



July 2015

FEDERAL LOW-INCOME PROGRAMS

Multiple Programs Target Diverse Populations and Needs

Accessible Version

GAO Highlights

Highlights of [GAO-15-516](#), a report to congressional requesters

Why GAO Did This Study

The federal government provides assistance aimed at helping people with low-incomes who may earn too little to meet their basic needs, cannot support themselves through work, or who are disadvantaged in other ways. With fiscal pressures facing the federal government and the demands placed on aid programs, GAO was asked to examine federal low-income programs.

This report (1) describes federal programs (including tax expenditures) targeted to people with low incomes, (2) identifies the number and selected household characteristics of people in poverty, (3) identifies the number, poverty status, and household characteristics of selected programs' recipients, and (4) examines research on how selected programs may affect incentives to work. For a list of low-income programs that were \$100 million in obligations or more in fiscal year 2013, GAO consulted with the Congressional Research Service; surveyed and interviewed officials at relevant federal agencies; and reviewed relevant federal laws, regulations, and agency guidance. GAO also conducted analyses on low-income individuals using Census data on the SPM and official poverty measure and microsimulation data from the Urban Institute that adjusts for under-reporting of benefit receipt in Census survey data. To examine labor force effects, GAO reviewed economic literature. Selected low-income programs were large in dollars and helped meet a range of basic needs.

GAO is not making new recommendations in this report. GAO clarified portions in response to comments from one agency.

View [GAO-15-516](#). For more information, contact Kay Brown at (202) 512-7215 or brownke@gao.gov.

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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. More than 80 percent of recipients also lived in households with some earned income during the year. Without these programs' benefits, GAO estimated that 25 million of these recipients would have been below the SPM poverty threshold. Of the eight programs, EITC and SNAP moved the most people out of poverty, however, the majority of recipients of each of the programs were estimated to have incomes above the SPM threshold, after accounting for receipt of benefits.

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.

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Abbreviations

ACTC	Additional Child Tax Credit
CBO	Congressional Budget Office
CHIP	Children’s Health Insurance Program
CPS	Current Population Survey
CRS	Congressional Research Service
Census	Census Bureau
EITC	Earned Income Tax Credit
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
LIHEAP	Low Income Home Energy Assistance Program

OMB	Office of Management and Budget
SNAP	Supplemental Nutrition Assistance Program
SPM	Supplemental Poverty Measure
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families
Treasury	Department of the Treasury
TRIM3	Transfer Income Model, version 3
USDA	Department of Agriculture
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

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July 30, 2015

The Honorable Jeff Sessions
United States Senate

The Honorable Gary Palmer
United States House of Representatives

For decades, the federal government has provided funding for various federal programs designed to provide assistance to people who are unable to meet their basic needs. Many of these programs offer various forms of assistance such as cash aid, food, shelter, and health care for those who have limited means or are vulnerable or disadvantaged in other ways, such as at-risk children or youth or older individuals in need of home support services. Other programs are designed to help low-income people move toward self-sufficiency through education, training, and employment services. From 2007 through 2014, federal spending for some of the larger low-income programs increased by about 60 percent, according to the Congressional Budget Office (CBO), in part due to the recent economic downturn and its aftermath.¹

Each year, the Census Bureau (Census) publishes the official (or federal) poverty measure—developed in the early 1960s—which is often used as a basis for describing people’s level of financial need. For some low-income programs, it is the starting point for determining financial eligibility for assistance. For the past 4 years, Census has also published the Supplemental Poverty Measure (SPM), which it recently developed with support from the Bureau of Labor Statistics in the Department of Labor. This measure takes into account more information on people’s resources and living expenses than the official measure.

¹See Congressional Budget Office, *Letter to the Honorable Tom Price Regarding Spending for Means-Tested Programs* (Washington, D.C.: March 13, 2015), which includes information on federal spending for a number of large low-income programs: Medicaid, the Supplemental Nutrition Assistance Program, Supplemental Security Income, the refundable portion of the Earned Income Tax Credit, and the Additional Child Tax Credit, among others.

Given fiscal pressures facing the federal government and the increased demands placed on low-income assistance programs, we were asked to examine current federal low-income programs and provide descriptive information on the recipients of low-income programs, including on their incomes as a percentage of poverty. Compared with the official poverty measure, the SPM provides more information on people's economic well-being, such as by taking into account assistance from more federal low-income programs.

Our report examines the following questions:

1. What federal programs (including tax expenditures) are targeted to low-income individuals?
2. What are the number and selected household characteristics of people in poverty based on the SPM?
3. What are the number, incomes (as a percent of the SPM), and household characteristics of people receiving benefits from selected programs?
4. What is known about how selected low-income programs affect incentives to work?

To address our first question, we identified federal programs, including tax expenditures (that is, provisions of the federal tax code, such as special credits or deductions that reduce a taxpayer's tax liability), that (1) used a measure of low or limited income to determine eligibility, priority for assistance, or to target resources; or (2) have target populations that are disproportionately poor or have program purposes that presume that participants will be low-income. We included programs that targeted individuals, families, and communities. Due to their relatively small size, we excluded programs totaling less than \$100 million in federal obligations or reduced tax revenue in fiscal year 2013. To compile this list, we built upon a list maintained by the Congressional Research Service (CRS), which also developed the selection criteria,² by adding

²We relied on the list published in Congressional Research Service, *Federal Benefits and Services for People with Low Income: Programs, Policy, and Spending*, FY2008-FY2009, R41625 (Washington, D.C.: January 31, 2011). Since we began our work, CRS issued an update. See Congressional Research Service, *Federal Benefits and Services for People with Low Income: Programs and Spending*, FY2008-FY2013, R43863 (Washington, D.C.: January 15, 2015).

relevant tax expenditures and asking relevant agencies to suggest program additions or deletions consistent with the criteria. We then collected information on each program, such as obligation amounts, number of participants, types of services, and income eligibility requirements, using a survey to the federal agencies that administer these programs.³ To address our second question, we used Census' 2013 (calendar year) Current Population Survey (CPS) data to examine household incomes as a percentage of the SPM poverty threshold.⁴ We categorized households into six mutually exclusive groups: those headed by an elderly member, those headed by a member with a disability, childless households, married households with children, cohabiting households with children, and single parent households.⁵ To address our third question, we described the recipients of eight selected programs, including their incomes as a percentage of the SPM poverty threshold, benefit amounts, and household types in 2012 (calendar year), the most recent year available. We obtained this information from the Transfer Income Model, version 3 (TRIM3), a microsimulation model that adjusts for substantial underreporting of program participation in the CPS data using information from each program on caseloads, benefit amounts, eligibility rules and interactions with other programs. TRIM3 is developed and maintained by staff at the Urban Institute with funding primarily from the Department of Health and Human Services (HHS), Office of the Assistant Secretary for Planning and Evaluation. Programs we selected

³We did not independently verify the legal accuracy of the information provided by the agencies, such as program purposes or eligibility requirements. In this report, for ease of reference we use the term "federal agency" to refer to the entities that administer these programs, although one program is administered by the Legal Services Corporation, which is not a federal agency.

⁴Because the CPS uses a household-based data collection, its data do not include individuals living outside of a household residence, such as homeless people or those living in institutional group quarters (e.g., correctional facilities, nursing homes). As many individuals in these groups may be low-income, estimates of the size of the low-income population in this report are likely to be undercounts of the low-income population in the United States.

⁵When we provide information on poverty using the SPM, we use Census' definition of a "SPM Resource Unit," which includes related individuals living together, plus coresident unrelated children who are cared for by the family (such as foster children) and any cohabitators (i.e., unmarried partners) and their children. However, for ease, we use the term "households" in this report instead of the SPM Resource Unit. (The Census definition of a household differs from its definition of the SPM Resource Unit.) Also, in the few cases in which we provide information on poverty using the official poverty measure, we use the official measure's definition of a unit (related individuals living together).

were generally large federal low-income programs that serve a range of basic needs and were available in TRIM3 data. These were: Additional Child Tax Credit (ACTC); Earned Income Tax Credit (EITC); housing assistance;⁶ Low Income Home Energy Assistance Program (LIHEAP); Supplemental Nutrition Assistance Program (SNAP); Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); Supplemental Security Income (SSI); and Temporary Assistance for Needy Families (TANF) cash assistance.⁷ TRIM3 did not have 2012 data on recipients of Medicaid, the largest low-income program.⁸ To assess the reliability and appropriateness of the data we used, we interviewed Census and Urban Institute experts on the relevant data, examined Census and Urban Institute documentation, and reviewed the analytical approach underlying the TRIM3 data. We determined that the data were appropriate and sufficiently reliable for the purposes of this report. Additionally, when we present estimates from survey data, we also present the applicable margins of error.⁹ To address our fourth question, we conducted an economic literature review on whether receipt of assistance from selected programs affects recipients' incentive to work.¹⁰

⁶Due to the source of the TRIM3 data, for purposes of this analysis, "housing assistance" may include multiple programs, including nonfederal programs. TRIM3 estimates for recipients of housing assistance are based on households who reported in CPS as living in public or subsidized housing. These households could include recipients of housing programs administered by the Department of Housing and Urban Development (HUD), other federal agencies, or state or local governments. Unlike for most other programs, TRIM3 does not adjust estimates for recipients of housing assistance to program administrative data.

⁷Noncash assistance may also be provided under TANF; however due to limited available data on this type of assistance, we focused on TANF cash assistance in this question.

⁸Urban Institute staff noted that adjusting for Medicaid under-reporting would require detailed data on the actual caseload that was not available to the Urban Institute at the time that their simulation work for 2012 was being performed. Additionally, the value of Medicaid is difficult to estimate (given differences in people's medical costs), according to Census officials, which is one reason why it is not included as part of the SPM as a noncash benefit.

⁹Margins of error are the maximum half-width of the 95 percent confidence interval around the estimate. In some cases, the confidence intervals around our estimates are asymmetrical; however, we present the maximum half-width for simplicity and for a consistent and conservative representation of the sampling error associated with our estimates.

¹⁰These programs included some of the principal means-tested programs (that is, those with financial eligibility tests for individuals or families) for which working-age adults without disabilities and their children may be eligible, including SNAP, TANF cash assistance, EITC, and to a limited extent, the Section 8 Housing Choice Voucher program.

We conducted a literature search of relevant studies published within recent years (2009 through 2014) and also reviewed some studies that were published earlier. This literature review included peer-reviewed journal articles, agency documents, and other research determined to be methodologically rigorous and reliable. For more information on our scope and methodology, see appendix I.

We conducted this performance audit from April 2014 to July 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Program Overview

The programs discussed in this report are very diverse. The various programs we discuss were created at different times, to serve different populations, and in response to different policy issues (see box on next page). Programs also vary greatly in terms of how they are structured and funded. In addition, programs are administered through a varying combination of federal, state, and local agencies, and sometimes private organizations. Some programs require state or local agencies to contribute a share of nonfederal funds, while others are entirely federally-funded. Federal funding structures for low-income programs also vary. For instance, programs may be funded through program authorization acts (mandatory spending) or through appropriations acts (discretionary spending). Spending for these programs may be indefinite (in that there is no pre-determined ceiling and federal payments will be made for all eligible recipients for eligible expenses) or definite (in that the law limits the amount of federal spending).¹¹ Tax expenditures—such as tax credits, deductions, or exclusions—are generally measured as the estimated reduction in tax revenue and are generally considered separately from

¹¹Mandatory spending programs with indefinite amounts are sometimes referred to as “open-ended entitlement programs.”

other federal spending, with the exception of some refundable tax credits in which credit in excess of tax liability results in a cash refund.

Examples of Low-Income Programs Established over Time

- **1930s- Great Depression and the New Deal:** Major social insurance programs (not discussed in this report) were created to protect workers against old age and unemployment. Assisted housing programs, such as public housing, also started during this time.
- **1960s- The War on Poverty:** Various programs were created aimed at educating low-income children, youth, and adults to help address the causes of poverty (e.g., Head Start, Job Corps, aid to help low-income students in elementary and secondary schools). The Food Stamp Program (now known as the Supplemental Nutrition Assistance Program (SNAP)), which had been a pilot program, was made permanent. Medicare (another social insurance program) and Medicaid were also established.
- **1970s- Welfare reform proposed, EITC created:** Due to rising caseloads of recipients of Aid to Families with Dependent Children (AFDC), which provided cash assistance to low-income families, reform was proposed, but did not occur. However, major changes to other programs occurred. Aid to low-income individuals who were aged, blind, or had a disability evolved into a federally-run program: Supplemental Security Income. Section 8 rental housing assistance was established, as was the Earned Income Tax Credit (EITC).
- **1980s- Tax reform and promotion of work:** EITC and Medicaid were expanded. The Tax Reform Act of 1986 removed federal income taxes for many of the working poor, and the Family Support Act of 1988 was passed to encourage work among AFDC recipients.
- **1990s- Decentralization and welfare reform:** AFDC was replaced with Temporary Assistance for Needy Families (TANF), a block grant to states that emphasizes work and time-limited cash assistance and gives states wide discretion on how to use TANF funds, including for various noncash services.
- **2000s- Great Recession, federal stimulus, healthcare reform:** In response to the recession, the American Recovery and Reinvestment Act of 2009 expanded federal spending for low-income aid, particularly for SNAP and Medicaid. The Patient Protection and Affordable Care Act expanded Medicaid eligibility (although a Supreme Court decision subsequently made Medicaid expansion an option for states) as well as established new refundable tax credits for lower-income households to subsidize their purchase of private health insurance on health insurance exchanges.

Source: Congressional Research Service, Poverty: Major Themes in Past Debates and Current Proposals, R43731 (Washington, D.C.: September 18, 2014). | GAO-15-516

Note: GAO did not independently verify the legal accuracy of the information in this box.

Poverty Measurement

The official measure used today to provide information on how many people are “in poverty” in the United States was developed in the 1960s, based on the cost of food at that time.¹² The official poverty thresholds—the income thresholds by which households are considered to be in poverty depending on their size—are updated annually by Census to reflect current prices. HHS uses the official poverty thresholds to update the “federal poverty guidelines” each year, which are the basis for determining financial eligibility or funding distribution for certain low-income programs.¹³

The official poverty measure has not changed substantially since it was developed, and concerns about its inadequacies resulted in efforts to develop a new measure starting in 1990. For instance, the threshold for the official poverty measure (the income level that is used to determine who is “in poverty” each year) is based on three times the cost of food and does not take into account the cost of other basic necessities, such as shelter and utilities. Additionally, in determining a household’s income, the official measure considers cash income, but does not include additions to income based on the value of noncash assistance (e.g., food assistance) or reductions based on other necessary living expenses (e.g., medical expenses or taxes paid). A panel on poverty was established by the National Academy of Sciences and, later, an interagency technical working group suggested ways a new poverty measure could address some of these concerns. Based on these suggestions, Census, with support from the Bureau of Labor Statistics, developed the SPM in 2010.

¹²Census sets the official measure following the Office of Management and Budget’s Statistical Policy Directive 14. See Office of Management and Budget, *Definition of Poverty for Statistical Purposes*, Statistical Policy Directive No. 14 (May 1978), available at <http://www.census.gov/hhes/www/poverty/about/overview/measure.html>.

¹³The federal poverty guidelines issued by HHS are a simplified version of the official poverty thresholds issued by Census. The Omnibus Budget Reconciliation Act of 1981 requires HHS to update the poverty guidelines at least annually, adjusting them on the basis of the Consumer Price Index for All Urban Consumers. 42 U.S.C. § 9902(2). There are some differences between the federal poverty guidelines and the official poverty thresholds. For instance, the guidelines vary by family size, while the poverty thresholds vary by family size, number of children, and, for households with one or two people, whether these members are elderly. Additionally, while the thresholds are the same across all states, the guidelines are higher in both Alaska and Hawaii than in the contiguous United States. Furthermore, due to differences in the timing of when each measure is updated, the poverty guidelines are approximately equivalent to the poverty thresholds for the prior year. For the most recent federal poverty guidelines, see Annual Update of the HHS Poverty Guidelines, 80 Fed. Reg. 3237 (Jan. 22, 2015).

Each year since, Census has released annual poverty statistics on the SPM along with the official measure. The SPM did not replace the official measure, which is still used for determining federal poverty guidelines that could affect eligibility for some programs. Instead, the SPM is primarily used as a research measure, designed to provide information on economic need at the aggregate level, nationally or within subpopulations or areas.

The SPM differs from the official measure in various ways. In defining a family unit that shares resources, in addition to related individuals, the SPM household includes unrelated children cared for by the family (such as foster care children) and cohabiting unmarried partners (see table 1). The SPM also defines the threshold of need differently from the official measure.

Table 1: Selected Elements of the Official Poverty Measure and the Supplemental Poverty Measure

	Official measure	Supplemental Poverty Measure
Who shares resources?	Individuals related by birth, marriage, or adoption in a household	Those individuals included in the official measure plus certain unrelated children and unmarried partners in a household
How is need measured — i.e., what is the poverty threshold?	Three times the cost of a minimum food diet in 1963, in today's prices Adjusted for size of family and age of family members	Approximately the 33rd percentile of expenditures on food, clothing, shelter, and utilities based on consumer expenditure data [Note A] Adjusted for size of family, number of children and adults in the family, place of residence (geographic variation in housing costs) and housing tenure (renter, homeowner with or without mortgage)

Source: Census Bureau. | GAO-15-516

Note A: Thresholds are produced at the Bureau of Labor Statistics and use 5 years of quarterly data from the Consumer Expenditure Survey.

Also, in determining if a family has sufficient resources to meet necessary living expenses, it looks more holistically at a family's resources and expenses (see fig. 1). Individuals or families whose household incomes are below 100 percent of the SPM threshold are considered to be in poverty based on current levels of need.¹⁴

¹⁴For the SPM, we generally use the term "income" to describe both income and noncash resources throughout this report.

Figure 1: Household Income or Resources under the Official Poverty Measure in Comparison with the Supplemental Poverty Measure

The official measure

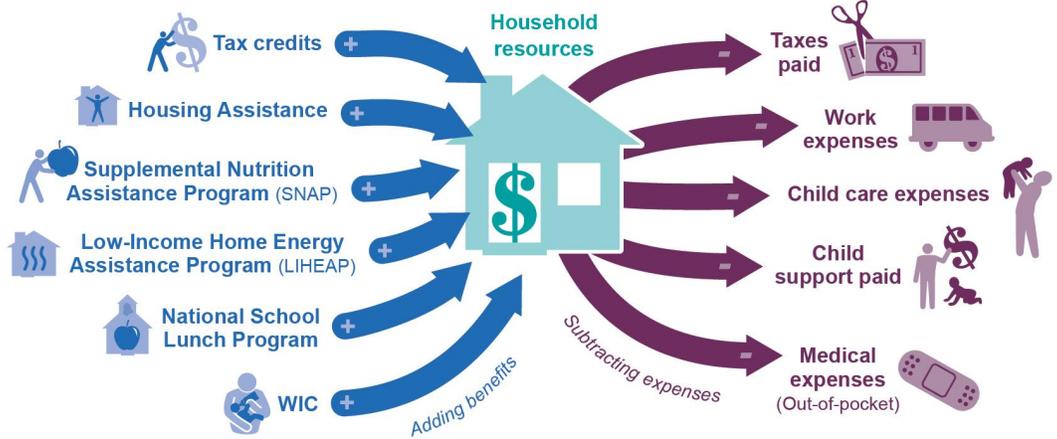


Cash income, such as:

- Earned income (e.g. wages, salary)
- Social Security and other retirement income
- Disability and unemployment insurance
- Cash public assistance (TANF, SSI, state or local general assistance)

The Supplemental Poverty Measure (SPM)

The SPM includes all the same components under cash income as the official measure, but adds non-cash benefits and subtracts expenses to reach a final measure of household resources



Key to abbreviations

- TANF: Temporary Assistance for Needy Families
- SSI: Supplemental Security Income
- WIC: Special Supplemental Nutrition Program for Women, Infants and Children

Source: GAO presentation of U.S. Census Bureau graphic. | GAO-15-516

Note: Unlike the official measure, the SPM adjusts for taxes. It subtracts federal, state, and local income taxes, and payroll taxes. It also takes into account federal and state tax credits, such as the Earned Income Tax Credit, as well as other tax credits.

