

THE SOCIAL SAFETY NET WAS BROKEN BEFORE THE PANDEMIC

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The coronavirus pandemic has overwhelmed our social safety net. Tens of millions of Americans are struggling to put food on the table, pay their rent/mortgage, and keep their health insurance. It's probably not fair to judge something by how well it holds up in the face of catastrophe. Even well-built homes get destroyed by tornadoes. But our safety net was already riddled with holes. As we move forward, our goal should not be restoring the old safety net. We should find ways to reinforce or overhaul it.

SIGNS OF TROUBLE

To get a better sense of how our safety net performs, look at the last few years when the US economy was, by most accounts, in very good shape. The unemployment rate was only 3.9 percent in 2018. Median household income was over \$63,000, a record high. Nevertheless, 38 million Americans were living in poverty. They weren't just barely poor, either. According to the Census Bureau, the typical family would have needed an extra \$10,452 to escape poverty. Seventeen million Americans were living in deep poverty, with incomes less than half the poverty threshold.

In addition, millions of Americans have been classified as "food insecure" in recent years. Few are literally starving, but they don't have enough to eat. Most of them live somewhat above the poverty line. Many are families with children, and many are elderly. Food insecurity has been linked to a wide range of health and educational problems.

One-quarter of all renters in this country are severely cost-burdened, meaning they spend more than half their income on housing (well beyond the recommended 30 percent). More money for rent means less money for necessities like food and medical care. On any given night, over 500,000 Americans are homeless.

In 2018, over 28 million Americans were medically uninsured. They were disproportionately poor and near poor. The uninsured often go without needed medical care or deal with crushing levels of medical debt.

LINKING ASSISTANCE TO EMPLOYMENT

One of the distinctive features of our safety net, and one of the major problems, is how closely we link aid to employment. For example, the government doesn't provide income support because people need it; they have to earn it. Minimum wage laws and the Earned Income Tax Credit boost the pay of low-income workers, but do nothing for the unemployed. Many part-time workers and new entrants to the job market are ineligible for unemployment insurance. In recent years, less than 40 percent of the unemployed have received unemployment benefits. "Welfare" (i.e., Temporary Assistance for Needy Families) has work requirements for most adults.

In this part of the safety net, Social Security is essential. It lifts more Americans out of poverty than any other social program; nothing else comes close. But it, too, requires a history of paid employment, and benefits are tied to past earnings. Low-wage workers may still end up in poverty when they retire.

About the only place to get income support without working is Supplemental Security Income (SSI). Most of these beneficiaries are poor and disabled. The government's definition of "disability" is so strict, however, that many applicants are denied. For those who do qualify, SSI benefits are set low enough that many remain in poverty.

Such a safety net favors full-time, year-round workers. Their poverty rate was just 2.3 percent in 2018 (i.e., 2.5 million people). Income poverty was much more prevalent among children (16.2%; 12 million), part-time workers (12.7%; 5 million), and disabled, working-age adults (25.7%; 4 million). Despite the positive effects of Social Security, five million older Americans were living in poverty. *Our safety net must do a much better job of helping individuals who are not employed full-time.*

CHARITY IS NOT ENOUGH

Other parts of the social safety net work differently. They distribute aid based more on need than work history. Individuals can get help from government or charity. Food assistance is a good example.

Although churches and other charities seldom give out cash, they operate thousands of food banks, food pantries, and soup kitchens. They depend heavily on volunteers and donations, and we rightly applaud their efforts. Yet even in good times, churches and charities typically provide less than a week's worth of food each month to their clients. Many people who need assistance do not have a food pantry or soup kitchen nearby. When the economy falters, charities struggle as well.

Leaders in the voluntary sector are well-aware of these limitations. They know that government, not charity, has to take the lead in food assistance. That's why charities like Feeding America and Bread for the World protest cuts to government food programs. That's why many local charities help their clients apply for SNAP (Supplemental Nutrition Assistance Program) and other government benefits.

SNAP is the single most important part of the food safety net. On the plus side, SNAP helps the poor and near poor. Benefits are based on current income, not past earnings. Thus, even the long-term unemployed can get help. As a budgetary entitlement, SNAP can expand automatically in times of recession. However, SNAP's benefits are meager (about \$4 a day) and not designed to last the entire month. Many recipients are still food insecure. Recent data show that food insecurity has increased significantly since the pandemic hit. *We should increase SNAP benefits, and should have done so before 2020.*

More Americans are discovering what poor people have known for years: the social safety net has weak points and visible gaps, leaving millions of Americans vulnerable to severe hardships. The changes mentioned above are just a start. Surely the world's wealthiest country can do better.