Leads to Large Funding Declines Over Time, History Shows." Center on Budget and Policy Priorities, Washington, DC.

Remler, Dahlia K., and Sherry A Glied. 2003. "What Other Programs Can Teach Us: Increasing Participation in Health Insurance Programs." *American Journal of Public Health* 93 (1): 67–94. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1447695/.

Rosenbaum, Dorothy. 2008. "Farm Bill Contains Significant Domestic Nutrition Improvements." Center on Budget and Policy Priorities, Washington, DC.

Schmitt, Mark. 2017. "Medicaid Saved the Affordable Care Act. Liberals Should Take Notice." *Vox*, August 2, 2017.

Shapiro, Robert Y., Kelly D. Patterson, Judith Russell, and John T. Young. 1987. "Public Assistance." *Public Opinion Quarterly* 51 (Spring): 120–30. https://academic.oup.com/poq/article-abstract/51/1/120/1818684?redirectedFrom=PDF.

Shaw, Greg M. 2007. *The Welfare Debate*. Westport, CT: Greenwood Press.

———. 2009. "Changes in Public Opinion and the American Welfare State." *Political Science Quarterly* 124 (4): 627–53. https://doi.org/10.1002/j.1538-165X.2009.tb00661.x.
Shaw, Greg M., and Robert Y. Shapiro. 2002a. "The Polls-Trends: Poverty Public Assistance," *Public Assistance Quarterly* 66 (1): 105–28.
———. 2002b. "Cooler Passions: Welfare Reform Five Years Later." *Public Perspective* (March/April 2002): 26–30. https://ropercenter.cornell.edu/sites/default/files/2018-07/132026.pdf.
Skocpol, Theda. 1990. "Sustainable Social Policy: Fighting Poverty Without Poverty Programs." American Prospect 2 (Summer): 58–70. Last updated December 4, 2012. https://scholar.harvard.edu/thedaskocpol/publications/sustainable-social-policy-fighting-poverty-without-poverty-programs.
———. 1991. "Targeting Within Universalism: Politically Viable Policies to Combat Poverty in the United States." In Jencks and Peterson, *The Urban Underclass*, 411–36. https://scholar.harvard.edu/thedaskocpol/publications/targeting-within-universalism-politically-viable-policies-combat-poverty-u.
———. 2000. *The Missing Middle: Working Families and the Future of American Social Policy*. New York, NY: W. W. Norton.
Solomon, Judith, and Donna Cohen Ross. 2009. "New Children's Health Law Reduces the Harmful Impact of Documentation Requirement." Center on Budget and Policy Priorities, Washington, DC.
Soss, Joe, Richard C. Fording, and Sanford F. Schramm. 2011. *Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race*. Chicago, IL: University of Chicago Press.
Stone, Chad. 2021. "Congress Should Heed President Biden's Call for Fundamental UI Reform." Center on Budget and Policy Priorities, Washington, DC. https://www.cbpp.org/research/economy/congress-should-heed-president-bidens-call-for-fundamental-ui-reform.
Tax Policy Center. 2022. "Percent of Tax Filers by Marginal Tax Rate." February 10. TPC, Washington, DC.
Thompson, David, and Ashley Burnside. 2021. "No More Double Punishments: Lifting the Ban on SNAP and TANF for People with Prior Felony Drug Convictions." Center for Law and Social Policy, Washington, DC. https://www.clasp.org/publications/report/brief/no-more-double-punishments.