Housing assistance, in the SPM, is based on households who reported living in public or subsidized housing in the Census Bureau's Current Population Survey, Annual Social and Economic Supplement. These could include recipients of housing programs administered by the Department of Housing and Urban Development, other federal agencies, or state or local governments.

About 80 Programs Provide an Array of Supports for Low-Income Individuals and Households

Over \$700 Billion in Federal Obligations in Fiscal Year 2013 Was Concentrated in Large Programs Aimed at Meeting Basic Needs

We identified 82 federal programs, including several tax expenditures, that target low-income individuals, families, and communities to help them meet basic needs or provide other assistance.¹⁵ For 78 of these programs, fiscal year 2013 federal obligations totaled about \$742 billion. This amount includes federal obligations for two tax expenditures: the ACTC and the refundable portion of the EITC.¹⁶ Four additional tax expenditures that assisted people with low income, plus the nonrefundable portion of the EITC, totaled an estimated \$14 billion in reduced federal tax revenues for fiscal year 2013.

¹⁵Programs included are those that (1) used a measure of low or limited income to determine eligibility, priority for assistance, or to target resources or (2) have a target population that is disproportionately poor or whose program purpose presumes that participants will be low-income. We excluded programs totaling less than \$100 million in federal obligations or reduced tax revenue in fiscal year 2013. We built upon a list maintained by CRS (which also developed these criteria) by adding relevant tax expenditures, and asking relevant agencies to suggest program additions or deletions consistent with CRS criteria. We collected information on each program by surveying the federal agencies that administer the programs. We generally maintained how CRS counted programs; a different count could result if some programs characterized as a single program were counted separately or others were consolidated.

¹⁶A tax credit reduces tax liability dollar-for-dollar. If a tax credit has a refundable portion, a taxpayer with a credit in excess of tax liability will receive a cash refund, which results in federal spending. The ACTC is the refundable portion of the Child Tax Credit. We include the ACTC as a low-income "program," but exclude the nonrefundable portion of the Child Tax Credit. According to Treasury officials, the allocation between the ACTC and the nonrefundable portion of the Child Tax Credit can depend on circumstances that do not affect the total child credit and, therefore, may not necessarily be a meaningful distinction when thinking about support for low-income families. In general, however, the ACTC is claimed by those with lower tax liabilities and lower income than those that claim only the Child Tax Credit. As reported by the Statistics of Income Division of the Internal Revenue Service, in 2012, 88 percent of the ACTC went to taxpayers with adjusted gross income below \$40,000, while 17 percent of the Child Tax Credit went to taxpayers below that income.

These programs include those sometimes referred to as “public assistance” programs or “means-tested” programs, but are broader and more diverse than those terms imply.¹⁷ For instance, while many of the programs, often referred to as public assistance or means-tested programs, help people with low incomes meet basic needs (income support, health care, food, housing, or utilities), some of the programs in this report provide other types of services, such as child care, services for children in foster care, or support services for older individuals. Other programs provide education assistance or employment and training support with the goal of helping disadvantaged individuals better independently support themselves.¹⁸ (See app. II for information from our survey on each program’s purpose and benefit or service provided.)

Federal obligations for these low-income programs were concentrated in a few large programs (see fig. 2).¹⁹ Medicaid accounted for 39 percent of the fiscal year 2013 federal obligations for the programs we reviewed,²⁰ followed by SNAP, the refundable portion of the EITC, and SSI. In total, these four programs comprised almost two-thirds (65 percent) of federal low-income obligations in fiscal year 2013 or about \$480 billion. For some programs, states or other entities also contribute funding, which means billions more in nonfederal funds are spent on such programs. For example, state expenditures for Medicaid were \$194 billion in fiscal year 2013, accounting for around 40 percent of total Medicaid expenditures. For TANF, state expenditures totaled almost \$15 billion in fiscal year

¹⁷Public assistance programs are typically considered those that provide cash assistance or near-cash benefits, such as food assistance. Means-tested programs are generally considered those that provide benefits based on a participant meeting a test of financial need.

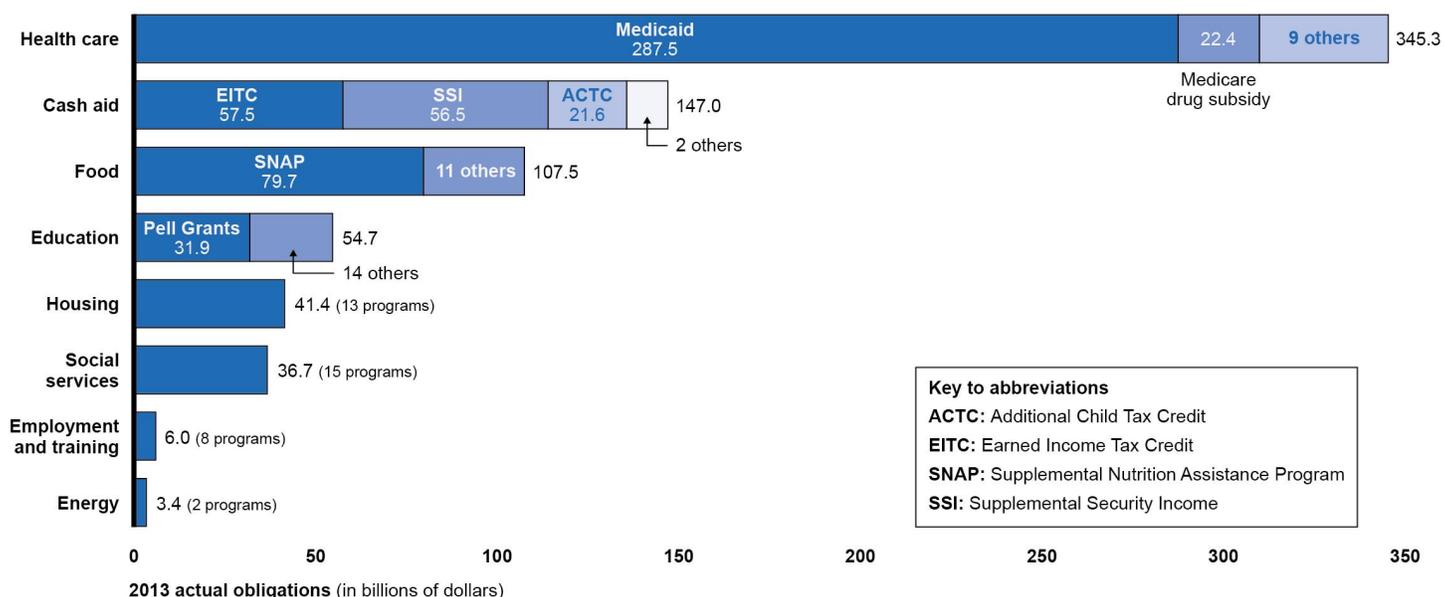
¹⁸CRS assigned each program in its list to one of the following categories: health care, cash aid, food assistance, education, housing and development, social services, employment and training, and energy assistance. In this report, we maintained the category assigned to each program by CRS.

¹⁹Our survey collected information on federal obligation amounts for each program. However, in this report we sometimes also report amounts from sources other than our survey. These sources may use different measures other than obligations, such as expenditures. In those cases, we have reported the terms used by these other sources, although we did not confirm how each source defined those terms.

²⁰The Medicaid amount includes grants to states as well as amounts for a component referred to as State Grants and Demonstrations.

2013, accounting for about 47 percent of total expenditures for the program.

Figure 2: Reported Federal Obligations for Low-Income Programs by Type of Assistance, Fiscal Year 2013



Source: GAO analysis of agency survey responses. | GAO-15-516

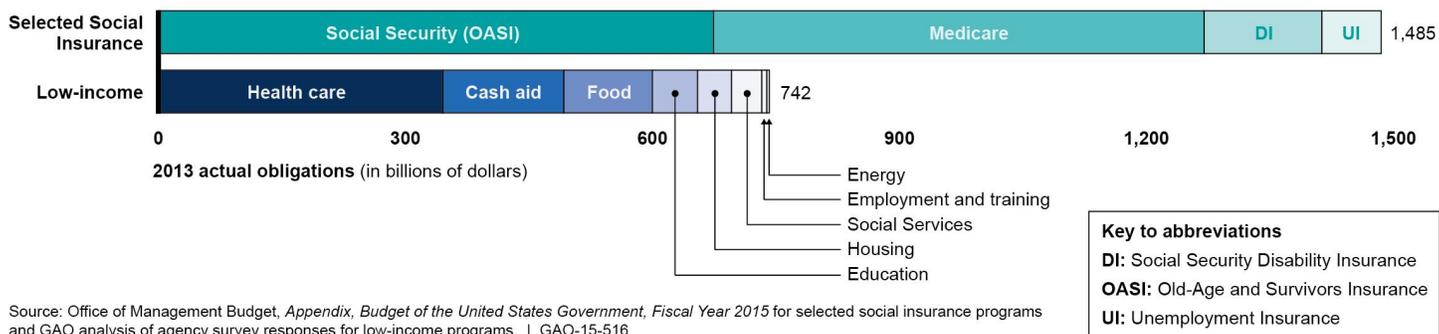
Note: Programs totaling over \$20 billion in obligations are identified by name. Programs totaling less than \$100 million in federal obligations in fiscal year 2013 are not included in this figure. Amounts include total federal program costs, including program administration, research, and other related costs. This figure includes only the refundable portion of the EITC. Tax expenditures other than the EITC and the ACTC are not included. For Temporary Assistance for Needy Families, the total federal obligation amount is divided among three categories: cash aid, employment and training, and social services, and counted as a separate program in each category. For SNAP, the obligation amount for employment and training (\$368 million) is counted in the employment and training category, and counted as a separate program in that category. The full name for the Medicare drug subsidy is the Voluntary Medicare Prescription Drug Benefit Low-Income Subsidy. The full name for Pell Grants is Federal Pell Grants.

Social insurance programs, including Social Security Old-Age and Survivors Insurance (Social Security) and Medicare, are not included in the programs we reviewed because they are not targeted solely to those with low-income.²¹ These programs are generally financed by contributions from workers and employers, and eligibility for benefits is

²¹In this report, we refer to Social Security Old-Age and Survivors Insurance as “Social Security” and Social Security Disability Insurance as “Disability Insurance.”

determined, at least in part, on the basis of an individual’s work history. These programs are intended to more universally protect workers from lost wages and related benefits due to retirement, disability, or a temporary period of unemployment. Some of these programs are very large. For example, in fiscal year 2013, Social Security alone totaled \$674 billion in obligations, which is equal to about 90 percent of the total in obligations for the 78 low-income programs (see fig. 3).

Figure 3: Total Federal Obligations for 78 Low-Income Programs Compared with Selected Social Insurance Programs, Fiscal Year 2013



Source: Office of Management Budget, *Appendix, Budget of the United States Government, Fiscal Year 2015* for selected social insurance programs and GAO analysis of agency survey responses for low-income programs. | GAO-15-516

Note: Federal obligations include administrative costs. Low-income bar consists of 78 programs grouped into categories developed by the Congressional Research Service. Low-income programs totaling less than \$100 million in federal obligations in fiscal year 2013 are not included in this figure.

The 10 largest low-income programs in terms of federal obligations accounted for about \$600 billion in fiscal year 2013 (82 percent of obligations for 78 low-income programs) and served millions of people (see table 2). However, according to our survey, while these 10—and most of the other 72 programs—collect some information on numbers served, programs varied in how they track this information, making it difficult to compare information across programs or to know precisely how many people are helped overall. (In the next section, we provide an estimate of the overall number of recipients in selected programs.) As also shown in table 2, agencies reported the number served using different units (such as individuals, households, or tax returns) and a variety of time periods (annual, monthly; fiscal, calendar, school year; cumulative or point-in-time) for each program. See appendix III for information on federal obligations, number served, and time periods for all 82 programs.

Table 2: Information Provided by Agencies on Federal Obligations and Number Served for 10 Largest Programs Based on Fiscal Year 2013 Obligations

Federal obligations are for fiscal year 2013, while time periods for number served vary

Program (type of assistance)	Fiscal year 2013 obligations (in millions)	Number served	Time period for number served (vary based on information provided by agency)
Medicaid (health care)	\$287,454 [Note A]	Average of 57.4 million individuals (including 27.9 million children) per month; total of 72.8 million individuals were enrolled during the year (including 35 million children)	Average monthly based on fiscal year 2013; cumulative total for fiscal year 2013
Supplemental Nutrition Assistance Program (food assistance)	\$80,110 [Note B]	Average of 47.6 million individuals (or 23.1 million households) per month	Average monthly based on fiscal year 2013
Earned Income Tax Credit (cash aid)	\$57,513 [Note C]	27.9 million tax returns claimed the EITC (of these, 24.3 million had a credit that exceeded their tax liability)	Cumulative total for calendar year 2012
Supplemental Security Income (cash aid)	\$56,486 [Note D]	9.1 million individuals who received at least 1 payment during the year, not including those who only receive a state supplementary payment	Calendar year 2013
Federal Pell Grants (education)	\$31,887	8.6 million students	Cumulative total for 2012-2013 school year
Voluntary Medicare Prescription Drug Benefit-Low-Income Subsidy (health care)	\$22,400 [Note E]	11.5 million beneficiaries	Calendar year 2013
Additional Child Tax Credit [Note F] (cash aid)	\$21,608	19.8 million tax returns	Cumulative total for calendar year 2012
Section 8 Housing Choice Vouchers (housing and development)	\$17,897	2.2 million households with 5.36 million persons	Single point-in-time (August 2014)
Temporary Assistance for Needy Families (cash aid, employment and training, and social services)	\$17,334 (of this amount, cash assistance totaled \$6,200) [Note G]	Average of 3.5 million individuals receiving cash assistance per month (caseload average without state supplemental funds)	Average monthly for fiscal year 2014
Medical Care for Low-Income Veterans Without Service Connected Disability (health care)	\$13,764 [Note H]	1.4 million veterans	Cumulative total for fiscal year 2013

Source: GAO analysis of survey responses. | GAO-15-516

Note: Fiscal year 2013 obligation amounts are rounded to the nearest million. Amounts include total federal program costs, including program administration, research, and other related costs.

Note A: The federal total for Medicaid includes grants to states (\$286,920 million) as well as State Grants and Demonstrations (\$534 million). States provided an additional \$194,434 million for Medicaid in fiscal year 2013, based on program budget information (this amount reflects state expenditures, not obligations).

Note B: Includes employment and training, the American Recovery and Reinvestment Act of 2009 (Recovery Act) supplement, and the Nutrition Block Grant for American Samoa.

Note C: Includes the refundable portion only.

Note D: Includes federal obligations and does not include state supplementary payments.

Note E: This total is aggregate reimbursements under Low-Income Subsidy in calendar year 2013 (from 2014 Medicare trustees' report)

Note F: The Additional Child Tax Credit is the refundable portion of the Child Tax Credit.

Note G: Includes TANF Family Assistance Grants to States, Healthy Marriage and Responsible Fatherhood Grants, Tribal Work Programs, and the TANF Contingency Fund. States provided an additional \$14,995 million for TANF in fiscal year 2013, based on program budget information (this amount reflects state expenditures, not obligations). No information on the number of recipients of noncash services.

Note H: This amount is a subset of the amount for veterans in Priority 1-6 listed in the U.S. Budget Appendix, Fiscal Year 2015.

In addition to the \$742 billion in obligations reported in our survey, in fiscal year 2013, the federal government incurred \$14 billion in reduced tax revenues for the nonrefundable portion of the EITC and four other tax expenditures, according to estimates from the Department of the Treasury (Treasury) (see table 3). These selected tax expenditures directly or indirectly serve low-income people. For instance, the EITC goes directly to low-income people by lowering their taxes based on individual tax returns filed. The Low-Income Housing Tax Credit, on the other hand, goes to housing developers who provide a certain portion of housing units for low-income people.

Table 3: Reported Estimated Reduced Tax Revenue on Tax Expenditures for Low-Income People, Fiscal Year 2013

	Tax expenditure and description	Estimated reduced tax revenue for fiscal year 2013 (in millions)
Directly benefits low-income individuals	Earned Income Tax Credit: provides a tax credit to reduce the amount of taxes owed for working families with children and childless adults who have earned income below specified levels.	\$4,070
	Exclusion of Cash Public Assistance Benefits: reduces tax liability for recipients of certain federal, state, or local cash assistance programs, including TANF, SSI.	\$770
Indirectly benefits low-income individuals	Rental Housing Bonds Interest Exclusion: allows holders of rental housing bonds to exclude interest from taxable income. These bonds are used to finance construction of multifamily rental housing units for low- and moderate-income families.	\$1,000
	Low-Income Housing Tax Credit: allows developers and owners of qualified low-income housing projects to benefit from a tax credit for construction or rehabilitation costs.	\$7,410
	Work Opportunity Tax Credit: reduces tax liability for employers hiring individuals who qualify for certain federal low-income programs, including TANF, SSI, SNAP, and individuals from other specified groups considered disadvantaged.	\$900

Source: GAO analysis of agency survey responses. GAO did not independently verify the legal accuracy of this information. | GAO-15-516

Note: This table includes estimated reduction in tax revenue and does not include federal obligations for tax refunds.

Most Programs Target Specific Low-Income Populations, Including the Elderly, People with Disabilities, Children and Their Families, and a Range of Other Groups

Target Populations

Based on our analysis of agency responses, most low-income programs target specific sub-populations and do not serve low-income people generally.²² Eligibility for a benefit or service can be based on being part of a target population. Broad population groups targeted by these programs include children or families with children, the elderly, people with some earnings, and students. Programs may target multiple groups, according to our survey. For example, the Child and Adult Care Food Program supports the provision of free or reduced-priced meals and snacks to low-income children and low-income chronically impaired and elderly adults, who are in nonresidential group care settings, such as day care homes or institutions. In addition, a number of low-income programs target narrower population groups, based on agency survey responses, such as veterans, disadvantaged youth, people who are homeless, Native Americans, migrants, refugees, or rural communities. These tend to be smaller programs in terms of dollars, according to our survey. (See table 4.)

²²Our report focuses on federal program requirements. However, for some programs, additional requirements may be set at the state or local level with respect to targeted populations, eligibility criteria, work requirements, or time limits.

