



## Inequalities in Safety Net Programs across the U.S. States

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Inequality, insecurity, and persistent poverty threaten the economic wellbeing of Americans, and the recent Great Recession and protracted recovery have revealed that the U.S. social safety net is often not up to the task of assisting those in need. Even in good economic times, the nation's fragmented and mostly decentralized public social programs fail to serve all disadvantaged families equally. To get a clear picture of inequalities, we must grasp the enormous differences in the availability and quality of help available depending on where citizens live.

### State Responsibilities for Safety Net Programs

Although the United States has some uniform, centrally coordinated social programs – like Social Security – the most economically vulnerable groups of Americans must rely on fragmented programs funded and administered at least in part by state governments. This is especially true for younger workers and families living in impoverished areas, the people disproportionately affected by changing labor market conditions and economic downturns. In practice, so much decentralization in the programs and funding that comprise the U.S. safety net creates fertile ground for unequal responses to citizen needs.

States, with varied partisan and ideological orientations and uneven fiscal and administrative capacities, play a significant role in most of the key programs like unemployment insurance and cash assistance for poor families. In recent decades, policy shifts ranging from welfare reforms to the expansion of public health insurance and the growth of state tax credits have actually pushed more responsibility for the funding and governance of safety net programs to lower levels of government. In effect, the U.S. has not one but fifty separate and unequal state safety nets.

### How Unequal are State Efforts?

To examine the degree of inequality, I use an original dataset with consistent measures of the adequacy of benefit levels and the proportion of needy individuals who receive benefits from eleven safety net programs operating in all fifty states for the past 20 years.

Many Americans believe that benefits for the poor are inadequate – but few are fully aware of how limited programs can be, and even less knowledgeable about dramatic differences in the likelihood of receipt across the U.S. states.

The average level of benefits in the six programs that provide cash or near-cash assistance vary substantially across programs and states, and none of these programs provide adequate benefits because levels of assistance are set substantially below the poverty line.

- The Temporary Assistance for Needy Families program is a good example. This program provided an average yearly benefit of \$3,894 in the middle benefit state in 2013. This represents only 22% of the official poverty threshold for a family of three with one adult and two children (\$18,769). However, in the least generous state, the typical poor family received on average only \$1,873 per year, while in the most generous state a similarly poor family received \$7,382 annually.
- The average Unemployment Insurance benefit, while relatively more generous than cash assistance with an average amount per spell of receipt of \$4,936 in 2013 in the middle benefit state, still only represents 27% of the poverty threshold for a three-person family. However, an unemployed worker would receive an average of \$3,335 in the least generous state versus \$6,894 in the most generous state.

- Average spending per recipient is generally higher for programs that provide in-kind benefits or services – such as child care and preschool programs, or health insurance and employment services. But the level of spending in these forms of social provision also vary widely across states. For example, child care subsidies and early education spending are each more than \$5,000 greater per child in states that spend the most and least on these services (\$3,430 versus \$9,390 for child care subsidies; \$3,395 versus \$10,431 for preschool programs).

In addition to the inadequacy and differences in benefit levels across states, rates of inclusion – or the proportion of economically needy families and workers that receive assistance – are unacceptably low and variable across states. Rates of inclusion of people in need of help vary greatly. In five of eleven safety-net programs we reviewed – cash assistance, early education, cash-based work assistance, child care, and housing – less than about one quarter of the potentially needy population receives any assistance in at least half of the states.

- In the Temporary Assistance for Needy Families program, the proportion of poor families with children who received cash assistance in 2013 varied from a low of 3% in the least inclusive state, to a high of 45% in the most inclusive state.
- Similarly for Unemployment Insurance, the proportion of unemployed workers who received assistance in 2013 varied from a low of 17% in the least inclusive state, to a high of 61% in the most inclusive state. In 42 states, less than half of unemployed workers receive assistance.
- Rates of inclusion for some programs are much higher. For example, in the Supplemental Nutritional Assistance Program, over 100% of pre-tax and transfer poor families with children receive food assistance. This reflects the fact that the eligibility for this program is greater than the official poverty line. However, just as with the other programs, rates of inclusion vary tremendously across states – from a low of 80% to a high of 164%.

## **Safety-Net Supports Should be Bolstered and Made More Uniform**

Research confirms the existence of major variations in the availability and levels of safety net supports offered across the U.S. states. Even if local administration often make sense, such sharp differences in the availability and level of help undermine America's social contract and economic future. Citizens and policymakers alike should move to close gaps and make programs more adequate and uniform, no matter where needy families and workers happen to live.

**Research and data for this brief were drawn from Sarah K. Bruch and Marcia K. Myers, "How Safe are the Safety Nets? Understanding Variation in State Safety Net Provisions," Stanford University, October 2013; and the author's ongoing projects.**