Treasury Inspector General for Tax Administration (TIGTA). 2018. "The Internal Revenue Service Should Consider Modifying the Form 1040 to Increase Earned Income Tax Credit Participation by Eligible Tax Filers." 2018-IE-R004, TIGTA, US Department of the Treasury, Washington, DC. https://www.treasury.gov/tigta/iereports/2018reports/2018IER004fr.pdf.
Trisi, Danilo, and Matt Saenz. 2021. "Economic Scarcity Programs Reduce Overall Poverty, Racial and Ethnic Inequalities." Center on Budget and Policy Priorities, Washington, DC.
US Census Bureau. 2021. "Table 5: Percent of People by Ratio of Income to Poverty Level: 1970 to 2020." Census, Washington, DC.
US Department of Agriculture (USDA). 2018. "State Options Report." Food and Nutrition Service, USDA, Washington, DC. Accessed February 15, 2022, at https://www.fns.usda.gov/snap/waivers/state-options-report.
———. 2021a. "Characteristics of SNAP Households: Fiscal Year 2019." Report SNAP-20-CHAR. USDA, Washington, DC. Fns.usda.gov/snap/characteristics-snap-households-fy-2019.
———. 2021b. "Trends in SNAP Participation Rates: FY 2016–2018." USDA, Washington, DC. https://www.fns.usda.gov/snap/trends-participation-rates-fiy-2016-2018#:~:text=Key%20findings%20include%3A,rates%20than%20other%20eligible%20individuals.&text=Participation%20among%20elderly%20individuals%20increased,points%20from%202016%20to%202018.
———. n.d. "Broad-Based Categorical Eligibility." Food and Nutrition Service, USDA, Washington, DC. Accessed December 14, 2021, at https://www.fns.usda.gov/snap/broad-based-categorical-eligibility.
US Department of Labor (DOL). 1979–2019. "Unemployment Insurance Data Summary." Employment and Training Administration, DOL, Washington, DC.
———. n.d. "ChartBook Result: Regular Program Insured Unemployment as a Percent of Total Unemployment: Data from 1950 to 2019." Employment and Training Administration, DOL, Washington, DC. Accessed December 12, 2021, at https://oui.doleta.gov/unemploy/Chartbook/a12.asp.
von Wachter, Till. 2019. "Unemployment Insurance Reform." *The ANNALS of the American Academy of Political and Social Science* 686 (1): 121–46. https://doi.org/10.1177/0002716219885339.
Waldfogel, Jane. 2013. "The Safety Net for Families with Children." In *Legacies of the War on Poverty*, edited by Martha J. Bailey and Sheldon Danziger, 1–36. New York, NY: Russell Sage Foundation. https://www.jstor.org/stable/10.7758/9781610448147.
White House. 2021a. "Service Equity Assessment: Getting Started." Executive Office of the President of the United States, White House, Washington, DC. https://smdepo.org/post/11609.
———. 2021b. "Study to Identify Methods to Assess Equity: Report to the President." Executive Office of the President of the United States, White House, Washington, DC. https://www.hsdl.org/?abstract&did=857718.
———. 2021c. "Executive Order on Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government." White House, Washington, DC. https://www.whitehouse.gov/briefing-room/presidential-actions/2021/12/13/executive-order-on-transforming-federal-customer-experience-and-service-delivery-to-rebuild-trust-in-government/.
———. 2022. "Memorandum for Heads of Executive Departments and Agencies: Improving Access to Public Benefits Programs Through the Paperwork Reduction Act." Executive Office of the President of the United States, White House, Washington, DC.