Table 4: Target Populations, Type of Assistance, and General Level of Fiscal Year 2013 Obligations for Federal Programs for Low-Income Populations

Agency	Program Name	Dollar size	Elderly	People with disabilities	Children and their families [Note A]	People with earnings	General low-income	Students and related [Note B]	Special populations
Cash aid									
Treasury	Earned Income Tax Credit	\$\$\$\$\$			✓	✓			
SSA	Supplemental Security Income	\$\$\$\$\$	✓	✓					
Treasury	Additional Child Tax Credit	\$\$\$\$\$			✓	✓			
HHS	Temporary Assistance for Needy Families—cash aid	\$\$\$			✓	✓			
VA	Veterans Pension and Survivors Pension	\$\$\$							Veterans and their survivors
Treasury	Exclusion of Cash Public Assistance Benefits	tax loss					✓		
Food assistance									
USDA	Supplemental Nutrition Assistance Program	\$\$\$\$\$					✓		
USDA	National School Lunch Program (free and reduced-price components)	\$\$\$\$			✓				
USDA	Special Supplemental Nutrition Program for Women, Infants and Children	\$\$\$			✓				
USDA	School Breakfast Program (free and reduced-price components)	\$\$\$			✓				
USDA	Child and Adult Care Food Program (lower-income components)	\$\$\$	✓	✓	✓				

Agency	Program Name	Dollar size	Elderly	People with disabilities	Children and their families [Note A]	People with earnings	General low-income	Students and related [Note B]	Special populations
USDA	Nutrition Assistance Program for Puerto Rico	\$\$\$					✓		
HHS	Nutrition Service for the Elderly	\$\$	✓						
USDA	Summer Food Service Program	\$			✓				
USDA	The Emergency Food Assistance Program	\$					✓		
USDA	Commodity Supplemental Food Program	\$	✓						
USDA	Fresh Fruits and Vegetables Program	\$			✓				
USDA	Food Distribution Program on Indian Reservations	\$							Native Americans
Health care									
HHS	Medicaid	\$\$\$\$\$	✓	✓	✓		✓ [Note C]		
HHS	Voluntary Medicare Prescription Drug Benefit-Low-Income Subsidy	\$\$\$\$\$	✓	✓					
VA	Medical Care for Low-Income Veterans Without Service-Connected Disability	\$\$\$\$							Veterans
HHS	State Children's Health Insurance Program	\$\$\$			✓				
HHS	Consolidated Health Centers	\$\$\$					✓		
HHS	Maternal and Child Health Block Grant	\$\$			✓				

Agency	Program Name	Dollar size	Elderly	People with disabilities	Children and their families [Note A]	People with earnings	General low-income	Students and related [Note B]	Special populations
HHS	Transitional Cash and Medical Services to Refugees	\$							Refugees
HHS	Family Planning	\$			✓				
HHS	National Breast and Cervical Cancer Early Detection Program	\$					✓		
HHS	Indian Health Service	\$\$\$							Native Americans
HHS	Ryan White HIV/AIDS Program	\$\$\$							People with HIV/AIDS
Housing and development									
HUD	Section 8 Housing Choice Vouchers	\$\$\$\$					✓ [Note D]		
HUD	Section 8 Project-Based Rental Assistance	\$\$\$					✓ [Note D]		
HUD	Community Development Block Grants	\$\$\$					✓		
HUD	Public Housing	\$\$\$					✓ [Note D]		
HUD	Homeless Assistance Grants	\$\$\$							Homeless
USDA	Water and Waste Disposal Systems for Rural Communities	\$\$\$							Rural areas
HUD	HOME Investment Partnerships Program	\$\$					✓		
USDA	Rural Rental Assistance Payments	\$\$							Rural areas
HUD	Indian Housing Block Grant	\$\$							Native Americans
HUD	Supportive Housing for the Elderly	\$	✓						

Agency	Program Name	Dollar size	Elderly	People with disabilities	Children and their families [Note A]	People with earnings	General low-income	Students and related [Note B]	Special populations
HUD	Housing Opportunities for Persons with AIDS	\$							People with HIV/AIDS
HUD	Choice Neighborhoods Implementation Grants	\$					✓		
HUD	Supportive Housing for Persons with Disabilities	\$		✓					
Treasury	Low-Income Housing Tax Credit	tax loss					✓		
Treasury	Rental Housing Bonds Interest Exclusion	tax loss					✓		
Energy assistance									
HHS	Low Income Home Energy Assistance Program	\$\$\$					✓		
Energy	Weatherization Assistance	\$					✓		
Social services									
HHS	Temporary Assistance for Needy Families - social services	\$\$\$			✓				
HHS	Head Start	\$\$\$			✓				
HHS	Child Care and Development Fund	\$\$\$			✓				
HHS	Child Support Enforcement	\$\$\$			✓				
HHS	Foster Care	\$\$\$							Disadvantaged youth
HHS	Adoption Assistance	\$\$\$							Disadvantaged youth
HHS	Social Services Block Grants	\$\$\$					✓		
HHS	Community Services Block Grant	\$\$					✓		

Agency	Program Name	Dollar size	Elderly	People with disabilities	Children and their families [Note A]	People with earnings	General low-income	Students and related [Note B]	Special populations
HHS	Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	\$			✓				
HHS	Older Americans Act Grants for Supportive Services and Senior Centers	\$	✓						
LSC	Legal Services Corporation	\$					✓		
HHS	Older Americans Act: National Family Caregiver Support Program	\$	✓	✓					
HHS	Chafee Foster Care Independence Program	\$							Disadvantaged youth
DHS	Emergency Food and Shelter Program	\$							Homeless
DOI	Indian Human Services	\$							Native Americans
Employment and training									
DOL	Job Corps	\$\$\$							Disadvantaged youth
HHS	Temporary Assistance for Needy Families - employment and training	\$\$\$			✓	✓			
DOL	Workforce Investment Act Youth Activities [Note E]	\$\$							Disadvantaged youth
DOL	Workforce Investment Act Adult Activities [Note F]	\$\$					✓		
DOL	Community Service Employment for Older Americans	\$	✓						

Agency	Program Name	Dollar size	Elderly	People with disabilities	Children and their families [Note A]	People with earnings	General low-income	Students and related [Note B]	Special populations
USDA	Supplemental Nutrition Assistance Program - employment and training	\$					✓		
HHS	Social Services and Targeted Assistance for Refugees	\$							Refugees
CNCS	Foster Grandparent Program	\$	✓						
Treasury	Work Opportunity Tax Credit	tax loss				✓			
Education									
ED	Federal Pell Grants	\$\$\$\$\$						✓	
ED	Education for the Disadvantaged - Grants to Local Educational Agencies (Title I, Part A)	\$\$\$\$						✓	
ED	Improving Teacher Quality State Grants	\$\$\$						✓	
ED	21st Century Community Learning Centers	\$\$\$						✓	
ED	Federal Work-Study	\$\$						✓	
ED	Federal TRIO Programs	\$\$						✓	
ED	Higher Education - Aid for Institutional Development programs and Developing Hispanic-Serving Institutions programs	\$\$						✓	
DOI	Indian Education – Bureau of Indian Education	\$\$							Native Americans

Agency	Program Name	Dollar size	Elderly	People with disabilities	Children and their families [Note A]	People with earnings	General low-income	Students and related [Note B]	Special populations
ED	Federal Supplemental Educational Opportunity Grants	\$						✓	
ED	Adult Basic Education Grants to States	\$						✓	
ED	Title I Migrant Education Program	\$							Migrants
ED	Gaining Early Awareness and Readiness for Undergraduate Programs	\$						✓	
ED	Rural Education Achievement Program	\$							Rural areas
ED	Mathematics and Science Partnerships	\$						✓	
ED	Indian Education – Formula Grants to Local Educational Agencies	\$							Native Americans

Source: GAO analysis of agency survey responses, with the exception of information on whether programs were open-ended entitlement programs, which came from the Congressional Research Service. GAO did not independently verify the legal accuracy of the information in this table. | GAO-15-516

Notes: Bold italic dollar signs indicate open-ended entitlement programs. \$ = \$100 million to less than \$500 million (in obligations for fiscal year 2013), \$\$=\$500 million to less than \$1 billion, \$\$\$=\$1 billion to less than \$10 billion, \$\$\$\$=\$10 billion to less than \$20 billion, \$\$\$\$\$=\$20 billion and over. (This list excludes low-income programs totaling less than \$100 million in obligations or reduced tax revenue in fiscal year 2013.) "Tax loss" in the table means a reduction in estimated tax revenue. The nonrefundable portion of the Earned Income Tax Credit results in a reduction of tax revenue that is not depicted in this table.

Federal agency abbreviations are as follows: CNCS = Corporation for National and Community Service; DHS=Department of Homeland Security; DOI = Department of the Interior; DOL = Department of Labor; ED = Department of Education; Energy= Department of Energy; HHS = Department of Health and Human Services; HUD = Department of Housing and Urban Development; LSC = Legal Services Corporation; SSA = Social Security Administration; Treasury = Department of the Treasury; USDA = Department of Agriculture; VA = Department of Veterans Affairs.

Population categories are based on agency responses regarding target populations for each program. For some programs, additional targeting criteria may be determined at the state or local level.

Note A: Includes programs targeted to children and families with children.

Note B: Includes programs aimed at improving educational opportunities.

Note C: Some states have expanded Medicaid eligibility to low-income individuals who meet financial criteria, but do not fall into other target groups.

Note D: According to HUD officials, local housing agencies have discretion to set preferences in addition to the statutory income eligibility requirements, and may target populations such as the homeless or working families. A substantial portion of households assisted in these programs are headed by a member who is elderly or has a disability, according to HUD officials.

Note E: This program became "Workforce Innovation and Opportunity Act Youth Activities" on July 1, 2015.

Note F: This program became "Workforce Innovation and Opportunity Act Adult Activities" on July 1, 2015.

Although these programs serve many different populations, relatively few target groups account for a large portion of the spending. For example, almost two-thirds of the federal expenditures for Medicaid for fiscal year 2012, the most recent detailed data available, went to people with disabilities (42 percent) and elderly individuals (21 percent), according to HHS administrative data. Additionally, a recent CRS report examined spending amounts for the 10 largest low-income programs in fiscal year 2011 (the most recent available information at the time for analysis on target groups).²³ CRS reported that federal spending for these 10 in 2011 was \$623 billion and accounted for over 80 percent of spending for low-income programs that year. According to CRS analysis, which estimated spending across target groups primarily using program data, people with disabilities received almost a third of this amount, or \$208 billion (primarily from Medicaid and SSI).²⁴ Working families with children received the next largest share, about \$170 billion, with the refundable tax credits accounting for a large portion. The elderly received \$96 billion, with a large contribution from Medicaid and the low-income Medicare subsidy for prescription drugs. Less than 12 percent of the spending in fiscal year 2011 for the 10 largest programs went to low-income adults who were not working, elderly, or had a disability, according to CRS.

Financial Eligibility Criteria

As reported by the relevant agencies in our survey, the programs we reviewed used various methods to determine the financial eligibility of

²³CRS, *Federal Benefits and Services for People with Low Income*, R43863. In this report, the top 10 low-income programs in fiscal year 2011 based on federal spending were: Medicaid, SNAP, SSI, EITC, Pell Grants, ACTC, Medicare low-income subsidy, Section 8 Housing Choice Vouchers, TANF, and Grants for Education for the Disadvantaged (Title I). Spending in CRS's analysis was generally based on obligations, according to CRS.

²⁴CRS primarily used program administrative data (or data collected in conjunction with the administration of a program) to estimate the amount of fiscal year 2011 spending across population groups, although definitions of each population group can vary across programs (e.g., elderly or person with a disability). For Medicaid, CRS used Census data to estimate the amount of spending for recipients who were not elderly or did not have a disability. CRS's analysis divided spending amounts into mutually exclusive groups.

program recipients, be it individuals, families, communities, schools, or other entities.²⁵ According to our analysis of agency survey responses, the most common criteria, among programs that had individual income or financial eligibility criteria, were some percentage of the federal poverty guidelines, updated annually by HHS. Other programs had criteria such as area median income or specific income amounts. Financial tests may be used to determine eligibility, the size of the benefit, or whether a service is free or partially subsidized. Below are different types of measures used by these programs, as reported by agencies, as follows:

SNAP example: determining financial eligibility (as of fiscal year 2013)

(excludes automatic or categorical eligibility; discussed later)

- Household gross income \leq 130 percent of federal poverty guidelines (for most households)
- Household net income \leq 100 percent of federal poverty guidelines (gross income minus certain exclusions and deductions, such as certain child care expenses)
- Household assets (e.g., money in bank account) \leq \$2,000 (for most households)
- In general, households must meet all three tests to be eligible for SNAP. However, the specific financial eligibility criteria may vary, depending on the circumstances. For example, some households with a member who is elderly or has a disability are subject to different requirements.

Source: GAO analysis of USDA guidance documents on SNAP income eligibility requirements for fiscal year 2013. | GAO-15-516

- Twenty programs used the federal poverty guidelines to help determine eligibility, although the income limits varied greatly among the programs and sometimes within a program. For example, to be eligible for the Community Service Employment for Older Americans program, individuals must be unemployed, age 55 or older, and have incomes no higher than 125 percent of the federal poverty guidelines. Within a program, different populations may have different limits. For instance, SNAP generally requires eligible households to have gross income no higher than 130 percent of the federal poverty guidelines, but households with members who are elderly or have a disability may have higher income limits.
- Nine programs used area median income to determine eligibility. The measure is based on specified percentages of median family incomes for states and metropolitan and nonmetropolitan areas within states. For example, in the Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Vouchers program, eligible families generally must have incomes no higher than 50 percent of area median income, and 75 percent of newly available vouchers each year must go to families with incomes no higher than 30 percent of area median income. In fiscal year 2013, according to information from HUD, the median family income for states for a family of four ranged from \$48,300 (Mississippi) to \$88,400 (Maryland) with variation between metropolitan and nonmetropolitan areas within states.
- Seven programs used specific dollar amounts as a threshold to determine eligibility. For example, in general, individuals receiving SSI

²⁵ Agencies reported that some programs have other nonfinancial criteria, such as age, in addition to financial or income eligibility criteria. Therefore, the income or financial requirements described in this section may not be the sole factor in determining eligibility for these programs.

in 2013 had to have monthly incomes no higher than \$1,505 if their countable income was only from wages, and \$730 if their countable income was not from wages.²⁶ The two refundable tax credits are based, in part, on earned income and adjusted gross income. For example, in tax year 2013 working families with children that had annual incomes below \$37,870 to \$51,567—depending on filing status and the number of dependent children—may have been eligible for the EITC. Also, childless people with earnings that had incomes below \$14,340 (\$19,680 for a married couple) could have received a small EITC benefit. Depending on the program, income thresholds may be adjusted annually, for inflation or other factors.

- Three educational programs used a needs analysis to determine eligibility: Federal Pell Grants, Federal Work Study, and Federal Supplemental Educational Opportunity Grants. This analysis calculates the amount a family can be expected to contribute toward a student's college costs and uses that amount to determine the student's eligibility for aid. According to budget information from the Department of (Education), about three-fourths of Pell Grant recipients in the 2012-2013 school year had annual incomes below \$30,000.²⁷
- Seven programs allow states or localities to determine financial eligibility criteria for individuals or households, generally within certain federal limits. For instance, federal law requires that families receiving cash assistance funded by the TANF block grant must have a minor child; however, states determine financial eligibility criteria and benefit amounts, and there is a large amount of variation among states.²⁸
- Three programs determined financial eligibility for individuals or households in other ways not captured above, according to agency survey responses. Specifically, for the Transitional Cash and Medical Services to Refugees, eligible participants include adult refugees, asylees, and other specified groups, who meet the income and asset tests for TANF or Medicaid, but who are not categorically eligible for

²⁶SSA only considers certain types of income when determining SSI eligibility, such as wages or unemployment compensation. "Countable" as used in this context means income amounts that are considered when determining eligibility.

²⁷Education, *Student Financial Assistance, Fiscal Year 2015 Budget Request*.

²⁸HHS publishes a compilation of state TANF policies and updates it each year. See HHS, *Welfare Rules Databook: State TANF Policies as of July 2013*, OPRE Report 2014-52 (Washington, D.C.: September 2014).

those programs. The tax exclusion of cash public assistance benefits is dependent on the receipt of aid from public cash assistance programs. The Work Opportunity Tax Credit provides a tax credit to employers who hire people from certain specified disadvantaged groups, including certain recipients of SNAP, SSI, and TANF, among others.

Thirty-three programs target assistance to low-income communities, groups, or other entities, rather than individuals or households, based on agency survey responses.

- Twenty-five of these programs targeted or prioritized services to low-income groups, generally based on a measure of low-income. However, these programs may also serve people more broadly and not only those who are low-income. For example, funds for the Education for the Disadvantaged – Grants to Local Educational Agencies (Title I, Part A) program are allocated to school attendance areas and schools based on the number of children from low-income families. Depending on the percentage of low-income students in a school, schools funded by this program may serve all students, or must focus services on low-achieving students in the school.
- Eight programs that do not have a measure of low or limited income are included as low-income programs because they targeted special populations who tend to be disproportionately low-income or are presumed to be low-income (e.g., Native Americans or homeless individuals and families).

(See app. IV for information on all programs by type of financial eligibility.)

Among all of the programs identified, 11 provide for automatic eligibility (also referred to as categorical eligibility), according to our survey. Although specific eligibility requirements may vary, some programs allow automatic eligibility for people who have already qualified for another, specified income-tested program, or if they are a member of a specified target population.²⁹ (See table 5 for a summary of our survey results.)³⁰ In

²⁹ CRS, *Federal Benefits and Services for People with Low Income*, R41625.

³⁰ In our survey we asked agencies to provide a description of automatic eligibility based on participation in other programs, if any. We did not ask about automatic eligibility provisions for members of a specified target population.

prior work, we have looked at automatic eligibility and similar provisions for programs, including SNAP, WIC, and the school meals programs.³¹ For example, in 2012 we looked at the prevalence of households receiving SNAP under expanded automatic eligibility rules, called “broad-based categorical eligibility.” Under these rules, states can allow households receiving noncash services funded by TANF (such as a toll-free number or brochure) to be automatically eligible for SNAP. States that adopt a broad-based categorical eligibility policy may increase limits on household income to up to 200 percent of federal poverty guidelines, and remove limits on assets for these households. In that report, we found that a relatively small percentage of households in 2010 were eligible for SNAP under broad-based categorical eligibility that would not have otherwise been eligible (under 3 percent). We also found that these households’ incomes were modestly higher (around 150 percent of federal poverty guidelines, instead of 130 percent).³²

³¹For example, see GAO, *School Meal Programs: Implications of Adjusting Income Eligibility Thresholds and Reimbursement Rates by Geographic Differences*, [GAO-14-557](#) (Washington, D.C.: July 8, 2014); *School Meals Programs: USDA Has Enhanced Controls, but Additional Verification Could Help Ensure Legitimate Program Access*, [GAO-14-262](#), (Washington, D.C.: May 5, 2014); and *WIC Program: Improved Oversight of Income Eligibility Determination Needed*, [GAO-13-290](#), (Washington, D.C.: Feb 28, 2013).

³²GAO, *Supplemental Nutrition Assistance Program: Improved Oversight of State Eligibility Expansions Needed*, [GAO-12-670](#), (Washington, D.C.: July 26, 2012).

Table 5: Reported Automatic Eligibility Based on Participation in Another Program

If eligible for... Program Name	Automatically eligible for...						Health	Energy	Social Services		
	Food assistance			Food assistance					Medicare low-income subsidy [Note D]	LIHEAP	Weatherization Assistance
	SNAP	Child and Adult Care Food Program [Note A]	WIC [Note B]	National School Lunch Program [Note C]	School Breakfast Program [Note C]	Summer Food Service Program					
Cash aid											
Supplemental Security Income	✓	✓					✓	✓ (state option)	✓	✓	
Temporary Assistance for Needy Families [Note E]	✓	✓	✓	✓ (some states)	✓ (some states)	✓		✓ (state option)	✓ (cash assistance)	✓	✓
Food assistance											
Supplemental Nutrition Assistance Program (SNAP)		✓	✓	✓	✓	✓		✓ (state option)			
Food Distribution Program on Indian Reservations		✓		✓	✓	✓					
Health care											
Medicaid		✓	✓					✓			✓
Energy assistance											

Automatically eligible for...											
Food assistance											
Health											
Energy											
Social Services											
If eligible for... Program Name	SNAP	Child and Adult Care Food Program [Note A]	WIC [Note B]	National School Lunch Program [Note C]	School Breakfast Program [Note C]	Summer Food Service Program	Medicare low-income subsidy [Note D]	LIHEAP	Weatheri- zation Assistance	Head Start	Child Support Enforcement
Low-Income Home Energy Assistance Program (LIHEAP)									✓ (state option)		
Social services											
Head Start		✓									
Foster care maintenance payments											✓

Source: GAO analysis of agency survey responses. GAO did not independently verify the legal accuracy of the eligibility requirements as reported by the agencies. | GAO-15-516

Note: The Legal Services Corporation program and the Emergency Food Assistance Program give states or local grantees discretion in granting automatic eligibility based on participation in other government income-tested programs. Also, some programs allow for automatic eligibility based on participation in additional programs not shown here. In addition, this table does not reflect any automatic eligibility provisions for members of a specified target population, such as veterans or foster care children generally. Other eligibility criteria may also apply for these programs; therefore this table cannot be used to determine eligibility in a particular case.

Note A: Lower-income components only. Automatic eligibility varies depending on whether the potential recipient is a child or an adult.

Note B: The full name for this program is Special Supplemental Nutrition Program for Women, Infants, and Children.

Note C: Free and reduced-price components.

Note D: The full name for this program is Voluntary Medicare Prescription Drug Benefit-Low-Income Subsidy.

Note E: Includes cash, employment and training, and social services.

