Multiple Programs Target Diverse Populations and Needs

What GAO Found

More than 80 federal programs (including 6 tax expenditures) provide aid to people with low incomes, based on GAO’s survey of relevant federal agencies. Medicaid (the largest by far), the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), and the refundable portion of the Earned Income Tax Credit (EITC) comprised almost two-thirds of fiscal year 2013 federal obligations of $742 billion for these programs. Aid is most often targeted to groups of the low-income population, such as people with disabilities and workers with children. Survey responses showed that criteria used to determine eligibility vary greatly; most common were variants of the federal poverty guidelines, based on the Census Bureau’s official poverty measure.

In 2013, 48.7 million people (15.5 percent), including many households with children, lived in poverty in the United States, based on Census’s Supplemental Poverty Measure (SPM). This measure takes into account certain expenses and federal and state government benefits not included in the official poverty measure. The SPM is not used to determine program eligibility; however, it does provide more information than the official measure on household resources available to meet living expenses. In 2013, the SPM poverty threshold ranged from $21,397 to $25,639 for a family of four, depending on housing situations. Based on six mutually exclusive household types GAO developed, individuals in a household headed by a person with a disability or a single parent had the highest rates of poverty using the SPM, while childless or married parent households had larger numbers of people in poverty using the SPM.

In 2012, the most recent year of data available, GAO estimated that 106 million people, or one-third of the U.S. population, received benefits from at least one or more of eight selected federal low-income programs: Additional Child Tax Credit, EITC, SNAP, SSI, and four others. Almost two-thirds of the eight programs’ recipients were in households with children, including many married families.

Research suggests that assistance from selected means-tested low-income programs can encourage people’s participation in the labor force, but have mixed effects on the number of hours they work. Changes in certain low-income programs through the years, including the EITC, have enhanced incentives for people to join the labor force, according to studies. While workers who receive means-tested benefits face benefit reductions as their earnings rise, research shows that various factors limit how much people change their work behavior in response. For example, people may not be aware of such changing interactions in a complex tax and benefit system or be able to control the number of hours they work, according to studies. Research also shows that enhancing work incentives can create difficult policy trade-offs, including raising program costs or failing to provide adequate assistance to those in need.