Endnotes

1. An expanded version of this paper with further detail will be issued later in the summer of 2022.
2. Universal is defined here to mean that a program has no income limit, not that every resident of the United States is eligible for it. Social Security, Medicare, and UI do not have upper income limits but have other eligibility requirements and limitations.
3. Mandatory programs are entitlements or other programs whose funding is provided by other statutes, as distinguished from discretionary programs, whose annual funding is set through the congressional appropriations process. Most major social programs are mandatory programs.
4. The targeted mandatory program category consists primarily of 11 programs that in 2019 accounted for 97 percent of total targeted mandatory spending. See endnote 9 for a list of the 11 programs; see Appendix B for a list of all targeted mandatory programs. Programs other than Social Security, Medicare, UI, and the targeted mandatory programs are referred to here as "other mandatory programs." The largest of the other mandatory programs consist primarily of programs for former federal employees and veterans and include veterans' disability compensation, civil service retirement and disability payments, military retirement, veterans' readjustment benefits, government annuitants' health benefits, the US Department of Defense's Medicare-eligible retiree health-care program, and the Commodity Credit Corporation.
5. This paper does not examine various other issues, such as those relating to marriage and marriage penalties. For a brief discussion of those issues, see AEI/Brookings (2022).
6. In 2020 the median family income was $86,372 (in 2020 dollars). Median household income, which, unlike median family income, includes single-person households, was lower, at $67,521. The Census Bureau defines a family as a group of two or more people who reside together and are related by birth, marriage, or adoption. A household is either an individual living alone or related family members and unrelated people (if any) who share a housing unit. A group of unrelated people sharing a housing unit is also considered a household.
7. States are permitted to increase the income limit for Medicaid and CHIP eligibility. In these programs, the median state refers to the state whose income limits were the median in 2020.
8. These income figures for 2022 reflect the poverty guidelines that the US Department of Health and Human Services issued in January 2022 for use in federal programs with income limits tied to the poverty line or a multiple of it.
9. The targeted mandatory programs consist primarily of 11 major programs that, in 2019, accounted for 97 percent of total targeted mandatory spending. The 11 programs are (1) Medicaid and CHIP; (2) SSI; (3) the TANF block grant (and its predecessor, AFDC); (4) SNAP; (5) the refundable component of the EITC; (6) the refundable component of the CTC; (7) the refundable component of the ACA's premium tax credit; (8) the child nutrition programs; (9) the Child Care Entitlement to States; (10) Pell Grants; and (11) the Low-Income Subsidy to help low-income elderly and disabled people afford the premiums for Medicare drug coverage. (I follow here the practice of the CBPP and Congressional Budget Office (CBO) reports in including the Low-Income Subsidy as a targeted program. If it is instead classified as part of universal Medicare, the average annual rate of growth for the three universal programs over the 1979–2019 period would be 2.41 percent instead of 2.36 percent, and the average rate of growth for the targeted programs would be 3.30 percent instead of 3.39 percent.) See endnote 63 in Appendix A for a discussion of the treatment of Pell Grants in this analysis. A list of all targeted mandatory programs is in Appendix B. Here and elsewhere in this analysis, data on federal spending for the targeted mandatory programs includes all such programs, not just the 11 principal targeted programs listed above.
10. In adjusting spending levels for the years before 2019 for inflation, CBPP's Richard Kogan (who produced the historical budget tables that accompany this paper) indexed the historical values of the R-CPI-U-RS (a series the Bureau of Labor Statistics (BLS) created to apply recent improvements in inflation measurement to earlier years) to the fiscal year 2019 value of the consumer price index for all urban consumers (CPI-U). See Appendix A.
11. Student loans are not included here as a universal program because they were means-tested from 1979 to 1993 (except for a brief period around 1980) and because the loan program's subsidies remain means-tested, with subsidized loans available only to undergraduate students with unmet financial needs. If student loans were included as a universal program, little would change. The main universal benefit programs' annual average rate of growth over the 1979–2019 period, after adjustment for inflation and population, would be 2.38 percent instead of 2.36 percent, and the universal programs would account for 61.4 percent of overall mandatory spending in 1979 and 61.9 percent in 2019, rather than 61.0 percent in both years.
12. The budget data that Richard Kogan compiled, which can be accessed through the interactive budget tool that accompanies this paper, cover all years from 1962 to 2019 in nominal terms, real terms, and after adjusting for both inflation and population growth. The data also include program spending as a percent of gross domestic product (GDP), which show whether the nation is devoting a growing or declining share of national income to these programs. That is a different question, however, from whether the programs have become more or less generous over time; a program can be expanded and made more generous while eroding as a percent of GDP, if GDP grows at a faster rate than the program.
13. National health expenditures outside of Medicare and Medicaid grew at an average annual rate of 2.75 percent during this period, after adjusting for inflation and population growth, as Medicare

and Medicaid grew to cover more of the US population. The population adjustment used here reflects changes in the size of the overall US population; the rates of growth for Medicaid and Medicare would be somewhat lower if the adjustment were for increases in the size of the elderly population.