Work Requirements or Time Limits

In addition to eligibility requirements related to income or target population, some programs impose work requirements (participants must be engaged in work or work-related activity in order to receive benefits or services) or time limits (program participation is limited to a specified period of time), although most do not, according to our analysis of agency survey responses. For three programs—TANF, SNAP, and Transitional Cash and Medical Assistance for Refugees—agencies reported both work requirements and time limits for at least a portion of program recipients, as follows:

- TANF requires states to engage a certain percentage of families with a work-eligible individual receiving cash assistance in specified work-related activities (such as job search and job readiness assistance) or face potential financial penalties. In general, TANF also limits federally-funded assistance for families with an adult member to 5 years. States may extend families beyond this 60-month period for reasons of hardship for up to 20 percent of their caseloads.³³
- Unless otherwise exempt, SNAP requires participants who are mentally and physically able to work and between the ages of 16 and 59 to work at least 30 hours per week, register for work, or participate in an employment and training program if assigned by the state SNAP agency. Additionally, able-bodied adults between the ages of 18 and 49 without dependents are limited to 3 months of SNAP benefits in a 36-month period, unless they work or participate in a work program for at least 20 hours per week. A large portion of SNAP participants are not, however, subject to these requirements. Many participants are exempt from the program's work requirements because of age or disability.³⁴ Also, the Department of Agriculture (USDA) has granted

³³For more information on TANF work requirements and time limits, see GAO, *Temporary Assistance for Needy Families: Potential Options to Improve Performance and Oversight*, [GAO-13-431](#), (Washington, D.C.: May 15, 2013).

³⁴In fiscal year 2011, almost two-thirds of SNAP participants were not expected to work because they were children, elderly, or had a disability, according to CRS's tabulations of SNAP quality control data. See CRS, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, R42505 (Washington, D.C.: December 29, 2014).

waivers to many states from the 3-month time limit in recent years due to low numbers of available jobs.³⁵

- Cash assistance under the Transitional Cash and Medical Services for Refugees Program is conditioned on the refugee registering with an employment agency or service, participating in available job training services, and accepting appropriate offers of employment. Both cash assistance and medical assistance are limited to 8 months, although other types of assistance for refugees may be available for a longer period of time, as described below.³⁶

Eleven other programs had work requirements³⁷ or time limits,³⁸ as identified by the agencies in our survey, as follows:

- **Work requirements:** The EITC and ACTC require eligible taxpayers to have earned income, such as from wages or self-employment earnings, in order to claim the credits. To be eligible for subsidized child care services from the Child Care and Development Fund, children must generally have a parent who is working or attending a job training or educational program. The Nutrition Assistance Program for Puerto Rico also has some requirements for working-age adults to engage in certain work-related activities, unless exempt.
- **Time limits:** Several education or employment and training programs (Federal Pell Grants, Work Opportunity Tax Credit, and Community

³⁵USDA may waive the time limit for a group of individuals in a state if the area in which they reside has an unemployment rate over 10 percent, or does not have a sufficient number of jobs to provide employment for the individuals. During fiscal years 2011 through 2013, over 40 states had a statewide waiver from the SNAP time limit, due to a lack of sufficient jobs, according to CRS.

³⁶ For prior work on refugees' employment outcomes, see GAO, *Refugee Assistance: Little Is Known about the Effectiveness of Different Approaches for Improving Refugees' Employment Outcomes*, [GAO-11-369](#) (Washington, D.C.: March 31, 2011).

³⁷For the purposes of this analysis, we excluded a few programs in which the agency responded that the program had a work requirement, but the program purpose or the program benefit or service was to provide some sort of employment opportunity, such as Federal Work Study. Our purpose was to include programs that in effect required a recipient to work or prepare for work in exchange for benefits or services not directly linked to work, such as food assistance, housing assistance, or supplemental income.

³⁸For the purposes of this analysis, we excluded programs in which the agency said the program had a time limit, but the time limit was based on a child's age (e.g., children under a certain age are eligible), a particular time of year (e.g., food assistance during the school year), or the duration of a grant.

Service Employment for Older Americans) specify a maximum length of time for receipt of assistance. Under two housing programs, there are time limits for providing temporary shelter (Homeless Assistance Grants and Housing Opportunities for Persons with AIDS). Also, refugees may receive various services, such as social adjustment services or citizenship and naturalization services, for up to 5 years under the Social Services and Targeted Assistance for Refugees Program.

Federal, State, and Local Agencies Administer These Programs Through a Complex System That Can Be Inefficient and Difficult to Oversee

As a whole, the administration of these programs is complex and involves many different agencies and entities at the federal, state, and local levels. Thirteen federal agencies administer the 82 programs, with three-quarters of them overseen by HHS, HUD, Education, and USDA. A relatively small number of programs are entirely or mostly federally run (that is, these programs are direct benefits provided by federal agencies or are tax expenditures administered through the federal income tax system). These include some of the largest programs, such as SSI, the refundable tax credits, and Federal Pell Grants. For many other programs, various state and local agencies, and in some cases private entities, are involved in program administration and the provision of benefits and services. Additionally, at least 12 different congressional committees are responsible for program oversight.³⁹

Based on this report and a review of our prior work, we identified several issues that pose difficulties for administering and overseeing this complex system of programs as well as efforts to address them. These issues are based on our prior reviews of specific low-income program areas and on our broader government-wide work. More specifically:

- In a 2011 testimony, we summarized our work that found the array of human services programs was too fragmented and overly complex—for clients to navigate, for program operators to administer efficiently, and for program managers and policymakers to assess program performance.⁴⁰ We identified potential approaches to address these longstanding challenges, such as simplifying and streamlining policies

³⁹We identified the cognizant committees of the 20 programs with the largest amounts of obligations in fiscal year 2013.

⁴⁰GAO, *Human Services Programs: Opportunities to Reduce Inefficiencies*, [GAO-11-531T](#) (Washington, D.C.: April 5, 2011).

and processes across programs, improving technology,⁴¹ and fostering innovation and evaluation to improve services and reduce costs.

- In our government-wide work on fragmentation, overlap, and duplication, we have recommended that certain agencies responsible for low-income program areas take actions, such as increased collaboration with other agencies and additional study, to help minimize administrative inefficiencies among multiple programs. Some of these recommendations have been addressed. See the box on page 36 for more information on our open recommendations in relevant areas.
- In our work on the role of evaluation in federal programs, we found that evaluations can help program administrators and policymakers understand what programs and practices are working and how to improve the use of scarce resources, yet federal agencies often do not evaluate their programs.⁴² For this report, we reviewed the efforts of federal agencies responsible for five of the largest programs—SNAP, SSI, TANF, EITC, and the Section 8 Housing Choice Vouchers program—to conduct or sponsor recent evaluations regarding participant outcomes. We found that for the four spending programs, agencies were engaged in recent evaluation efforts that focused on participant outcomes, including employment and self-sufficiency, food security, and family outcomes. Unlike the four spending programs we examined, Treasury officials said the agency does not conduct program evaluations related to program or policy outcomes on the EITC or any other tax expenditure. (See app. V.) In our previous reports on tax expenditures, we concluded that because tax expenditures are not evaluated for performance, it is difficult to evaluate their costs and benefits and the extent to which they meet intended policy goals. We have recommended that the Office of

⁴¹For more information on using technology to improve program services and administration, see GAO, *Human Services: Sustained and Coordinated Efforts Could Facilitate Data Sharing While Protecting Privacy*, [GAO-13-106](#), (Washington, D.C.: February 8, 2013).

⁴²In a 2013 report, we surveyed over 4,000 federal managers government-wide and found that almost two-thirds did not have recent evaluations of their programs (within the last five years). However, of those who did, 80 percent said that evaluations were useful in improving program management or performance and in assessing program effectiveness or value. See GAO, *Program Evaluation: Strategies to Facilitate Agencies' Use of Evaluation in Program Management and Policy Making*, [GAO-13-570](#) (Washington, D.C.: June 26, 2013).

Management and Budget (OMB) set up a performance evaluation framework for tax expenditures. This recommendation has not been addressed.⁴³

- In a 2014 report assessing aspects of the GPRA Modernization Act of 2010,⁴⁴ we concluded that the act's requirement for OMB to publish on a central website a list (inventory) of all federal programs along with related budget and performance information⁴⁵ would be useful for better government management.⁴⁶ Such information could help decision makers determine the scope of the federal government's involvement, investment, and performance in a particular area, as well as provide critical information that could be used to better address crosscutting issues, among other purposes. We recommended that OMB take several actions to improve the existing program inventory information to make it more useful for decision makers, such as including tax expenditures in the inventory and directing agencies to collaborate when defining and identifying programs that contribute to a common outcome. OMB generally agreed with most of these recommendations, but has not yet addressed them.⁴⁷

⁴³See GAO, *Government Performance and Accountability: Tax Expenditures Represent a Substantial Federal Commitment and Need to Be Reexamined*, [GAO-05-690](#) (Washington, D.C.: September 23, 2005); *Tax Expenditures: Background and Evaluation Criteria and Questions*, [GAO-13-167SP](#) (Washington, D.C.: November 29, 2012), as well as http://www.gao.gov/duplication/action_tracker/Tax_Expenditures/action1

⁴⁴Pub. L. No. 111-352, 124 Stat. 3866 (2011). The acronym "GPRA" in the act's title refers to the Government Performance and Results Act of 1993. Pub. L. No. 103-62, 107 Stat. 285.

⁴⁵31 U.S.C. § 1122.

⁴⁶GAO, *Government Efficiency and Effectiveness: Inconsistent Definitions and Information Limit the Usefulness of Federal Program Inventories*, [GAO-15-83](#) (Washington, D.C.: October 31, 2014).

⁴⁷[GAO-15-83](#) made eight recommendations regarding federal inventories, to which OMB staff generally agreed; however, they neither either agreed nor disagreed with three recommendations related to including tax expenditures and additional performance information in federal program inventories to increase their usefulness.



Related GAO Work on Fragmentation, Overlap, and Duplication

GAO is statutorily mandated to identify and report annually to Congress on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities.

"Fragmentation" refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and there may be opportunities to improve how the government delivers these services.

"Overlap" occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.

"Duplication" occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.

In recent years, GAO has identified fragmentation, overlap, and duplication among some of the low-income programs reviewed in this report. See below for the areas identified, the focus of recommendations, and whether the recommended actions have been completely, partially, or not addressed. We also include the year the program area was first identified by GAO for fragmentation, overlap, or duplication. This information was last updated March 6, 2015.

Training, Employment, and Education: Early Learning and Child Care

Greater coordination efforts across early learning and child care programs could mitigate the effects of program fragmentation, simplify children's access to these services, collect the data necessary to coordinate operation of these programs, and identify and minimize any unwarranted overlap and potential duplication.
Identified 2012; addressed

Training, Employment, and Education: Employment and Training Programs

Providing information on colocating services and consolidating administrative structures could promote efficiencies.
Identified 2011; addressed

Social Services: Domestic Food Assistance

Multiple actions could reduce administrative overlap among domestic food assistance programs.
Identified 2011; partially addressed

Social Services: Housing Assistance

Examining the benefits and costs of housing programs and tax expenditures that address the same or similar populations or areas, and potentially consolidating them, could help mitigate overlap and fragmentation and decrease costs.
Identified 2012; not addressed or consolidated.

Social Services: Homelessness Programs:

Better coordination of federal homelessness programs could minimize fragmentation and overlap.
Identified 2011; addressed.

For more information see www.gao.gov.duplication/action_tracker

Source: GAO. | GAO-15-516

Based on the SPM,
About One-Sixth of
the U.S. Population
Lived in Poverty in
2013, When
Considering Certain
Government Benefits
and Living Expenses

SPM Provides Information
on the Economic Well-
Being of the U.S.
Population by Taking into
Account Certain
Government Assistance
and Living Expenses and
Other Factors

In 2013, 48.7 million people in the United States (15.5 percent of the population) lived in poverty according to the SPM, based on our analysis of Census data (see fig. 4).⁴⁸ These people lived in households with incomes below the SPM poverty threshold, which measures whether they have sufficient resources to meet their basic needs, after taking into account government benefits and necessary expenses.⁴⁹ The SPM threshold in 2013 for two adults and two children ranged from \$21,397 to \$25,639, depending on their housing situation, according to Census.⁵⁰

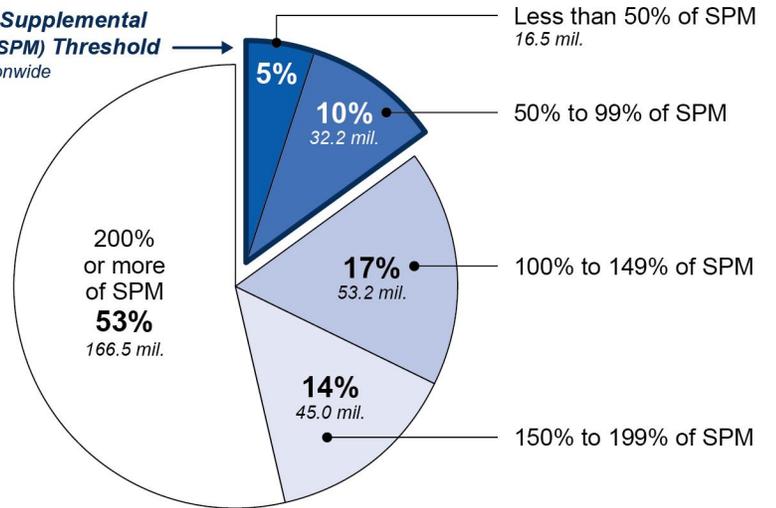
⁴⁸Due to the household-based data collection used by the Current Population Survey, this estimate of the number of people living in poverty does not include individuals who were homeless or living in institutional group quarters (e.g., correctional facilities, nursing homes).

⁴⁹Throughout this report, we present the number of individuals, not the number of households. We calculated the poverty rate of each household and assigned these values to each individual in that household for use in our tabulations.

⁵⁰The threshold before adjusting for geographic differences in housing costs was \$25,639 for homeowners with a mortgage; \$21,397 for homeowners without a mortgage, and \$25,144 for renters. After adjusting for geographic differences in the cost of housing, the threshold ranged from \$17,786 for homeowners without a mortgage in Oklahoma metropolitan areas to \$35,649 for homeowners with a mortgage in California's San Jose-Sunnyvale-Santa Clara metropolitan area.

Figure 4: Distribution of U.S. Population by Their Household Incomes as a Percent of the Supplemental Poverty Measure (SPM) Threshold, 2013

15.5% below 2013 Supplemental Poverty Measure (SPM) Threshold
48.7 million people nationwide



Source: GAO analysis of U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data. | GAO-15-516

Note: Percentages do not add up to 100 due to rounding. SPM income includes a household's earned and unearned cash income, plus the value of noncash benefits (e.g., food assistance) and tax credits, minus necessary expenses (e.g., medical, taxes, and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Each estimate in this figure has a 95 percent confidence interval of within +/- 6 percent of the estimate itself.

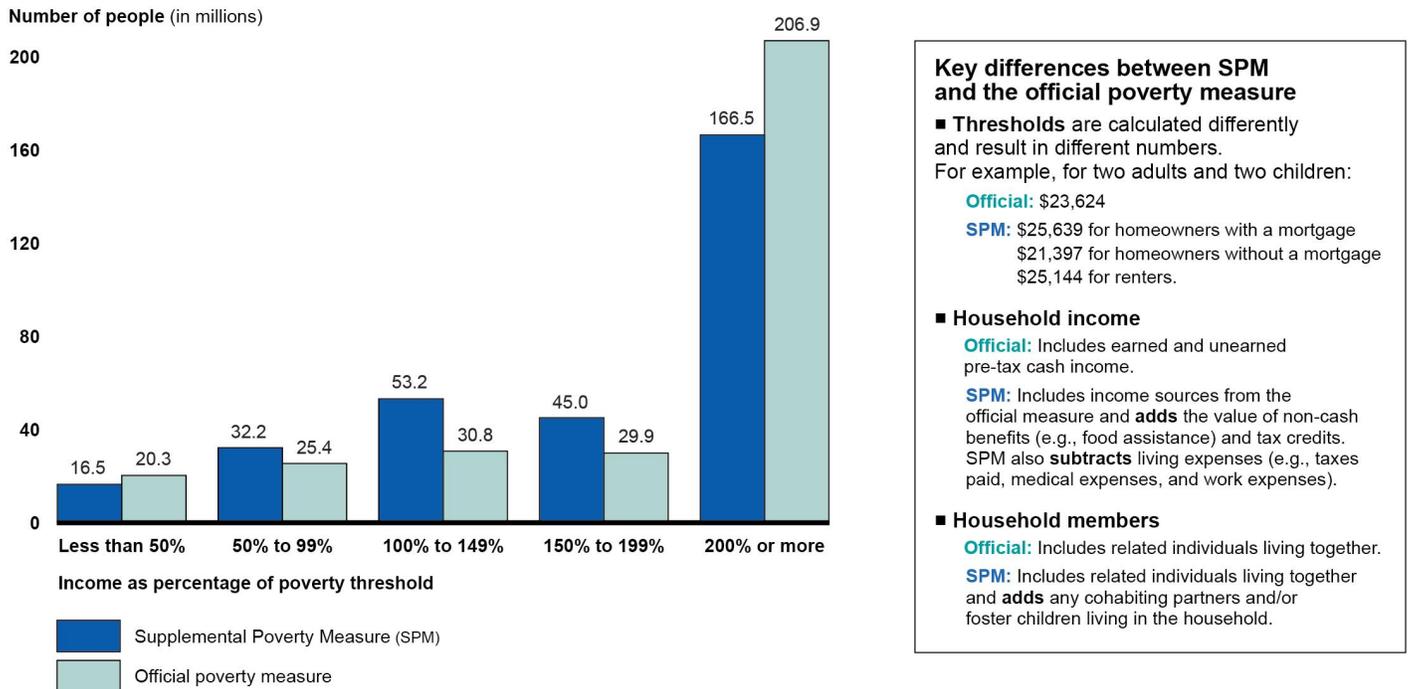
In 2013, the SPM poverty rate was slightly higher than the official measure's poverty rate of almost 15 percent. Compared with the official measure, the SPM showed more people with incomes in the 50 to 199 percent range and fewer people with incomes in the lowest and highest groups (see fig. 5). Various factors account for the differences in distribution. For instance, unlike the official measure, SPM includes the value of certain noncash benefits and tax credits, which would increase

household income.⁵¹ On the other hand, the SPM subtracts necessary living expenses, such as taxes paid, medical costs, or work expenses, which would reduce household income. The SPM also includes cohabitators (unmarried partners), who could affect income by bringing additional earnings and expenses into the household. Moreover, the poverty thresholds used by each measure—the income level necessary to avoid poverty—are different, so the same household could be considered below poverty under the SPM and above poverty under the official measure. Also, while Census data show that both measures had similar trends over time—with overall poverty rates falling slightly from 2010 to 2013⁵²—the poverty rates of sub-populations varied more. For example, under the SPM children had a lower rate of poverty and elderly individuals had a higher rate in 2013, compared to the official measure.

⁵¹ Both the official measure and the SPM include cash income, such as earned income, Social Security, pensions, disability benefits, unemployment insurance, and cash public assistance (e.g., TANF, SSI, state or local general assistance). The SPM additionally includes certain noncash benefits: SNAP, the National School Lunch Program, WIC, LIHEAP, housing assistance (which could be from federal, state or local programs), and tax credits (federal EITC and ACTC, and state EITC and other refundable credits). The value of Medicaid and other health insurance is not included as part of income in the SPM due to the difficulty of assessing the value of health insurance. The SPM subtracts out-of-pocket medical expenses from household income, but does not include the value of health insurance beyond any effect it may have on reducing out-of-pocket medical expenses.

⁵² The official measure's poverty rate fell from 15.3 percent in 2010 to 14.6 percent in 2013, while the SPM rate fell from 15.9 to 15.5 percent over the same period, according to Census data. Official poverty rates cited in this section include unrelated individuals under age 15.

Figure 5: Distribution of U.S. Population by Their Household Incomes as a Percentage of the Supplemental Poverty Measure (SPM) Threshold and the Official Poverty Threshold, 2013



Source: GAO analysis of the U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data. | GAO-15-516

Note: Each estimate in this figure has a 95 percent confidence interval of within +/- 5 percent of the estimate itself.