14. Both 1979 and 2019 were peak years of an economy recovery. The average unemployment rate in 1979 was 5.8 percent, compared with an unemployment rate of 3.7 percent in 2019, while the unemployment rate in 1969—3.5 percent—was very similar to that in 2019. The unemployment rate in 1965 was 4.5 percent.
15. The $2.6 billion EITC figure for 1979 (in 2019 dollars) and the $59 billion figure for 2019 each represents outlays for the EITC; these figures do not include the cost of reductions in the tax liabilities of some filers as a result of the EITC, which amounted to about $1 billion in 1979 and $2.7 billion in 2019. The EITC reduces some tax filers' tax liabilities because a small share of EITC benefits goes to households that otherwise owe some federal income tax, which the EITC reduces or cancels out. To be consistent with the rest of this analysis, these outlay and revenue figures are for fiscal rather than tax years.
16. The 78 percent decline in real dollars exceeds the decline in federal AFDC and TANF funding over this period, reflecting the fact that states shifted substantial TANF funds from cash assistance to other uses.
17. Ganong et al. (2022) note that low UI recipiency that is due to states providing fewer weeks of benefits or imposing more eligibility restrictions is more widespread in states in which the Black share of the population is greater. Such a pattern also marks TANF, with studies showing TANF sanctions and time limits to be harsher in states where African Americans constitute a larger share of program participants (Soss, Fording, and Schramm 2011).
18. For example, one SNAP cut in 1981 imposed an eligibility limit on gross income of 130 percent of the poverty line, but states today have the option to raise that limit to as high as 200 percent of poverty, and most states have done so in full or in part.
19. These data on reconciliation bills enacted into law and reconciliation laws with Medicare-savings provisions come from a table provided by Richard Kogan of the CBPP. One reconciliation bill enacted before 1981 and three enacted since 1993 also contained Medicare savings measures.
20. The ties to TANF that the SNAP program retains are to TANF broadly, including to TANF services that go to families above the poverty line, rather than just to recipients of TANF cash assistance.
21. The decline in the share of the SNAP caseload receiving cash public assistance reflects both SNAP expansions and the shrinkage of cash welfare programs (Schott 2020).
22. Because of how this reduction was designed and phased in, no retiree already receiving Social Security benefits experienced a reduction in the monthly check from one month to the next. The benefit reduction affects new beneficiaries' monthly benefit levels, starting with the first monthly payment that they receive. (The discussion in the text of these provisions' effect on Social Security benefit levels is revised from the description in an earlier version of this paper to reflect the adjustment in the program's "delayed retirement credit.") The 1983 solvency legislation also made partially taxable the Social Security benefits that more-affluent beneficiaries receive.
23. If sequestration is triggered, payments to Medicare providers are cut, though the cuts cannot exceed 4 percent in a given year.
24. Federal UI benefits supplement regular state UI benefits when unemployment is elevated by increasing the number of weeks for which individuals may receive UI benefits, the benefit levels provided, and/or who is eligible for benefits.
25. When sequestration occurs, the origination fee for student loans is increased by the sequestration percentage. Sequestration also applies to administrative funds for otherwise exempt programs such as SNAP.
26. Some states, including California and New York, are now considering eliminating asset tests for Medicaid's elderly and disabled eligibility categories as well.
27. The targeted programs included in the CRS analysis are Medicaid/CHIP; SNAP; the refundable component of the CTC; the EITC; SSI; TANF; low-income housing assistance; and the Child Care Development Block Grant (CRS 2021c).
28. Within the bottom quintile, benefits shifted somewhat in recent decades from extremely poor households with little or no earnings, for whom cash assistance was reduced as a result of cuts in AFDC, TANF, and general assistance, to working-poor households (Moffitt and Pauley 2018).
29. Many households have income below the poverty line for some months of the year but above the poverty line for the year as a whole and may receive benefits—or larger benefit amounts—in the months when their incomes are low.
30. The red states were Idaho, Missouri, Nebraska, Oklahoma, and Utah. The purple state was Maine.
31. In the case of Social Security spousal and survivor benefits, an individual must be the spouse or surviving child of an individual with a qualifying work record.
32. Liscow and Pershing (2020). On a related front, Howard notes that most people who receive SNAP, WIC, or low-income housing assistance are not subject to work requirements. When aid is targeted on specific necessities, he observes, there is less insistence that people work to qualify for the benefits, but when the aid is in the form of cash that recipients can spend as they choose, the insistence on work and work requirements is considerably greater (Howard forthcoming).
33. The 1972 legislation that created SSI set the program's asset limits at $1,500 for an individual and $2,250 for a couple. Had these levels been adjusted annually for inflation, they would today be $9,457 and $14,320 (CBPP 2022). Instead, these limits have been frozen since 1974 except for an adjustment in the 1980s. Today the SSI asset limits are $2,000 for an individual and $3,000 for a couple, the same nominal levels that have been in place since 1989 and far below their real value when the program started.
34. "Income disregards" exclude certain forms of income from the income that is counted in determining whether an individual meets the SSI income eligibility criteria. For example, SSI generally disregards the first $20 a month in income that an individual receives, such as income from Social Security, as well as the first $65 a month in earned income (and 50 percent of earned income beyond that).
35. The decline in SSI's asset limits and income disregards is even greater today than when Daly and Burkhauser wrote their analysis, due to the lack of any inflation adjustment since 2003 in either of these elements of SSI's eligibility rules.
36. A recent study (Chang, Romich, and Ybarra 2021, 245) refers to TANF and UI as "highly decentralized."
37. Veterans' health care is provided through a set of discretionary programs, unlike veterans' disability compensation and

veterans' pensions, which are mandatory programs.