Our analysis provides a point-in-time perspective and does not depict variation in people's economic circumstances during the year or over multiple years, which may move households in and out of poverty. For instance, we looked at annual income and expenses for 2013, but household incomes may have fluctuated within that year. A 2014 Census report estimated that from 2009 through 2011, almost one-third of the population experienced poverty (based on the official measure) for at least 2 months; however, over 40 percent of these periods of poverty ended within 4 months.⁵³ Additionally, poverty rates in 2013 may reflect

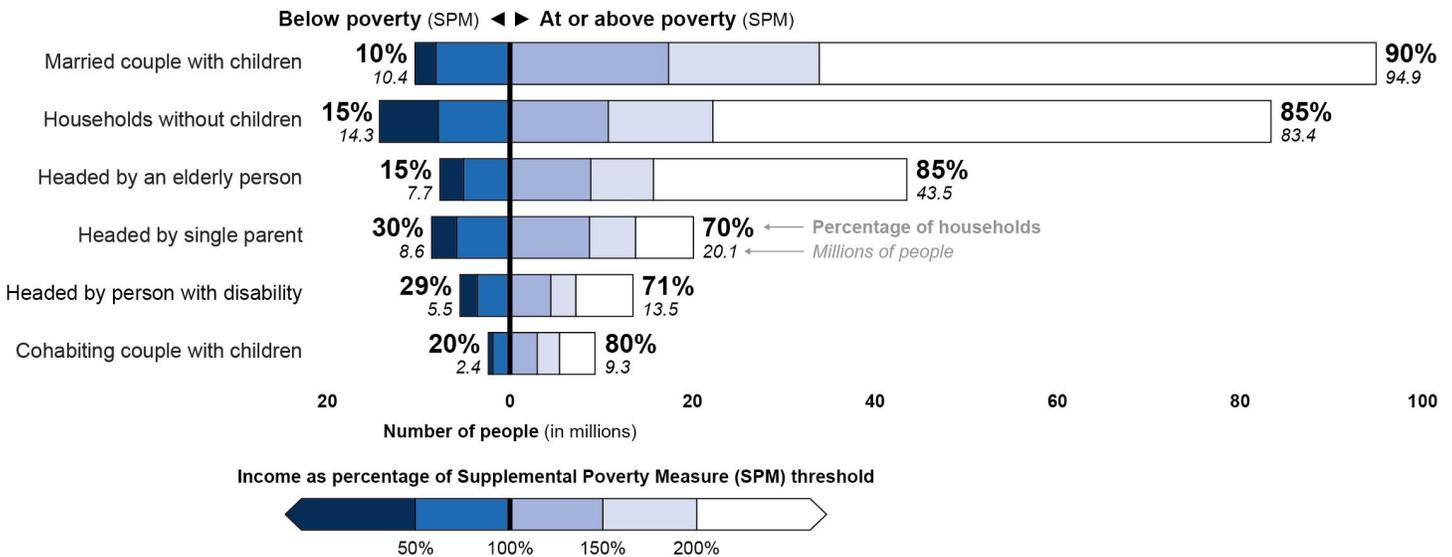
⁵³Census Bureau, *Dynamics of Economic Well-Being: Poverty, 2009-2011*, Current Population Reports P70-137 (Washington, D.C.: January 2014).

Note: SPM income includes a household's earned and unearned cash income, plus the value of noncash benefits (e.g., food assistance) and tax credits minus necessary expenses (e.g., medical, taxes and work-related). The poverty rates in this figure are calculated using income as a percentage of the SPM poverty threshold, which is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person.

In 2013, Many Types of Households Experienced Poverty Based on the SPM, Including 10 Million People in Married Families with Children

Individuals below the SPM poverty threshold lived in a variety of types of households, according to our analysis of household types using Census data (see fig. 7). We found that the highest rates of poverty (SPM) were among single parent households (30 percent) and households headed by a person with a disability (29 percent).⁵⁶ However, the largest numbers of people below the SPM poverty line were in other types of households. About half were in households without children (14.3 million), or married households with children (10.4 million). This is in part because these two groups are the largest among the overall population.

Figure 7: Distribution of U.S. Population by Household Type and Income as a Percent of the Supplemental Poverty Measure (SPM) Threshold, 2013



Source: GAO analysis of the U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data. | GAO-15-516

⁵⁶We used a Census Bureau definition of disability, which includes serious difficulty with one or more of six activities of daily living: hearing, seeing, concentrating/remembering/making decisions, walking/climbing stairs, dressing/bathing, or doing errands alone.

Note: SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Household categories are mutually exclusive. Households headed by an elderly person with a disability are placed in the elderly category. Households headed by a person who is elderly or has a disability may have children, but are not counted as a household with children for this analysis. SPM income includes a household's earned and unearned cash income, plus the value of noncash benefits (e.g., food assistance) and tax credits minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. Each estimate in this figure has a 95 percent confidence interval of within +/- 16 percent of the estimate itself except people in cohabiting households with incomes below 50 percent of the SPM threshold (+/- 30 percent).

Household Type Analysis

For this analysis, we categorized households into six mutually-exclusive types, as follows.

Headed by elderly persons: Households (with or without children) headed by a person who is 65 or over, regardless of whether he or she has a disability. The head of household may live alone, with a spouse, or with a cohabiting partner.

Headed by persons with disabilities: Households (with or without children) headed by a person under 65 with a disability. The head of household may live alone, with a spouse, or with a cohabiting partner. We used a Census Bureau definition of disability, which includes any serious difficulty hearing, seeing, concentrating/remembering/making decisions, walking/climbing stairs, dressing/bathing, or doing errands alone.

Without children: Households without children headed by a person under 65 without a disability. The head of household may live alone, with a spouse, or with a cohabiting partner.

Married with children: Households with at least one child headed by a married person under 65 who does not have a disability.

Cohabiting with children: Households with at least one child headed by an unmarried person under 65 who has a cohabiting partner and does not have a disability.

Single parent: Households with at least one child headed by an unmarried person under 65 who does not have a disability or a cohabiting partner.

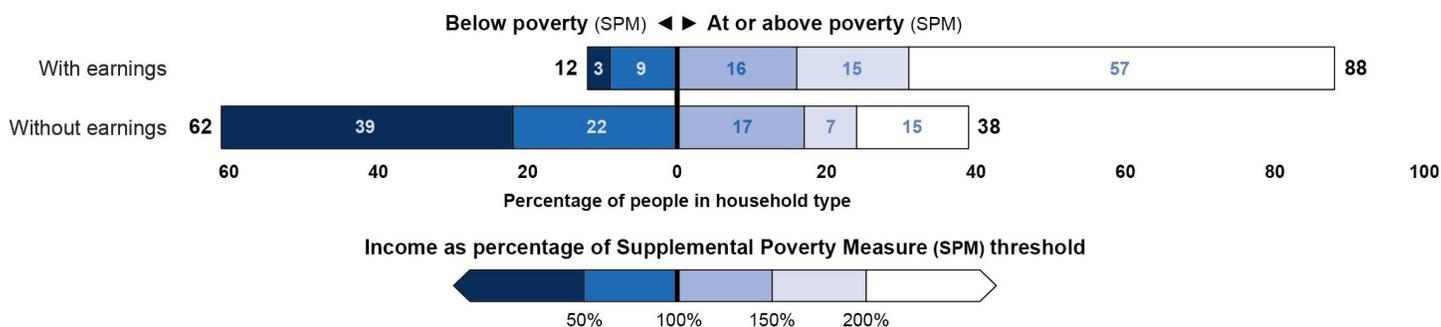
Households headed by a person who is elderly or has a disability may have children, but are not counted as a household with children for this analysis. According to our estimates, 7.2 percent (+/-0.5) of all children in the United States in 2013 were in these two household types. We relied on the U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data to determine whether a household fell into a particular category. Because program definitions and eligibility requirements vary, these categories may not be used to determine eligibility for programs.

Source: GAO. | GAO-15-516

Most people in poverty (SPM) lived in households with at least some earnings. About 31 million people, or almost two-thirds of those with incomes below the SPM threshold, were in households with earnings—defined as having at least one member who earned any income at some point during the year.⁵⁷ Another 19 percent were in households without earnings in which the household head was elderly or had a disability. Of the remaining 19 percent without earnings, about half were in childless households.

Poverty rates were much higher for those who did not work or worked less during the year. Figure 8 shows that among households headed by someone who was not elderly and did not have a disability, households without earnings experienced much higher poverty rates than those with earnings (62 percent versus 12 percent). Also, over one-third of those without earnings had incomes below 50 percent of the SPM threshold.

Figure 8: Distribution of Individuals from Households Not Headed by an Elderly Member or Member with a Disability, by Their Household Earnings Status and Incomes as a Percentage of the Supplemental Poverty Measure (SPM), 2013



Source: GAO analysis of the U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data. | GAO-15-516

Note: Household categories are mutually exclusive. Households with earnings had at least one member who earned any amount of income from employment or self-employment during 2013. This group includes all households meeting this definition, including those whose heads are elderly or have a disability. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. The SPM defines household income as earned and unearned cash income, plus the value of noncash benefits (e.g., food assistance) and tax credits minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. Each estimate in this figure has a 95 percent confidence interval of within +/- 12 percent of the estimate itself except people in households without earnings with incomes from 150-199 percent of the SPM threshold (+/- 15 percent).

⁵⁷Some families with earnings were headed by elderly people or people with disabilities.

Some Demographic Groups Experience Higher Than Average Rates of Poverty

Our analysis focuses on household types and not on other key characteristics. Poverty rates can vary widely based on race or ethnicity, citizenship, residency, or access to health insurance, among others. Examples of groups with significantly higher poverty rates than the 15.5 national average in 2013, using the Supplemental Poverty Measure include:

- Non-citizen: 29.2 percent
- No health insurance: 29.1 percent
- Renter: 27.1 percent
- Hispanic (any race): 26 percent
- Black: 24.7 percent

Source: U.S. Census Bureau, *The Supplemental Poverty Measure: 2013*, (Washington, DC: October 2014). | GAO-15-516

Our data do not distinguish the amount of time people worked. However, Census analysis of SPM data for people aged 18 to 64 who worked at least 1 week in 2013 shows that the poverty rate (SPM) among people who worked full-time year round was 5.4 percent (nearly 5.5 million people), but was 19.6 percent (nearly 8.9 million people) among those who worked less than that amount of time.⁵⁸

⁵⁸ Census, *Supplemental Poverty Measure: 2013*.

Program Recipients' Income Levels and Household Characteristics Reflected Differences in Program Purpose and Design

An Estimated One-Third of the U.S. Population Received a Low-Income Benefit at Some Time in 2012

An estimated 106 million people, or about one-third of the U.S. population, received benefits from at least one of eight selected federal low-income programs at some point during 2012 (see fig. 9). This is based on our analyses of the most recent TRIM3 microsimulation data for these programs: ACTC, EITC, housing assistance,⁵⁹ LIHEAP, SNAP, SSI, TANF cash assistance,⁶⁰ and WIC.⁶¹ The results provide a different perspective from national survey data, which often underreport the

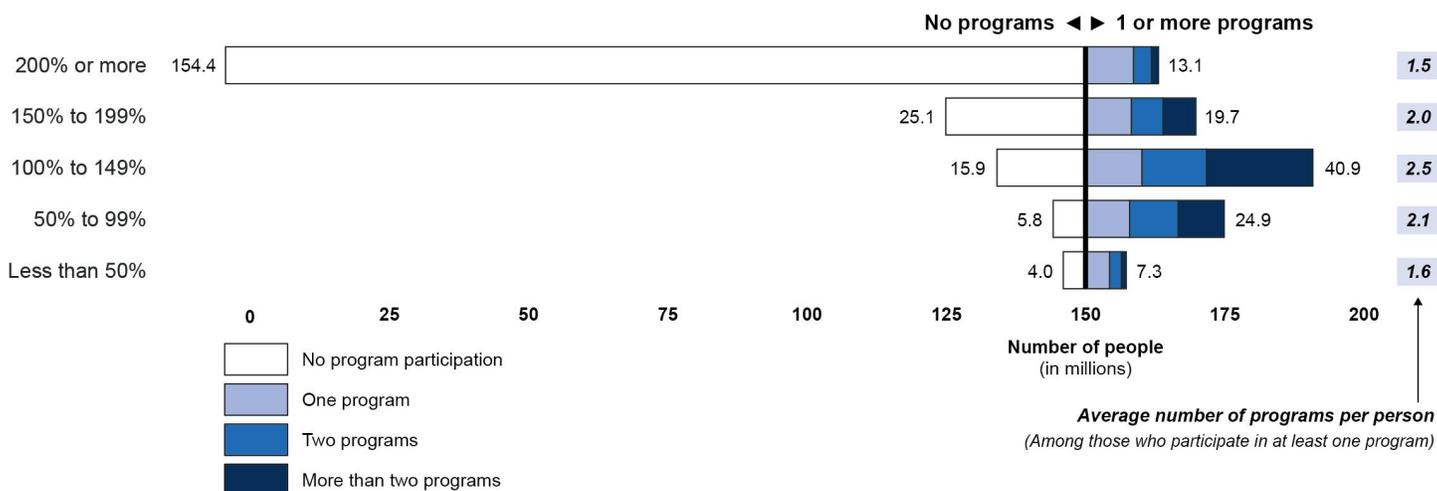
⁵⁹TRIM's estimate for housing assistance is based on households reported in CPS as receiving public or subsidized housing, excluding apparently ineligible households. These households could include recipients of housing programs administered by HUD, other federal agencies, or state or local governments. For this section of the report, we count housing assistance as one program.

⁶⁰This section of the report includes information on recipients of cash assistance programs under TANF, but not noncash services and other supports funded through the TANF block grant. As we noted in prior work, the lack of reporting requirements for states on the provision of noncash services funded under TANF provides an incomplete picture of how these services contribute to TANF goals. GAO, *Temporary Assistance for Needy Families: More Accountability Needed to Reflect Breadth of Block Grant Services*, [GAO-13-33](#) (Washington, D.C.: December 6, 2012).

⁶¹Programs selected were generally large federal low-income programs that serve a range of basic needs and were available in TRIM3 data. TRIM3 did not have 2012 data on recipients of Medicaid, the largest low-income program.

number of low-income program recipients.⁶² Additionally, the TRIM3 data allow for unduplicated counts of the total number of people receiving aid from more than one program, which is often not possible when using data from individual programs. Some programs' administrative data (e.g., federal agency data we reviewed for SNAP, TANF, and WIC) include the number of people served each month, but do not track an unduplicated count of recipients for the year. The data for low-income programs also count recipients in different ways (e.g., individuals, households, families, tax filing units), making it difficult to compare receipt of assistance consistently across multiple programs. For many of these reasons, the results of our analysis in this section will differ from program information based on administrative data.

Figure 9: Distribution of U.S. Population by Participation in Eight Selected Federal Low-Income Programs and Income (Including Program Benefits) Relative to the Supplemental Poverty Measure (SPM) Threshold, 2012



Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

⁶²The TRIM3 microsimulation model uses each program's administrative data, such as caseloads and benefit spending, as well as program eligibility rules, including state variations and interactions between programs, to correct Census CPS survey data for under-reporting of means-tested benefits. TRIM3 uses this information to estimate each individual's program eligibility, participation, and benefit amounts. Simulations follow the same steps a caseworker would follow to determine an individual or family's eligibility for benefits, including modeling receipt of benefits for some programs on a monthly basis. Information on program rules in the TRIM3 model was obtained by the Urban Institute; we did not independently verify the legal accuracy of the information. For more information on our methodology, see appendix I.

Note: Programs included in this analysis are the Additional Child Tax Credit, Earned Income Tax Credit, housing assistance (which could be from federal, state, or local programs), Low-Income Home Energy Assistance Program, Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families cash assistance, and Special Supplemental Nutrition Program for Women, Infants, and Children. Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program receipt using program eligibility rules.

The SPM incomes shown in this figure are not the incomes of program recipients when eligibility for program benefits was determined. SPM income includes a household's earned and unearned cash income, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance, plus the value of benefits from the low-income programs listed in the figure note as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Each estimate in this figure has a 95 percent confidence interval of within +/- 9 percent of the estimate itself except participants in 3 or more programs with incomes below 50 percent of the SPM threshold (+/- 14 percent) and 200 percent or more of the SPM threshold (+/- 13 percent).

Of the 106 million people who received assistance from any of the eight programs in 2012, 37 percent received assistance from one program, 30 percent from two programs, and 34 percent from more than two programs. The average number of benefits received varied by SPM income group. SPM income includes the value of selected benefits; accordingly, whether people received assistance from any programs, and from how many, would likely affect their overall incomes. On average, those with household incomes between 100 and 149 percent of poverty based on the SPM received benefits from the highest number of programs. Our analysis does not include Medicaid, which is one of the largest federal low-income programs and had a total of 72.8 million people enrolled during fiscal year 2013.

A percentage of people in all income groups did not receive benefits from any of our eight selected programs because they were either not eligible for the program or they were eligible but not participating. Among those who are eligible, participation rates can vary by program and among sub-groups within a program, according to our previous work and other studies. For example, HHS has reported that in 2011, the SSI participation rate was about 67 percent of adults who were estimated to

be eligible, while the TANF participation rate was about 34 percent.⁶³ The overall SNAP participation rate was 83 percent in fiscal year 2012, but participation varied by income level, household composition, and earnings, according to a USDA report.⁶⁴ Figure 9 also shows that about 4 million people in the lowest income group (below 50 percent of poverty, based on the SPM) did not participate in any programs. These people tended to be single nonelderly adults in households without children, evenly divided among men and women, based on our analysis. This is consistent with other research which indicates that childless households with no continuously employed members, headed by nonelderly people without disabilities, are generally ineligible for many benefits and have much higher rates of poverty than other demographic groups.⁶⁵

Program Recipients Were Often in Households with Children and Households with Earnings

Almost two-thirds of the recipients of the eight programs combined were in households with children, including married, cohabiting, and single parent households (see table 6). These households also received 58 percent of the nearly \$241 billion in benefits provided by these eight programs combined in 2012, according to our TRIM3 analysis.⁶⁶ An estimated 81 percent of recipients lived in households with at least some annual earnings and received an estimated two-thirds of the combined benefit spending.

⁶³HHS, *Welfare Indicators and Risk Factors: Thirteenth Report to Congress* (Washington, D.C.: 2013). According to the HHS report, the SSI participation rate of 67 percent is based in part on survey data, which does not contain sufficient information to estimate the number of children eligible for SSI. Prior GAO work has also looked at participation rates across multiple programs and for TANF. See GAO, *Means-Tested Programs: Information on Program Access Can Be an Important Management Tool*, [GAO-05-221](#) (Washington, D.C.: April 8, 2005); and *Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State*, [GAO-10-164](#) (Washington, D.C.: February 23, 2010).

⁶⁴E. Eslami, Mathematica Policy Research, *Trends in Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2010 to Fiscal Year 2012* (Washington, D.C.: a report prepared at the request of the U. S. Department of Agriculture, July 2014).

⁶⁵Y. Ben-Shalom, R. Moffitt and J. K. Scholz, *An Assessment of the Effectiveness of Anti-Poverty Programs in the United States*, Working Paper 17042, (Cambridge, MA: National Bureau of Economic Research, May 2011).

⁶⁶This amount reflects TRIM3 estimates of benefits provided to recipients of selected programs in 2012 and does not include program spending that did not go directly toward benefits (e.g., program administrative costs). For TANF, spending estimates are for cash assistance only. For SSI and TANF, TRIM3 spending data include state supplemental programs. For more information on how these estimates are developed, see appendix I.