38. The use of competitive bidding to lower the price of infant formula provided through WIC has also been an important factor in enabling the program to have sufficient resources to serve all eligible individuals who apply.
39. The analysis here on the poverty-reduction impact of targeted programs includes low-income rental assistance, low-income home energy assistance, and WIC, which are targeted discretionary programs.
40. Most analysts favor the SPM over the official poverty measure because it accounts for noncash benefits and taxes and makes other improvements in poverty measurement, and, consequently, provides both a more accurate measure of poverty than the official measure and a more complete picture of the impact of antipoverty programs.
41. The Trisi and Saenz study (2021) uses the SPM (including the 2019 SPM poverty thresholds, as adjusted for inflation for earlier years) and adjusts the Census data on the reported receipt of various benefits to correct for the underreporting of those benefits in the Census data, using the US Department of Health and Human Services (HHS)/Urban Institute Transfer Income Model (TRIM). The study focuses on 2017 because that was the latest year for which data corrected for underreporting were available. The programs included in the study are Social Security, UI, veterans' benefits, workers' compensation, TANF, SSI, SNAP, rental assistance, the school lunch program, WIC, the EITC and CTC, the Low-Income Home Energy Assistance Program (LIHEAP), and state general assistance. The taxes included are federal income and payroll taxes and state income taxes (including state EITCs). The 9 percent figure for 1970 and 47 percent figure for 2017 are net figures, reflecting the effect of both the poverty-reducing effects of the programs and tax credits and the poverty-increasing effects of some other taxes.
42. Behavioral responses could both decrease and increase the antipoverty impacts of various programs. If programs reduce work effort, their antipoverty impact as measured in the studies cited here may be overstated; if they increase work effort, as, for example, various studies indicate the EITC does, their antipoverty impact may be understated. There also is evidence that receipt of various benefits in childhood may increase economic mobility and potentially reduce poverty over the long term.
43. These are unpublished figures provided to the author by Trisi and Saenz, using data from their 2021 study. Their study covers the following targeted programs: SNAP, SSI, rental assistance, TANF, EITC, CTC, LIHEAP, WIC, needs-tested veterans' benefits, and free and reduced-price school lunches. The 21.4 million figure reflects the poverty-reducing effects of the CTC's refundable component only. If the nonrefundable component is also included, the figure rises from 21.4 million to 22.4 million.
44. Trisi and Saenz's (2021) analysis measures the poverty-reducing effects of individual programs by examining how much the poverty rate rises if a particular program's benefits are removed. The sum of the numbers of people lifted out of poverty by various targeted programs individually is somewhat greater than the overall number of people lifted out by targeted programs as a group because some individuals may be counted as lifted out of poverty by more than one program. Erosion in real wages also contributed to the increased antipoverty effectiveness of targeted programs that are indexed for inflation by making modestly more people eligible for some programs or eligible for modestly larger benefits.
45. CRS examined poverty rates after counting benefits from universal programs and then considered the impact of targeted programs. The targeted programs CRS analyzed are similar but not identical to those in the Trisi and Saenz study (2021); they include SNAP, SSI, TANF, rental assistance, refundable tax credits, WIC, LIHEAP, free and reduced-priced school lunches, and child-care subsidies. CRS used the SPM and adjusted for the underreporting of benefits in the Census data.
46. MedPAC 2021 reports that 12 percent of those eligible for Medicare Part D are neither enrolled nor have comparable coverage from another source. People who are fully eligible for both Medicaid and Medicare, a group known as "full dual-eligibles," are enrolled in Part D automatically if they do not otherwise sign up.
47. Ganong and Liebman (2018) note that, in 2001, 25 states limited SNAP certification periods to three months or less for many households with earnings; by 2007, though, no state did.
48. HHS reported that, by early 2016, various states had used this approach to enroll more than 725,000 people. Data are not available on further enrollment using this approach since early 2016.
49. CRS estimated the annual costs at $1.8 trillion to $2.8 trillion in 2017 dollars, roughly equal to $2 trillion to $3 trillion in 2022 dollars.
50. The Tax Policy Center reports that 71.7 percent of tax units were in the 0, 10, or 12 percent income tax brackets in 2019 (Tax Policy Center 2022).
51. Policymakers could seek to restore long-term Social Security and Medicare solvency (and possibly to increase benefits) entirely through taxes on those at the top of the income scale, but that would be exceedingly difficult to enact (all Social Security legislation requires 60 votes in the Senate). Moreover, if such a measure were to be enacted, that would likely mean that moving other programs to universal status would become even more difficult politically, as it would have to be financed substantially by middle-class households since there likely would be little political room left to raise taxes much further on those at the top.
52. UI benefits were exempt from taxation for a temporary period during the COVID-19 pandemic and accompanying economic downturn.
53. *New York Times* columnist Ezra Klein makes a similar point about how the CTC's evolution and growth offer hope that it may be made fully refundable and enlarged in the future, on a permanent basis. Klein writes that a major CTC reform of this nature "now sits firmly in the realm of the politically possible" (Klein 2022).
54. The database of federal spending accompanying the fiscal year 2022 budget is available at https://www.whitehouse.gov/wp-content/uploads/2021/05/outlays_fy22.xlsx. OMB also posts a database of funding ("budget authority") at https://www.whitehouse.gov/wp-content/uploads/2021/05/budauth_fy22.xlsx, covering each fiscal year from 1976 on. Funding is recorded in the year it is first legally available for obligation, while spending is recorded when the funding is dispersed, e.g., to beneficiaries, states, contractors, federal employees, etc.
55. Between calendar years 1843 and 1976, the federal fiscal year started on July 1st, six months before the start of the

corresponding calendar year. Since calendar year 1977, the federal fiscal year has started on October 1st, three months before the start of the corresponding calendar year. As a result, there is a three-month transition quarter between fiscal years 1976 and 1977 that is not part of either fiscal year. OMB databases also show budget amounts for that transition quarter.

56. Job Corps is the program authorized by Subtitle C of Title I of the Workforce Innovation and Opportunity Act. In contrast, the budget account for the Health Resources and Services Administration encompasses some or all of the programs authorized by Titles II, III, IV, VII, VIII, X, XI, XII, XIX, and XXVI of the Public Health Service Act; Title V and sections 711, 1128E, 1820, and 1921 of the Social Security Act; the Health Care Quality Improvement Act; the Stem Cell Therapeutic and Research Act; and the Federal Coal Mine Health and Safety Act.
57. To make it easier for us to extract figures from OMB's spending database, on the "data" tab but to the left of OMB's database we have inserted four columns with codes of our own.
58. The definitions of *mandatory* and *discretionary* appear in section 250(c) of the Balanced Budget and Emergency Deficit Control Act. Mandatory funding (which the Act terms *direct spending*) is any funding provided directly by congressional committees other than the House and Senate Appropriations Committees, plus any funding provided by the Appropriations Committees for an entitlement program (not otherwise funded by those other committees), and funding for the Supplemental Nutrition Assistance Program (SNAP, formerly called the Food Stamp program). Discretionary funding is that which remains—funding provided by the Appropriations Committees that is not for entitlements or SNAP. The term *discretionary* therefore means that the funding is within the legal discretion of the Appropriations Committees; it does not imply that such funding is less important than mandatory funding.
59. In these analyses, we do not include the discretionary portions of the following programs when discussing the key targeted or three universal programs: SSI, SNAP, Child Nutrition, Social Security, and Medicare. The discretionary portions go for expenditures other than benefits, such as federal administrative costs.
60. The Child Support Enforcement (CSE) program was formerly intermingled with the AFDC program; the OMB database does not separate AFDC and CSE spending. Therefore, this program group reflects the combined costs of AFDC, CSE, and TANF in all years.
61. Formerly the Food Stamp program. The amounts include the fixed-dollar block grant for Puerto Rico for the years after the Food Stamp program was ended in Puerto Rico in the early 1980s and replaced by the Puerto Rico nutrition assistance block grant.
62. "Refundable" tax credits, such as the ACA's premium tax credit, the EITC, and the CTC, are available in whole or in part to beneficiaries even if the credits bring the tax liability of a tax filer below zero. By convention, the amount of the federal payment that reduces a tax filer's liability towards but not below zero is recorded as a reduction in revenues while the remainder of the tax credit, if any, is recorded as an outlay. The figures in the OMB database and this analysis show only the outlay portions of these tax credits.