Table 6: Estimated Number of Individual Recipients and Benefit Spending of Eight Selected Federal Low-Income Programs by Household Type, 2012

	Recipients (in millions of individuals)	Benefit spending (in billions)	Percent of total recipients	Percent of total spending
Household type: Married with children	38.5	\$59.9	36	25
Household type: Cohabiting with children	7.9	\$ 16.9	7	7
Household type: Single parent	21.7	\$ 62.9	20	26
Household type: Without children	17.2	\$ 34.2	16	14
Household type: Headed by person with a disability	10.5	\$ 37.3	10	15
Household type: Headed by elderly person	10.2	\$ 29.6	10	12
Households with earnings	85.6	\$ 158.9	81	66
Households without earnings: Head is elderly or has disability	10.8	\$45.6	10	19
Head not elderly, no disability	9.6	\$ 36.4	9	15
Total	105.9	\$ 240.8	100	100

Source: GAO analysis of TRIM microsimulation data. | GAO-15-516

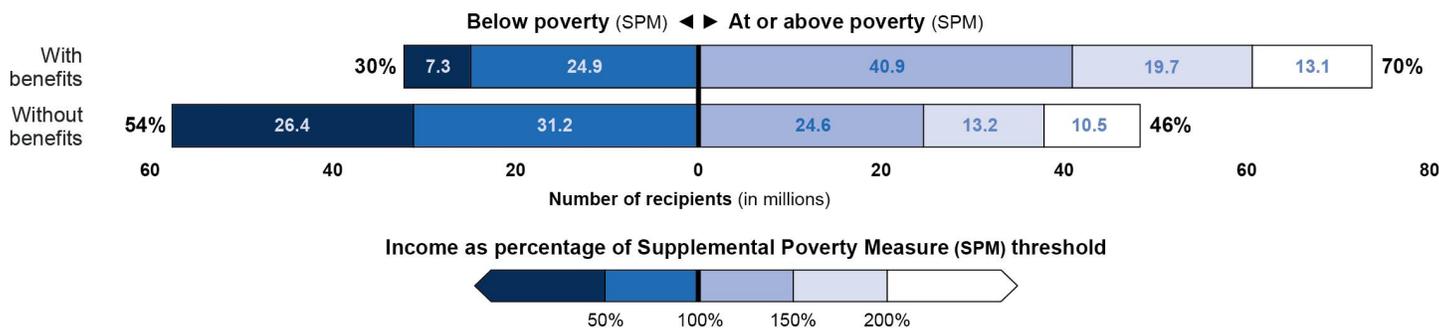
Note: For this analysis, household categories are mutually exclusive. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Households headed by an elderly person with a disability are placed in the elderly category. Households whose head is elderly or has a disability and who have children are not counted as a household with children for this analysis. Programs included in this analysis are the Additional Child Tax Credit, Earned Income Tax Credit, housing assistance (which could be from federal, state, or local programs), Low-Income Home Energy Assistance Program, Supplemental Nutrition Assistance Program, Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF) cash assistance, and Special Supplemental Nutrition Program for Women, Infants, and Children. Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. Benefit spending totals in this table are TRIM3 estimates of benefits provided. For most programs, this includes only federal spending on benefits, with the exceptions of TANF and SSI, which also include state supplemental programs. Some percentages do not add to 100 due to rounding. Each estimate in this figure has a 95 percent confidence interval of within +/- 7 percent of the estimate itself.

Selected Programs Reduced Poverty for Millions in 2012, Based on Estimates Using the SPM

In total, an estimated 25.4 million people moved above the SPM poverty threshold due to combined benefits from the eight programs. An additional 13.4 million who did not cross over the SPM threshold moved out of the lowest income group (below 50 percent of poverty). Moreover, 10 million who were already above the SPM threshold moved to a higher income group (e.g., moved from 100 to 149 percent of poverty to 150 to 199 percent of poverty). To obtain these estimates, we subtracted the value of these benefits from beneficiaries' incomes and recalculated their

incomes as a percent of the SPM threshold.⁶⁷ Overall, fewer people were in the lowest income groups (those below poverty) when the value of benefits from the eight programs was included (see fig. 10).

Figure 10: Estimated Effect of Combined Benefits of Eight Selected Federal Low-Income Programs on Income Groups of Individual Participants, According to the Supplemental Poverty Measure (SPM), 2012



Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Programs included in this analysis are the Additional Child Tax Credit, Earned Income Tax Credit, housing assistance (which could be from federal, state, or local programs), Low-Income Home Energy Assistance Program, Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families cash assistance, and Special Supplemental Nutrition Program for Women, Infants, and Children.

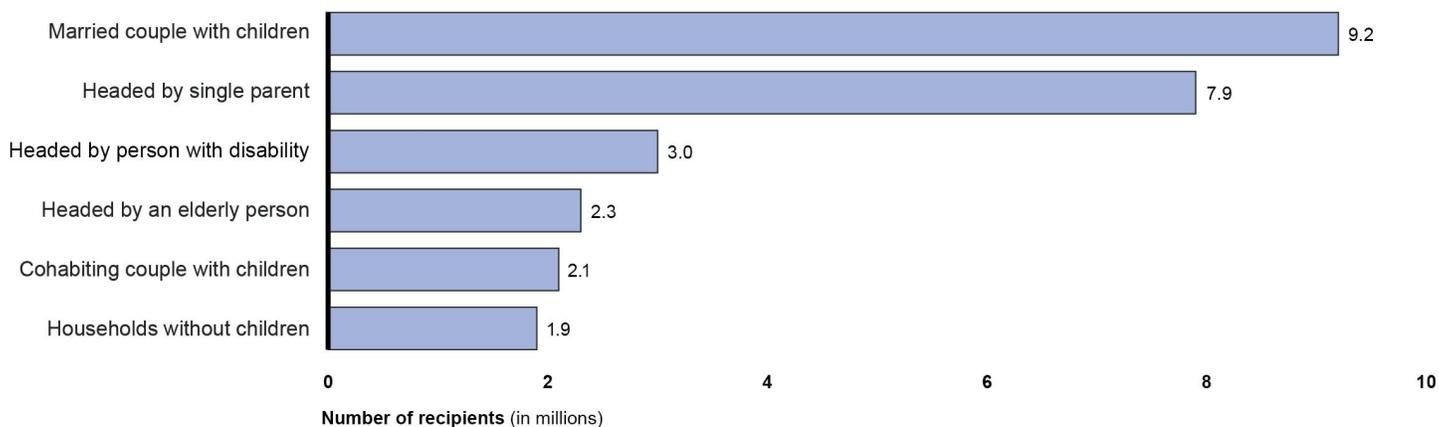
Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. This figure counts individual program recipients, categorized according to their household's income relative to its SPM threshold. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. SPM income includes a household's earned and unearned cash, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance, plus the value of noncash benefits from the low-income programs listed in the figure as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. To simulate the effects of program benefits on recipient income levels, we subtracted the benefits that all household members received from these eight programs combined, then recalculated the household's income relative to its SPM threshold. Each estimate in this figure has a 95 percent confidence interval of within +/- 5 percent of the estimate itself.

Program effects varied by household type as well (see fig. 11). The largest numbers of people avoiding poverty based on the SPM because of selected federal benefits were in households with married parents (9.2

⁶⁷In doing so, we held all else the same and assumed no other changes occurred, such as changes to other benefit levels or in people's behavior.

million) or single parents (7.9 million). Over one-third of program recipients living in single parent households were kept out of poverty by the combined benefits of the eight selected programs.

Figure 11: Estimated Millions of People Who Moved above the Supplemental Poverty Measure Threshold Due to Benefits from Eight Selected Federal Programs, by Household Type, 2012



Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

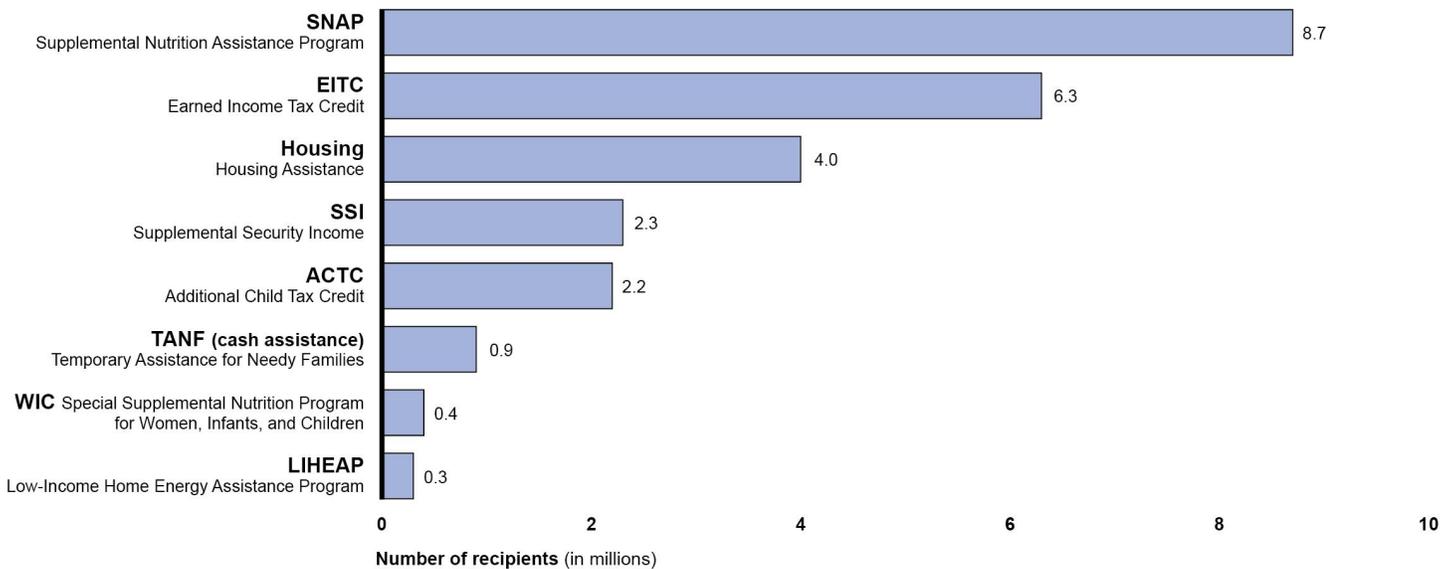
Note: Programs included in this analysis are the Additional Child Tax Credit, Earned Income Tax Credit, housing assistance (which could be from federal, state, or local programs), Low-Income Home Energy Assistance Program, Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families cash assistance, and Special Supplemental Nutrition Program for Women, Infants, and Children.

Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. This figure counts individual program recipients, categorized according to their household's type and SPM income. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. For this analysis, household categories are mutually exclusive. Households headed by an elderly person with a disability are placed in the elderly category. Households whose head is elderly or has a disability may have children, but are not counted as a household with children for this analysis. SPM income includes a household's earned and unearned cash, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance plus the value of benefits from the low-income programs listed in the figure as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. To simulate the effects of program benefits on recipient income levels, we subtracted the benefits that each individual received from each of these eight programs, then recalculated the household's income relative to its SPM threshold. Each estimate in this figure has a 95 percent confidence interval of within +/- 10 percent of the estimate itself except people in cohabiting households with children (+/- 13 percent).

SNAP and EITC Moved the Most People above Poverty; However, All Selected Programs Had a Majority of Recipients with Incomes above the SPM Threshold after Accounting for Benefits

Each of the eight programs lifted a number of recipients above the SPM threshold, ranging from 340,000 (LIHEAP) to nearly 8.7 million (SNAP) (see fig. 12). Variation in programs' effects on reducing poverty was due to a combination of factors, including the number of recipients in each program and value of each benefit. For instance, SNAP and EITC served the most people in 2012 and, accordingly, had large effects on moving people out of poverty among our eight programs. Housing assistance, on the other hand, served many fewer people but provided a higher dollar amount of benefits than most other programs, moving almost 37 percent of all housing recipients that year out of poverty.

Figure 12: Estimated Millions of People Who Moved above the Supplemental Poverty Measure Threshold Due to Benefits from Each of Eight Selected Federal Programs, 2012



Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. Housing assistance could be from federal, state, or local programs. This figure counts individual program recipients, categorized according to their household's SPM income. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. SPM income includes a household's earned and unearned cash, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance plus the value of benefits from the low-income programs listed in the figure as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. To simulate the effects of program benefits on recipient income levels, we subtracted the benefits that each individual received from each of these eight programs, then recalculated the household's income relative to its SPM threshold. Each estimate in this figure has a 95 percent confidence interval of within +/- 16 percent of the estimate itself except WIC (+/- 21 percent) and LIHEAP (+/- 23 percent).

Our estimates are consistent with Census analyses using the SPM to measure the effects of program benefits on poverty. Census found that refundable tax credits (EITC and ACTC combined, along with other refundable federal and state tax credits) and SNAP had the largest effect on reducing poverty for the population in 2012.⁶⁸ Of the different age groups (children, adults, and the elderly), Census found that children benefited the most from low-income programs, particularly from the refundable tax credits. Census also looked at the effects of several social insurance programs and reported that Social Security had, by far, the biggest effect on reducing poverty for the population—more than any low-income program—especially among the elderly.

While each of the programs' benefits moved some individuals above the SPM threshold, the income status of each programs' recipients' still varied from 50 percent below poverty to more than twice the SPM poverty threshold after taking into account the program's benefits and other benefits received (see fig. 13). Figure 13 shows that, for example, 62 percent of individuals who were eligible for and received SNAP benefits for at least one month in 2012 had annual incomes above the SPM threshold, after including the value of SNAP and other benefits received, which may have included other low-income benefits such as TANF or the EITC as well as other benefits such as Social Security or unemployment insurance. Some variation among the programs in terms of recipients' incomes as a percentage of the SPM reflects differences in program targeting and design. For instance, the tax credits, ACTC and EITC had larger percentages of recipients above the SPM threshold (82 percent and 75 percent, respectively), as would be expected since these credits are designed to phase out gradually over higher levels of earned income. Under the EITC, for example, certain married families with two qualifying children may have had nearly \$50,000 in earned income in 2013 before they became completely ineligible for the credit. A majority of ACTC and EITC recipients also lived in households with two adults (married or cohabiting) and children, as we will discuss later. In contrast, TANF cash assistance had the smallest percentage of people above the SPM poverty threshold among our selected programs (57 percent). Generally, TANF

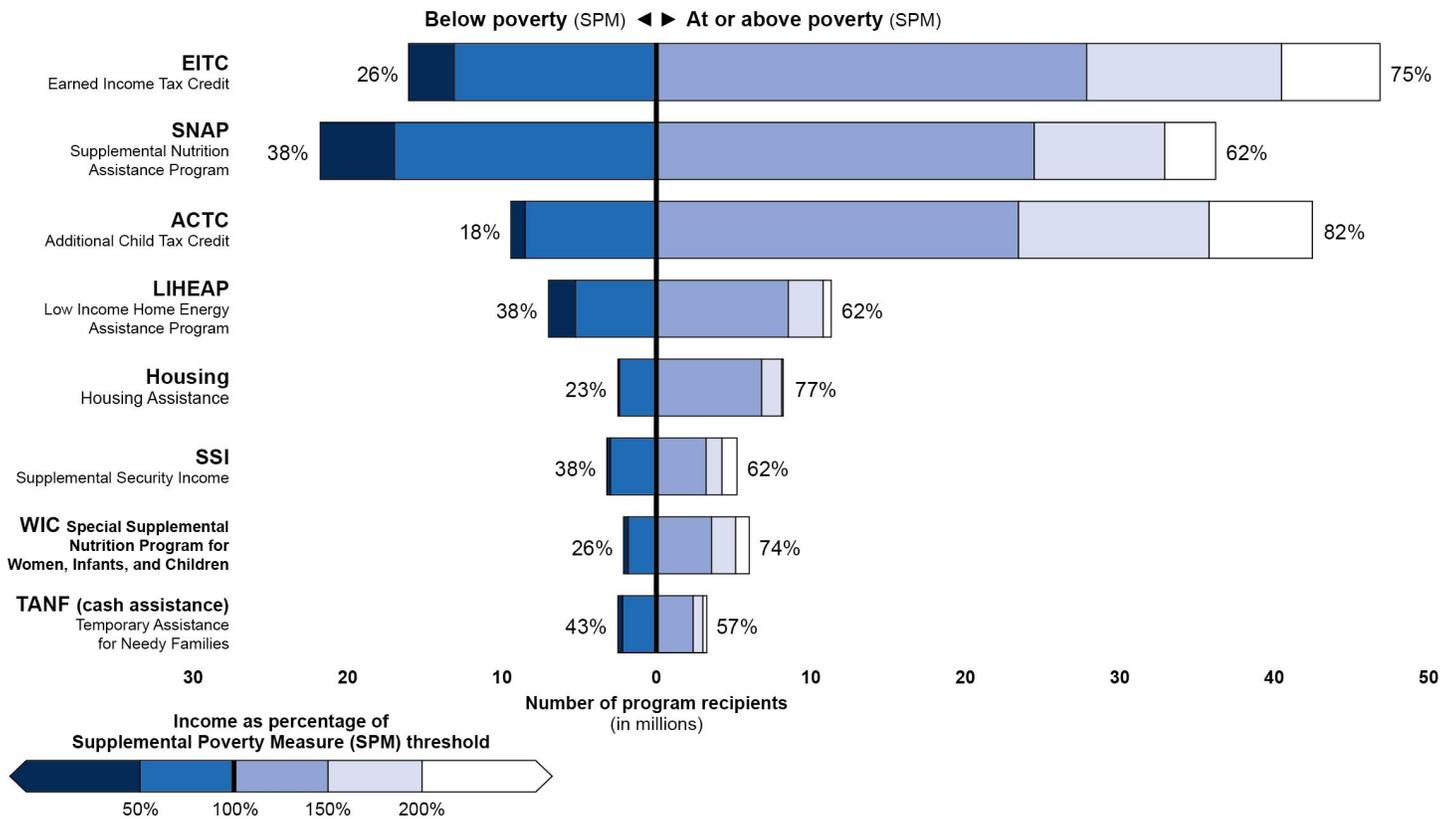
⁶⁸Census, *Supplemental Poverty Measure: 2013*. Census SPM analysis relies on CPS data. Because TRIM3 adjusts for the underreporting of program participation in CPS (in terms of benefit amounts and caseloads), the effects on poverty are generally larger for each program using TRIM3 estimates than when using CPS data.

recipients must have very low incomes to qualify for benefits.⁶⁹ In addition, the amount of aid from TANF programs tends to be relatively small, although TANF recipients often receive assistance from other programs, particularly SNAP.⁷⁰ Moreover, as we will discuss, a majority of TANF recipients lived in single parent households and did not have income from another individual for support.

⁶⁹In 2012, the majority of states required that a single parent with two children earn less than \$795 a month (\$9,540 annually) to receive TANF cash assistance. This is according to CRS's analysis of the Urban Institute's Welfare Rules Database, a comprehensive collection of state TANF rules that is funded by HHS.

⁷⁰According to TRIM3 estimates, in 2012, the average TANF recipient received an annual amount of \$1,394 in TANF cash assistance, and \$3,075 in combined benefits from the other 7 programs we studied (with \$1,535 of that amount from SNAP). These averages include participants who participated in TANF for one month of the year up through 12 months. In 2012, the maximum monthly benefit for a three-person family ranged from \$170 to \$923, with a median of \$427, according to HHS's *Welfare Rules Databook: State TANF Policies as of July 2012* (Washington, D.C.: November 2013).

Figure 13: After Receipt of Benefits from Listed Programs and Others, Estimated Distribution of Individual Recipients of Eight Selected Federal Low-Income Programs by Income as a Percent of the Supplemental Poverty Measure (SPM) Threshold, 2012



Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. Housing assistance could be from federal, state, or local programs. The SPM incomes shown in this figure are not the incomes of program recipients when eligibility for program benefits was determined. SPM income includes a household's earned and unearned cash, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance plus the value of benefits from low-income programs listed in the figure as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Each estimate in this figure has a 95 percent confidence interval of within +/- 24 percent of the estimate itself except housing recipients with incomes below 50 percent of the SPM threshold and above 200 percent of the SPM threshold. For these groups, the estimates are imprecise, but the upper bounds of their 95 percent confidence intervals are below 2 percent of the population of housing recipients.

The fact that a portion of program recipients have incomes above the SPM threshold is not evidence that assistance is being provided to those who are not in need. Several factors may help explain such income levels. These include:⁷¹

- *SPM income includes the value of the program's benefits, which would not have been part of the household's income when eligibility was determined.* Also, some benefits counted as income for the SPM may not be counted as income when program eligibility is determined. For example, SNAP benefits are not counted when eligibility for SSI is determined.
- *The SPM is based on annual income, while eligibility for some programs is based on monthly income.* Our analysis counts as recipients all individuals who participated in a program for at least one month during the year. For some programs (such as SNAP and SSI), eligibility is generally based on monthly income. Thus, a beneficiary who receives program benefits for only part of the year due to a temporary reduction in income may have a higher annual income once the higher-income months are included. These nuances are reflected in a recent USDA study that examined SNAP receipt between 2008 and 2012 by linking Census data (American Community Survey) with SNAP administrative data for New York State. The study found that households in its sample with higher annual incomes received SNAP benefits for fewer months (and at lower benefit amounts) than those with lower annual incomes, suggesting that some households experience income volatility within the year.⁷²
- *The SPM household unit may be bigger than the unit used by the program to determine eligibility.* For instance, the SPM household unit includes cohabitators and adult children living with their parents, whose incomes may raise the household's income as measured by the SPM.