63. The amounts we show as Pell Grants are for the entire Student Financial Assistance account, since it is not possible to separate the account's spending among Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and the federal work-study program. In 2019, Pell Grants accounted for 94 percent of the account's funding. While Pell Grant spending is officially recorded in the budget as partly mandatory and partly discretionary, in effect the program is completely mandatory: as page 116 of President Trump's Analytical Perspectives for 2021 explains, "The Pell Grant program acts like an entitlement program, such as the Supplemental Nutrition Assistance Program or Supplemental Security Income, in which everyone who meets specific eligibility requirements and applies for the program receives a benefit. Specifically, Pell Grant costs in a given year are determined by the maximum award set in statute, the number of eligible applicants, and the award for which those applicants are eligible based on their needs and costs of attendance." This explanation of Pell Grants being essentially an entitlement, or mandatory, program has been included in this manner by every OMB Analytical Perspectives document since 2010. Indeed, starting with 2006, this aspect of Pell Grants has also been reflected in a special congressional rule: the Budget Committees score appropriations bills as if they had provided CBO's estimate of the Pell Grant program's funding needs, regardless of the dollar amount stated in an appropriations bill—a practice that mirrors congressional scoring of open-ended "appropriated entitlements" such as SNAP and SSI. See New America (n.d.). For these reasons, we treat the entire Student Financial Assistance account as mandatory; we recode the "data" tab of our table accordingly.
64. While we focus on key selected targeted and three universal budget accounts, our posted table also shows totals for all discretionary and mandatory programs in the budget, excluding net interest. For consistency, the adjustments discussed here are applied to all budgetary amounts (not just amounts in the accounts we focus on).
65. We do not exclude spending from stimulus legislation enacted in 2002 or 2008 because we do not have the account-level data to do so; in the case of the 2008 legislation, different estimates of its costs are highly inconsistent; and perhaps most importantly, spending from the 2002 and 2008 stimulus legislation was small. Specifically, after adjusting for growing prices and population (see Section 3b of this appendix), we see that ARRA spending peaked at about $270 billion in 2010, TARP spending peaked at about $190 billion in 2009, and spending from the savings and loan legislation peaked at about $155 billion in 1991. By contrast, and also as adjusted for growing prices and population, the 2008 stimulus spending probably peaked at less than $30 billion and the 2002 stimulus spending probably peaked at less than $15 billion, both far below ARRA's $270 billion peak. (The 2002, 2008, and ARRA legislation included tax cuts; in the case of the 2002 and 2008 legislation, the tax cuts noticeably exceeded the spending increases.)
66. https://www.ssa.gov/OACT/HistEst/PopHome.html
67. https://www.infoplease.com/business/labor/annual-federal-minimum-wage-rates-1955-2021.
68. https://www.whitehouse.gov/wp-content/uploads/2021/05/hist10z1_fy22.xlsx
69. Also note that a chart showing per person spending in real 2019 dollars would have precisely the same shape as a chart showing that spending adjusted for growing prices and a growing population.
70. Entries with six-digit rather than four-digit account numbers are accounts that consist of "offsetting collections"—non-tax payments from the public to the government—which are recorded as negative outlays.