⁷¹The TRIM3 model does not include ineligible recipients. If survey respondents reported receiving a program benefit, but the TRIM3 calculations showed that the respondents would be ineligible based on income or other factors reported on the survey, then the TRIM3 model would not include them as participants. Urban Institute staff told us that, according to some studies that have merged survey data with administrative data records, at least half of the individuals who report a benefit for which they appear ineligible are not actually recipients according to the administrative data.

⁷²USDA, Economic Research Service, *Improving the Assessment of SNAP Targeting Using Administrative Records*, ERR-186 (Washington, D.C., May 2015.)

Since programs determine eligibility differently, the incomes of cohabitators or adult children may not be included for some programs, although they may be included for others.⁷³

On the other hand, the SPM subtracts necessary living expenses from a household's income, including out-of-pocket medical costs, taxes, child care, and other work expenses. These would lower a household's SPM income and could offset some of the factors above.

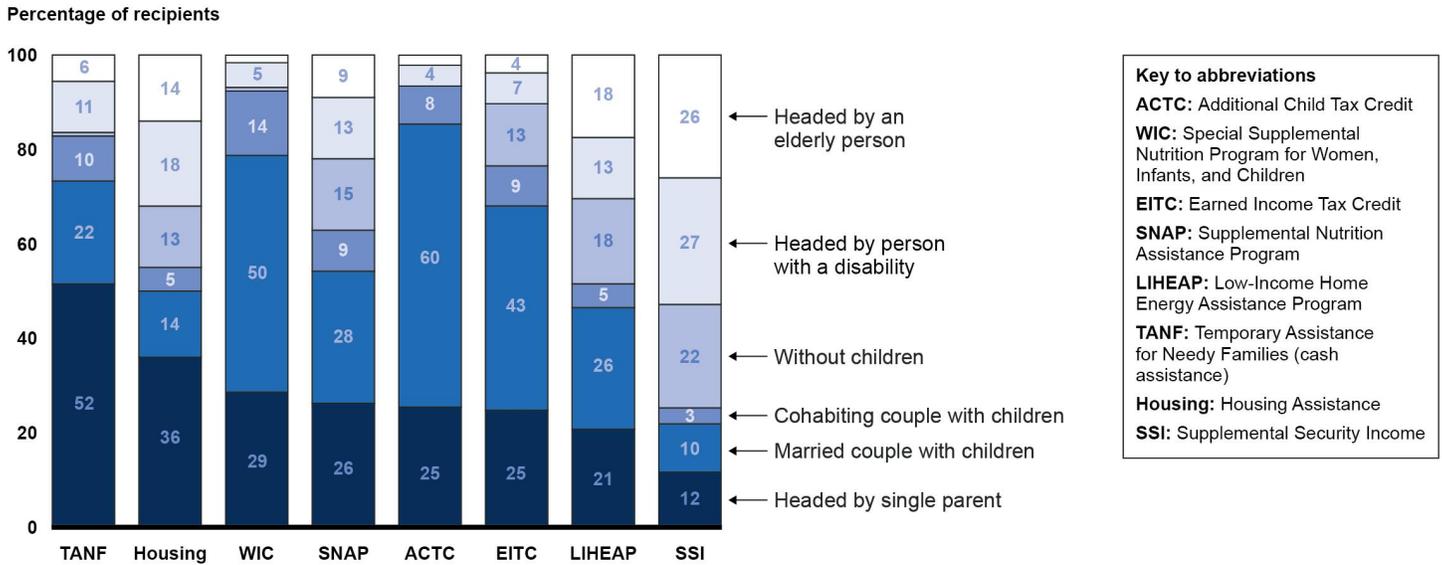
The types of households served by each program reflected some differences in program rules and purposes (see fig. 14).⁷⁴ For example, one of the purposes of TANF is to "provide assistance to needy families so that children may be cared for in their own homes." Given this purpose, as might be expected, over half of TANF cash assistance recipients were from single parent households (nearly 3.0 million). Additionally, over half of SSI recipients (nearly 4.5 million) were from households headed by a person who was elderly or had a disability, probably the recipient him/herself.⁷⁵ As SSA reported in our survey, the purpose of SSI is to provide a minimum income for aged, blind, or disabled individuals who have very limited income and assets.

⁷³According to Urban Institute staff, the TRIM3 model estimates eligibility, when possible, using the same units that programs use, including state-level variations. For example, for tax expenditures, it uses the tax unit, which is comprised of the people who file income taxes together; whereas for housing assistance, it uses the entire household. Additionally, the construction of filing units for TANF takes into account the state-specific rules for whether or not step-parents are included.

⁷⁴For the purposes of our analysis, household type is determined by the head of the household, not by the program recipient. For example, figure 14 does not show that 60 percent of ACTC recipients are married. Rather, 60 percent live in a household where the head is married.

⁷⁵The remaining 47 percent of SSI recipients, which included children, were in other types of households headed by someone who was not elderly and did not have a disability.

Figure 14: Estimated Distribution of Individual Recipients of Eight Selected Federal Low-Income Programs by Household Type, 2012



Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program receipt using program eligibility rules. Housing assistance could be from federal, state, or local programs. This figure counts individual program recipients, categorized according to their household type. For this analysis, household categories are mutually exclusive. Households headed by an elderly person with a disability are placed in the elderly category. Households whose head is elderly or has a disability may have children, but are not counted as a household with children for this analysis. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Each estimate in this figure has a 95 percent confidence interval of within +/- 26 percent of the estimate itself except TANF and WIC recipients from households headed by an elderly person (+/- 31 percent) and TANF and WIC recipients from childless households. For each of these groups, the estimate is imprecise, but the upper bounds of the 95 percent confidence intervals is below 2 percent of the its respective programs' recipient population.

As we noted earlier, our results differ from program administrative data due to differences in definitions and other reasons. For example, in our analysis, we counted the number of *individuals* receiving assistance. If program administrative data count the number of *households*, this can affect the distribution. For example, for housing assistance, while we found nearly 14 percent of recipients to be in households headed by an elderly person, the percentage increased to nearly 24 percent when we

changed our analysis to count *households* with an elderly head.⁷⁶ Also, we used the SPM definition of a household to categorize beneficiaries, which may differ from how beneficiaries are categorized in program administrative data. Additionally, in our analysis, we placed program recipients into *mutually exclusive* household types, while administrative data may use overlapping categories (e.g. recipients may be counted both as elderly and as having children).⁷⁷ Moreover, our estimates of recipients of housing assistance, in particular, may not match HUD administrative data for other reasons. As previously mentioned, our estimates for recipients of housing assistance are based on households who reported in CPS as living in public or subsidized housing. These households could include recipients of housing programs administered by entities other than HUD, including other federal agencies or state or local governments.⁷⁸

According to our estimates, the portion of program recipients in households with at least some earnings during the year ranged from 43 percent for SSI to 100 percent for EITC and ACTC (see fig. 15). These numbers again reflect differences in program design and purpose, such as the fact that eligibility for EITC and ACTC is dependent on having earned income. Although not shown in the figure, we found similar trends in terms of the amount of income from earnings versus benefits. Among our eight programs, recipients of EITC and ACTC tended to have the largest amounts of income from earnings and the smallest from benefits (combined from our eight programs), while recipients of SSI tended to

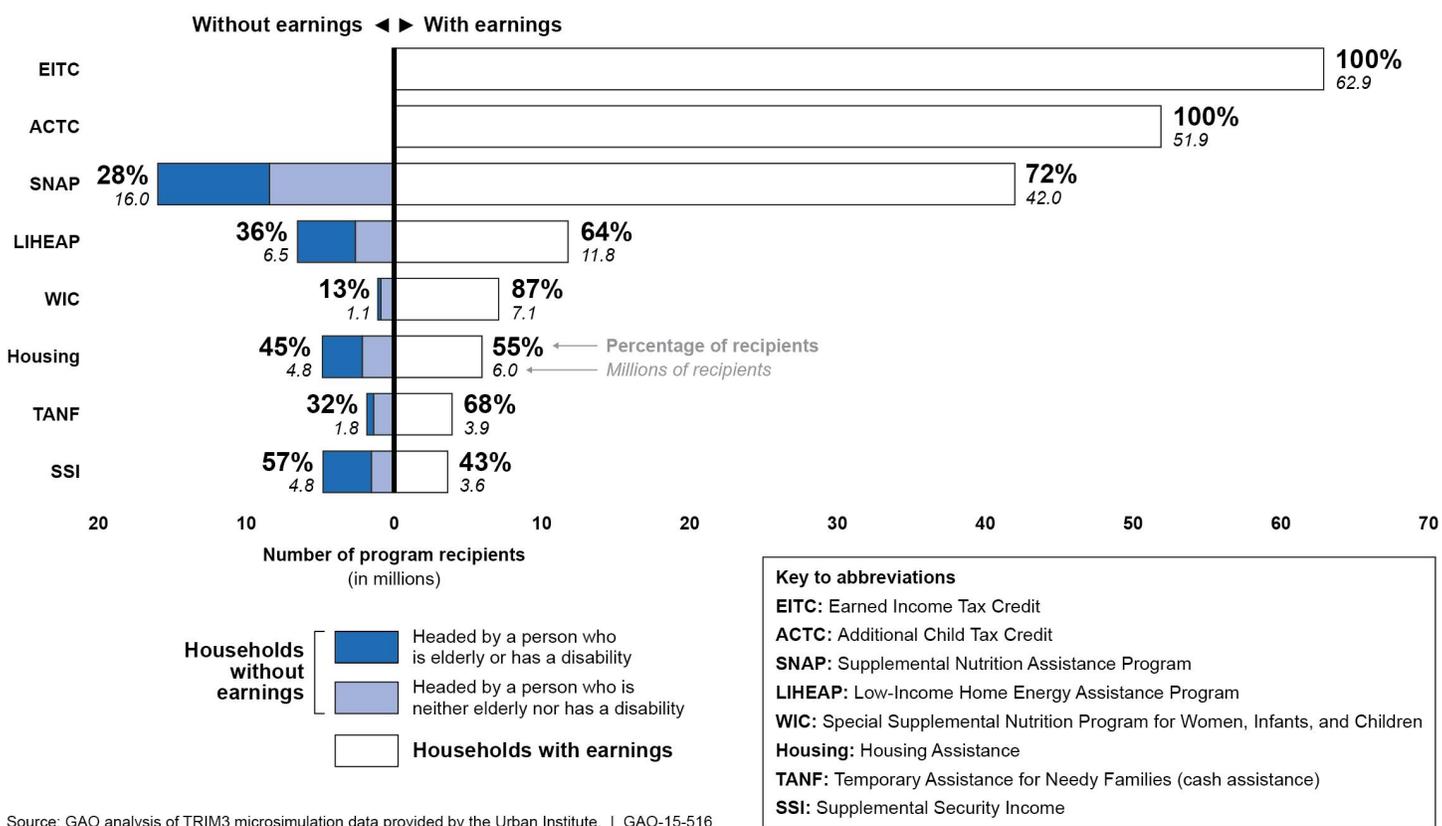
⁷⁶A household headed by an elderly person is more likely to be comprised of one or two people, in contrast to one headed by a married couple with children, which has at least three members. Each of these would count as one household, but when counting individuals, a smaller percentage would be from the household headed by an elderly person.

⁷⁷According to additional TRIM3 analysis using overlapping categories provided to us by Urban Institute, about 30 percent of households who received housing assistance in 2012 were headed by an elderly person or spouse.

⁷⁸For example, when HUD used mutually exclusive groups and counted individuals in a household, its analysis of recipients of HUD-administered housing programs showed that more individuals were in single parent households and households headed by an elderly person or a person with a disability than our estimates using TRIM3. For additional information on how housing assistance is captured in the CPS, see Census Bureau, *Estimating the Value of Federal Housing Assistance for the Supplemental Poverty Measure*, working paper no. 2010-13, (Washington, D.C.: 2010).

have the largest amount in income from benefits and the smallest in earnings.

Figure 15: Estimated Distribution of Individual Recipients of Eight Selected Federal Low-Income Programs by Household Earnings Status, 2012



Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. Housing assistance could be from federal, state, or local programs. This figure counts individual program recipients, categorized according to their household type. For this analysis, household categories are mutually exclusive. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Households with earnings had at least one member who earned any amount of income from employment or self-employment during 2012. This group includes all households meeting this definition, including those whose heads are elderly or have a disability. Households headed by an elderly person with a disability are placed in the elderly category. Households whose head is elderly or has a disability may have children, but are not counted as a household with children for this analysis. Each estimate in this figure has a 95 percent confidence interval of +/- 19 percent of the estimate itself, with the following exceptions. The number of WIC recipients from households without earnings headed by a person who was elderly or had a disability was 0.2 million +/- 30 percent. Additionally, estimates of EITC and ACTC recipients from households with no earnings were either missing because the TRIM3 data contained no observations, or were not reported due to small sample size.

Research Suggests Selected Programs Have Generally Encouraged Labor Force Participation and Had Mixed Effects on Hours Worked

The receipt of benefits from means-tested low-income programs (i.e., those with financial eligibility tests for individuals or families) may affect an individual's willingness to seek and accept employment in two key ways.⁷⁹ One is the decision on whether or not to work, called the labor force participation decision. The second, which applies to those who have decided to work, is on the number of hours to work. For many people, the decision on whether to work depends on the incomes available under each alternative, including income or assistance from means-tested benefits. The decision of how many hours to work may be influenced by the extent to which an increase in earnings (through more hours worked or a higher wage) is offset by higher taxes and reduced benefits. Whether moving from not working to working or from fewer to more hours worked, the combined effect of taxes and the reduction in means-tested benefits as earnings increase is called the worker's effective marginal tax rate, referred to as the marginal tax rate in this report.⁸⁰

The labor force participation decision partly depends on the availability of benefits while working, as well as actual compensation from employment. The establishment of TANF and the expansion of the EITC during the past two decades have encouraged people's entry into the labor force by making more benefits available for those who work, and less for those who don't work, according to studies we reviewed.⁸¹ Combined with labor

⁷⁹In this section, we reviewed literature on some of the principal means-tested programs for working-age adults without disabilities and their children, including SNAP, TANF cash assistance, EITC, and, to a limited extent, the Section 8 Housing Choice Voucher program. We did not include programs targeted to the elderly or people with disabilities. Also, we did not review the literature on the effect of means-tested health care programs, such as Medicaid, on work incentives.

⁸⁰According to the Congressional Budget Office (CBO), the effective marginal tax rate is the percentage of an additional dollar of earnings that is unavailable to a worker because it is paid in taxes or offset by reductions in benefits from government programs. CBO also uses the term marginal tax rate in the place of effective tax rate.

⁸¹For example, regarding the expansion of the EITC, see H. Hoynes, "A Revolution in Poverty Policy: The Earned Income Tax Credit and the Well-Being of American Families," *Pathways* (Summer 2014). Regarding the establishment of TANF, see GAO, *Temporary Assistance for Needy Families: Implications of Caseload and Program Changes for Families and Program Monitoring*, [GAO-10-815T](#) (Washington, D.C.: September 21, 2010), in which we reported on states' implementation of more work-focused welfare programs under TANF that helped many welfare recipients find jobs. In this report, we also noted that other policy changes, such as increases in the EITC, increases in the minimum wage, and additional federal and state funds for work supports, such as child care, facilitated people's entry into the labor force, particularly single parents.

A Hypothetical Example of How Marginal Tax Rates Can Reduce Benefits When Earnings Increase

If a single parent with three children living in Wisconsin in 2000 who was earning \$6.25 an hour received a raise to \$9.25 an hour, based on 2,000 hours of work a year, her earnings would increase by \$6,000. If she received SNAP benefits, those benefits would be reduced by \$81 a month due to her earnings increase. If she received housing assistance, this assistance would be reduced by \$177 a month. She would also owe an extra \$38 a month in payroll taxes and if she worked full-time for the year, lose \$1,848 (or \$154 a month) due to reduced EITC benefits. As a result, out of her \$500 a month raise, she would keep \$50—a nearly 90 percent marginal tax rate on the earnings gain. If her earnings continue to rise, her marginal tax rates will fall greatly, as SNAP and EITC benefits will phase out entirely. With no remaining benefits to reduce, her marginal tax rate will depend solely on income and payroll taxes.

Source: J.L. Rommich, J. Simmelink, and S. D. Holt, "When Working Harder Does Not Pay: Low-Income Working Families, Tax Liabilities, and Benefit Reductions," *Families In Society: The Journal of Contemporary Social Services*, vol. 88, no. 3 (2007). | GAO-15-516

earnings, these programs' benefits made work more financially rewarding (in terms of earnings plus benefits), in comparison to the benefits available to those who do not work.⁸² The EITC, in particular, has increased incentives for people with children to join the labor force, based on our review of studies.⁸³

For workers who are also receiving means-tested benefits, increases in income eventually trigger reduction and ultimately elimination of benefits. The incremental percentage reduction in benefits per dollar increase in income is the program's contribution to the worker's total marginal tax rate. For example, a hypothetical household participating in one benefit program—SNAP—would experience a reduction in SNAP benefits as household earnings rise, generally 24 cents on the dollar.⁸⁴ In addition, when federal and state income and Federal Insurance Contributions Act taxes (payroll taxes) are considered, in combination with the SNAP benefit reduction, the household's marginal tax rate would be more than 50 percent.⁸⁵ In another example, where a family receives benefits from more than one program, a recent study calculated marginal tax rates for a single parent family with two children assumed to be receiving benefits from SNAP and TANF. If this family's earnings grew from 100 percent of federal poverty guidelines to 150 percent, it could face marginal tax rates

⁸²The availability of higher incomes from work and benefits will not automatically induce all to work as other factors are involved in people's decision. For TANF recipients, for example, GAO has reported in the past that health issues, disability, substance abuse, criminal records, domestic violence, limited education, and responsibilities for children or parents with a disability can all constitute employment challenges for TANF recipients. See GAO, *Temporary Assistance for Needy Families: Action Is Needed to Better Promote Employment-Focused Approaches*, [GAO-15-31](#) (Washington, D.C.: November 19, 2014).

⁸³See, for example, T. Hungerford and R. Thiess, *The Earned Income Tax Credit and The Child Tax Credit: History, Purpose, Goals, and Effectiveness*, Issue Brief # 370 (Washington, D.C.: Economic Policy Institute, September 25, 2013), and N. Eissa and H. Hoynes, "Behavioral Responses to Taxes: Lessons From The EITC and Labor Supply," in *Tax Policy and the Economy Volume 20*, NBER Books, ed. James M. Poterba (Boston: MIT Press, 2006), 73-110. These studies included literature reviews.

⁸⁴Many factors are taken into consideration in calculating SNAP benefits, including earnings, assets, household size, age, and others. However, the basic benefit reduction rate is 24 percent, based on a reduction in the benefit equal to 30 percent of net income, mitigated by a 20 percent earned income deduction.