THE HAMILTON PROJECT

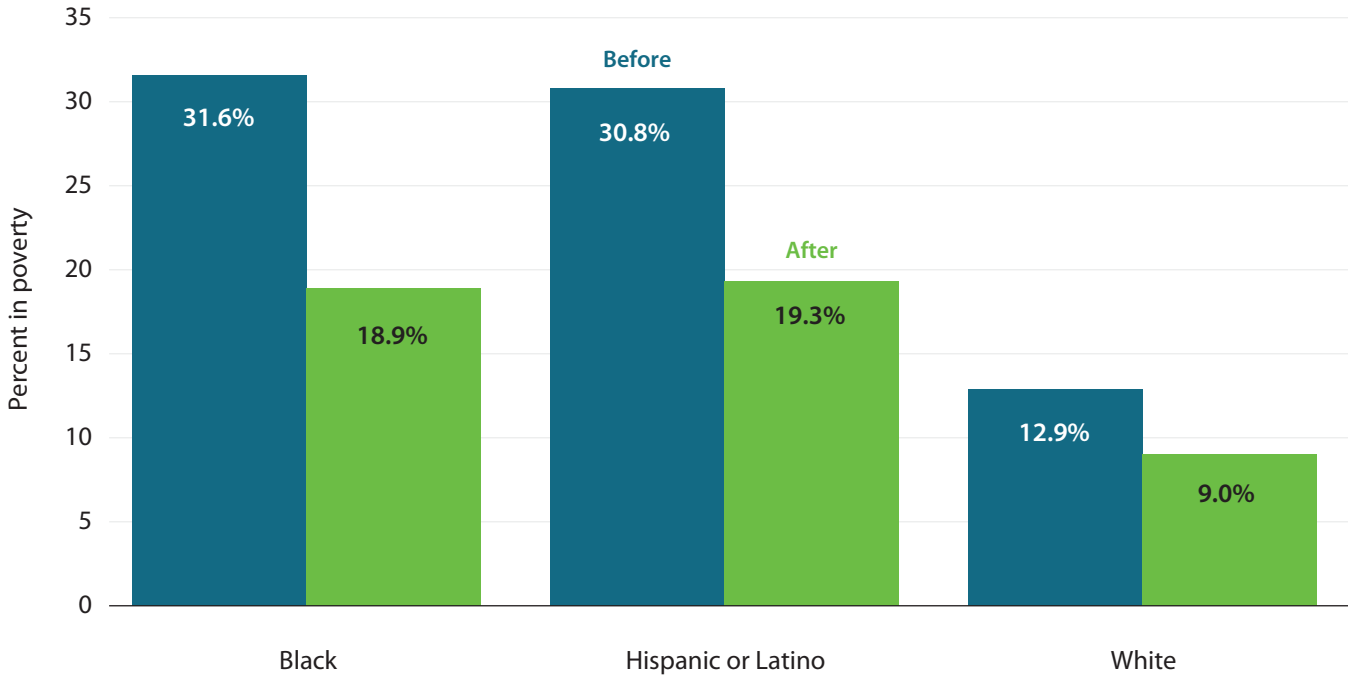
ADVISORY COUNCIL

A longstanding narrative holds that social programs targeted by income fare poorly politically and tend to be cut or eliminated over time, while universal programs (available to people at all income levels) do far better. The experience of recent decades casts doubt on this narrative. Between 1979 and 2019, mandatory programs (entitlements and other programs funded outside the appropriations process) that are targeted—which includes programs like Medicaid, SNAP and the EITC—grew at an average annual rate more than 40 percent faster than the three main universal mandatory programs (Social Security, Medicare, and Unemployment Insurance). In both categories, some programs were expanded while others were cut. The variation in how programs within each of the two categories fared exceeds the variation between the categories. Differences in the share of people eligible for a program who actually receive its benefits also are greater among programs within each of the categories than between the categories.

Multiple factors affect a program's political strength, including whether (for a targeted program) it serves only the poor or also people significantly above the poverty line and often a sizable share of the middle class; whether a program is tied to work; whether it provides straight cash to people who aren't employed or elderly or disabled or whether it provides benefits in-kind or through the tax code; whether it's fully federally financed; and whether it has strong federal eligibility, benefits, and access standards.

Growth in both targeted and universal programs has lowered poverty rates markedly. In 1970, under the Supplemental Poverty Measure, government benefits and taxes kept out of poverty 9 percent of those who would otherwise be poor; by 2017, they kept out 47 percent. Social Security keeps many more people 65 and over out of poverty than all other programs combined. Targeted programs keep out of poverty twice as many people under 65 as Social Security and UI combined and also reduce racial disparities in poverty, though those disparities remain wide.

Impact of Targeted Programs on Poverty by Race/Ethnicity, 2017: Poverty Rates Before and After Targeted Programs



Source: CRS 2021d.

Note: Poverty rates are given using the Supplemental Poverty Measure. The columns illustrating "Poverty Rates Before Targeted Programs" show poverty rates after benefits from universal programs are counted, but before benefits from targeted programs are counted.

THE HAMILTON PROJECT
BROOKINGS

THE HAMILTON PROJECT
1775 Massachusetts Ave., NW
Washington, DC 20036
(202) 797-6484

BROOKINGS