⁸⁵For this example, we assumed that the household files one tax return for a worker who is in an individual federal income tax bracket of 15 percent and pays a state income tax of 5 percent, although this would vary by state. We also assumed that the worker pays 7.65 percent for Federal Insurance Contribution Act taxes.

ranging from 27 percent to over 100 percent, depending on the state of residence. (The average marginal tax rate among states was about 50 percent.) That is, if the parent lived in Nevada, he or she would lose 27 cents of each dollar in increased earnings; if he or she lived in Connecticut, the parent would actually have fewer total resources for each dollar in increased earnings due to the loss of benefits. The study's authors noted that marginal tax rates vary greatly among states due to, among other things, differences in state tax systems and state rules for TANF and SNAP.⁸⁶

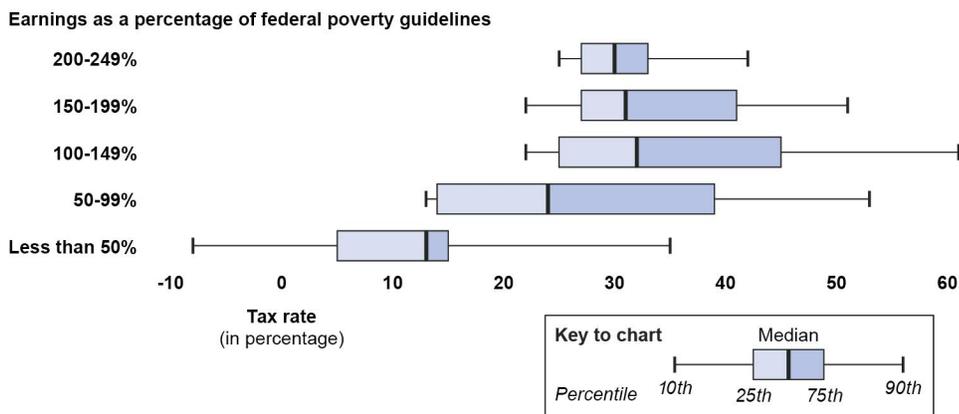
Among low-income workers, a portion of households who receive means-tested benefits do experience high marginal tax rates as their earnings increase, but available research suggests that this portion may be relatively small. In a 2012 study, CBO simulated how increasing annual household earnings by \$100 for those who received SNAP, EITC, and the Child Tax Credit would affect taxpayers' marginal tax rates.⁸⁷ It found that some households with earnings between 100 and 149 percent of federal poverty guidelines had relatively high marginal tax rates among the different income groups, with about 10 percent of households with marginal tax rates exceeding 60 percent (90th percentile), as shown in figure 16. (Information looking at incomes as a percentage of SPM was not available in the CBO study.) If all else were equal, in theory, people tend to work fewer hours when marginal tax rates are high. However, due to the relatively small portion of people experiencing these high rates, the median marginal tax rate for this income group was around 30 percent. Also, high marginal tax rates apply to those households facing phaseouts from multiple programs; however, research suggests low- to moderate-income households more commonly participate in one or two programs. For instance, in our TRIM3 analysis, we found that of those who received assistance from any of the eight programs in our analysis, two-thirds received assistance from one or two programs, most likely SNAP, EITC,

⁸⁶See E. Maag, C.E. Steuerle, R. Chakravarti and C. Quackenbush, "How Marginal Tax Rates Affect Families At Various Levels of Poverty," *National Tax Journal*, vol. 65, no. 4, (2012). Analysis in this study involved national-level simulations using Urban Institute's Net Income Change Calculator. This model allows users to enter in family characteristics information and calculate family income based on state-specific information on program rules and state taxes from 2008. Simulations were based on single parent households with two children, assumed to receive SNAP and TANF, ages 25-50 years.

⁸⁷CBO, *Effective Marginal Tax Rates for Low- and Moderate-Income Workers*, Publication No. 4149 (Washington, D.C.: November 2012).

or ACTC.⁸⁸ CBO had similar findings looking at a different set of programs using 2010 Census CPS data. Of households that received assistance from Medicaid or Children’s Health Insurance Program (CHIP), SNAP, TANF, or housing assistance, the majority participated in one program, most commonly Medicaid/CHIP or SNAP, and few participated in more than two programs.⁸⁹

Figure 16: Simulation of Marginal Tax Rates with \$100 Annual Increase in Earnings, Based on Federal Tax Provisions in Effect in 2012 (Including Earned Income Tax Credit and Child Tax Credit) and Supplemental Nutrition Assistance Program Benefit



Source: Congressional Budget Office based on a public-use sample of tax returns from the Internal Revenue Service filed in 2006; and 2006 and 2007 survey data from the Census Bureau. | GAO-15-516

⁸⁸Programs selected for the TRIM3 analysis included ACTC, EITC, housing assistance, LIHEAP, SNAP, SSI, TANF cash assistance, and WIC. SSI primarily targets low-income people who are elderly or have a disability; we did not review literature on work incentives for these populations. Prior GAO work has looked at federal efforts to encourage people receiving SSI to work, such as through the Ticket to Work and Self-Sufficiency Programs. For example, see GAO, *Social Security Disability: Participation in the Ticket to Work Program Has Increased, but More Oversight Needed*, [GAO-11-828T](#) (Washington, D.C.: September 23, 2011).

⁸⁹CBO, *Effective Marginal Tax Rates*. CBO used 2010 CPS data and looked at households with incomes below 250 percent of federal poverty guidelines, with earnings, and whose household was not headed by someone over 65 or with a disability. Sixty-two percent of these households did not receive assistance from CBO’s selected programs—Medicaid or CHIP, SNAP, TANF, or housing assistance—although CPS data are known for underreporting of program participation. Also, CBO’s analysis did not include the EITC or ACTC, while our TRIM3 analysis did not include Medicaid. Thus, multiple program participation would likely be higher if all of these programs were included in an analysis.

Note: CBO's simulations used 2006 data (the most recent public-use data at the time of CBO's analysis), state tax provisions in effect in 2006, and federal tax provisions and federal poverty guidelines in effect in 2012 (the year the study was conducted). CBO's restricted its sample of tax returns to working-age tax filers with earnings and who did not have a disability. This figure shows taxpayers with adjusted gross incomes below 250 percent of federal poverty guidelines; however, CBO's entire sample included taxpayers with adjusted gross income below 450 percent of federal poverty guidelines. Median marginal tax rates for taxpayers in higher income groups that are not shown in this chart ranged from 31 percent (for taxpayers with earnings 250 to 300 percent of federal poverty guidelines) to 37 percent (for taxpayers with earnings 400 to below 450 percent of federal poverty guidelines). (For more information on CBO's analysis, see CBO, *Effective Marginal Tax Rates for Low- and Moderate-Income Workers*, Publication No. 4149 (Washington, D.C.: November 2012).

While studies we reviewed showed that some benefit recipients may face relatively high marginal tax rates, available research suggests these rates do not strongly affect people's actual behavior regarding how many hours they decide to work. Ideally, an analysis should consider all the programs in which an individual participates. A 2011 review of research found that the aggregate behavioral impact on people's incentive to work from multiple means-tested programs was very small.⁹⁰ A more recent review of studies in 2015 concluded that "it is very hard to find large labor supply reductions for any major transfer program."⁹¹

Other research has looked at the marginal tax rates of specific programs on the number of hours people work and generally found effects to be limited, although this can vary by household circumstance and by program. For instance, marginal tax rates associated with the phase-out rate of the EITC were found to have a limited effect on reducing hours for primary earners, including for single mothers.⁹² For secondary earners, however, research suggests that the EITC leads to modest reductions for married women in employment and hours worked.⁹³ Marginal tax rates associated with the reduction in SNAP benefits due to increased earnings are generally thought to have small effects on labor supply, according to

⁹⁰Ben-Shalom, Moffitt, and Scholz, *An Assessment of the Effectiveness of Anti-Poverty Programs*.

⁹¹R. Moffitt, "The U.S. Safety Net and Work Incentives: The Great Recession and Beyond," *Journal of Policy Analysis and Management*, vol. 34, no. 2 (2015).

⁹²Eissa and Hoynes, "Behavioral Responses to Taxes;" and T. Hungerford and R. Thiess, *The Earned Income Tax Credit*.

⁹³Eissa and Hoynes, "Behavioral Responses to Taxes." Studies have also looked at effects of programs, such as the EITC, on marriage, which we did not review.

studies we reviewed, though for some groups the effects may be large.⁹⁴ Changes in marginal tax rates associated with reduction in TANF benefits based on increased earnings were found to have little effect on either labor force participation or hours of work, according to studies we reviewed.⁹⁵ On the other hand, receipt of housing assistance may create work disincentives, although available research is limited. One study looking at the Section 8 Housing Choice Vouchers program found that, based on a sample of program participants and nonparticipants in Chicago, the program had a negative effect on labor force participation and earnings (possibly due to reduction in hours worked for some recipients), but a positive effect on supporting incomes.⁹⁶ In other words, people may work more without a housing benefit but their overall incomes are higher with the benefit. Another study of recipients in Wisconsin found that housing vouchers had little effect on labor force participation and a negative effect on earnings, which faded over time.⁹⁷ Medicaid could also create work disincentives, since a modest pay increase could result in a total loss of benefits for those near the program's income threshold.⁹⁸ However, other programs or policies could offset potential work disincentives. For example, an increase in earnings in a new job may also be accompanied by employer-provided group health insurance, and

⁹⁴R. Moffitt, "Multiple Program Participation and the SNAP Program," *Russell Sage Working Paper* (November 2014) maintains that few SNAP beneficiaries are affected by high marginal tax rates, while H. Hoynes and D. Schanzenbach in "Work incentives and the Food Stamp Program," *Journal of Public Economics*, 96 (2012) find that previous estimates may be understated.

⁹⁵J. Matsudaira and R. Blank, *The Impact of Earnings Disregards on the Behavior of Low Income Families*, Working Paper 14038, (Cambridge, MA: National Bureau of Economic Research, May 2008).

⁹⁶B. Jacob and J. Ludwig, "The Effects of Housing Assistance on Labor Supply: Evidence from a Voucher Lottery," *American Economic Review*, vol. 102, no. 1 (2012). Federal funding for Housing Choice Vouchers, as well as other large housing programs, is discretionary (not mandatory, open-entitlement). Generally, more people are eligible for housing programs than there is available funding. For more information, see HUD, *Worst Case Housing Needs: 2015 Report to Congress*, (Washington, D.C.: April 2015).

⁹⁷D. Carlson, R. Haveman, T. Kaplan, and B. Wolfe, "Long-term earnings and employment effects of housing voucher receipt," *Journal of Urban Economics*, 71, (2012).

⁹⁸See, for example, CBO, *Effective Marginal Tax Rates*, which describes potential cliff effects associated with Medicaid.

children may lose eligibility for Medicaid but gain eligibility under CHIP.⁹⁹ As noted, we did not review the literature on work incentives related to health insurance programs. In addition, although, we did not review the literature on the effect of child care subsidies on work incentives for this report, we have looked at this in prior work. Specifically, in a 2010 report, we found that research has linked access to child care subsidies to increases in the likelihood of low-income mothers' employment.¹⁰⁰ In that report, experts we consulted suggested that when child care prices increase (such as when a parent loses a child care subsidy), mothers may change their work hours or shift to lower-cost providers, for example, rather than exiting the labor force altogether, although other research has shown that child care problems contribute to job loss and returns to welfare for low-wage workers.¹⁰¹

While high marginal tax rates occur, people may not respond to them for various reasons. For instance, for a worker to change behavior, he or she must be aware of the marginal tax rates and the income levels at which they apply. However, these rates can be difficult for the lay person to understand and calculate, especially when multiple programs and tax provisions are involved. As discussed, high marginal tax rates are the result of interactions among programs and the tax system and vary greatly depending on the specific benefit or combination of benefits received, individual situation, and state of residence. These interactions are not transparent. Studies that have focused on interviews with low-income households indicate they often do not understand marginal tax

⁹⁹In addition, the loss of eligibility for Medicaid or CHIP may be, in part, compensated for by new subsidies available to certain individuals who purchase qualified health plans through health insurance exchanges established under the Patient Protection and Affordable Care Act. Related to this, we previously reported that despite these subsidies, consumers' costs for qualified health plans—including deductibles, copayments, coinsurance, and premiums—were almost always more when compared to CHIP plans in five states. See GAO, *Children's Health Insurance: Coverage of Services and Costs to Consumers in Selected CHIP and Private Health Plans in Five States*, [GAO-15-323](#) (Washington, D.C.: February 25, 2015).

¹⁰⁰See GAO, *Child Care: Multiple Factors Could Have Contributed to the Recent Decline in the Number of Children Whose Families Receive Subsidies*, [GAO-10-344](#) (Washington, D.C.: May 5, 2010).). According to CRS, federal child care assistance programs do not provide funding for all those potentially eligible for assistance and may be less available for those at higher income levels, determined by the states who administer the programs.

¹⁰¹For example, see G. Adams, R. Koralek, and K. Martinson, *Child Care Subsidies and Leaving Welfare: Policy Issues and Strategies*, (Washington, D.C., The Urban Institute, 2006).

rates associated with increased earnings or how these may affect their benefits.¹⁰² This may be particularly relevant with the EITC because of a long time lag between a change in work and the receipt of the tax refund at tax time. Additionally, a worker is not necessarily able to control the number of hours he or she works in response to different marginal tax rates, given constraints in work schedules or other factors such as child care.¹⁰³ Research indicates that low-wage workers have less discretion and control over their work schedules than higher-wage workers, and that this is particularly true for those working part-time or in temporary positions.¹⁰⁴

Further, reacting to high marginal tax rates that apply over narrow income ranges would not necessarily make sense for a worker over the long term. If a worker expects to have continual pay increases over his or her lifetime he or she would not necessarily decide to reduce his or her work hours because of high marginal tax rates that would attenuate as earnings grew beyond the effective income range of those rates.

¹⁰²For example, see L. Tach and S. Halpern-Meekin, “Tax Code Knowledge and Behavioral Responses among EITC Recipients: Policy Insights From Qualitative Data,” *Journal of Policy Analysis and Management*, vol. 33, no.2 (2014). In this study, the majority of respondents with income in the EITC phase-out range did not know that their refund would decrease if they earned more. Also see, J. Rommich, “Difficult Calculations: Low-Income Workers and Marginal Tax Rates,” *Social Service Review*, vol. 80, no.1 (2006).

¹⁰³In Tach and Halpern-Meekin, “Tax Code Knowledge and Behavioral Responses,” many of the EITC recipients they interviewed said that they could not change the number of hours they worked to maximize their EITC benefit because of structural constraints in their work or because of parenting responsibilities. On the other hand, self-employed workers may have more control over their hours. E. Saez in “Do Taxpayers Bunch at Kink Points,” *American Economic Journal: Economic Policy* 2 (August 2010) states that the self-employed may misreport hours of work to maximize their EITC benefits.

¹⁰⁴For example, see Tach and Halpern-Meekin, “Tax Code Knowledge and Behavioral Responses” which included review of other studies. In recent work, GAO has looked at “contingent workers” (such as those who work part-time, temporary or contract work) and found that certain of these workers tend to have lower family incomes than those with standard full-time work and more unpredictable schedules. See, GAO, *Contingent Workforce: Size, Characteristics, Earnings, and Benefits*, [GAO-15-168R](#) (Washington, D.C.: April 20, 2015). Also, in this report, we found that the percentage of the employed labor force who are “involuntary part-time”—those who work part-time for economic reasons, such as not being able to find full-time work—is almost double what it was estimated to be in 2007 before the onset of the recent recession. In addition, some who work part-time for reasons categorized as non-economic may not do so entirely by choice but rather out of economic necessity due to child care or other scheduling needs; thus, even more workers could be considered involuntary part-time.

Behavioral effects can be difficult to isolate from other factors, and not all effects are observable. For example, not all labor supply behavior can be found in data. A worker who knowingly faces a high marginal tax rate for additional hours may seek earnings in the underground economy.¹⁰⁵ Additionally, program provisions are not the only factors that may affect labor supply. The overall state of the labor market is central, in terms of the availability of employment opportunities and pay.

Research also shows that inherent policy trade-offs exist for means-tested benefit programs attempting to meet multiple objectives. Work incentives and disincentives in means-tested benefit programs are intrinsically linked. When benefits are available to those who work or when benefits are tied to work (such as with the EITC), working becomes more attractive as people's total incomes in benefits and earnings are higher than they would be without work. However, benefits are reduced and ultimately phased out as earnings rise, creating potential work disincentives. To lessen the role of work disincentives and avoid abrupt benefit cutoffs (known as cliff effects), benefits can be phased out more slowly (i.e., resulting in lower marginal tax rates). Yet a slower phase-out of benefits means increased program costs. Program costs could be contained if benefits are reduced for those with the lowest income; however, another common policy goal is to maintain adequate assistance for the least fortunate. In short, research shows that to limit program costs, it is necessary to either reduce benefits (by reducing the number of people eligible or the benefit amount) or phase benefits out more rapidly. These trade-offs pertain to assistance provided by any level of government—federal, state, or local.

Agency Comments and Our Evaluation

We provided a full draft of this report for comment to the Departments of Agriculture, Health and Human Services, Housing and Urban Development, Treasury, and the Social Security Administration. We provided relevant sections of the draft report to eight other federal agencies that administer programs included in this report as well as Census for technical comments. Most agencies that we sent the full draft or excerpts of the draft provided technical comments, which we incorporated as appropriate.

¹⁰⁵Maag et al., "How Marginal Tax Rates Affect Families."

USDA, HHS, Treasury, and SSA did not have additional comments; HUD provided written comments, reproduced in appendix VI. In its comments, HUD discussed the usefulness of the SPM in assessing economic conditions and people's level of need, but stated concerns that information in this report may be interpreted erroneously, particularly because the SPM is a relatively new concept. Specifically, HUD noted that readers may interpret information we presented on program recipients' incomes as a percentage of the SPM as evidence that programs are not targeting people in need, when, as we describe in the report, these income levels include the value of certain federal, state, and local assistance that a household receives, as well as account for various household expenses. As we explain in the report, the SPM provides information on a household's resources—including assistance from certain government programs—to meet basic needs, and is not a measure used to determine program eligibility. HUD also noted differences in terms of recipient household types between our estimates of housing assistance using TRIM3 and HUD's estimates using HUD program data, due to the fact that TRIM3 estimates can include recipients of housing assistance from other federal, state or local agencies. Based on HUD's comments, we took steps to clarify the information we present on our estimates of program recipients' incomes as a percentage of the SPM and on our estimates of recipients of housing assistance using TRIM3, and addressed other comments from HUD, as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, Secretaries of Agriculture, Health and Human Services, Housing and Urban Development, and Treasury; the Commissioner of the Social Security Administration; other federal agencies that administer programs included in this report, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staffs have any questions concerning this report, please contact me at (202) 512-7215 or brownke@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VII.

Kay E. Brown

Kay E. Brown, Director
Education, Workforce, and Income Security Issues

Appendix I: Objectives, Scope, and Methodology

The objectives of this report were to examine: (1) what federal programs (including tax expenditures) are targeted to low-income individuals; (2) what are the number and selected household characteristics of people in poverty based on the Supplemental Poverty Measure (SPM); (3) what are the incomes (as a percent of the SPM) and household characteristics of people receiving benefits from selected programs; and (4) what is known about how selected low-income programs affect work incentives? To address the objectives of this request, we used a variety of methods. Specifically, we:

- reviewed relevant federal laws, regulations, and agency guidance; and interviewed agency officials;
- collected information on 82 federal low-income programs by surveying 13 federal agencies that administer these programs;¹⁰⁶
- analyzed 2013 data from Census Bureau's (Census) Current Population Survey (CPS) to describe low-income households;
- analyzed 2012 data, the most recent available, from the Transfer Income Model, version 3 (TRIM3) microsimulation model maintained by the Urban Institute to describe recipients of eight large federal low-income programs; and
- conducted an economic literature review on work incentives and disincentives related to assistance from selected federal low-income programs.

We conducted our work between April 2014 and July 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹⁰⁶In this report, for ease of reference we use the term "federal agency" to refer to the entities that administer these programs, although one program is administered by the Legal Services Corporation, which is not a federal agency. We also described federal agency efforts to evaluate participant outcomes for five selected low-income programs based on a review of agency documents and interviews with agency officials. See appendix V for more information on our methodology for this work.

Federal Programs for Low-Income Individuals

To address our first question, we identified federal programs, including tax expenditures, that (1) used a measure of low or limited income to determine eligibility, priority for assistance, or to target resources, or (2) have target populations that are disproportionately poor or have program purposes that presume that participants will be low-income. This included programs that targeted individuals, families, and communities. Due to their small size, we excluded programs less than \$100 million in federal obligations or reduced tax revenue in fiscal year 2013. These criteria were developed by the Congressional Research Service (CRS), which has maintained a list of low-income programs for many years.¹⁰⁷ To identify programs in its current list, CRS officials told us that they took various steps, including searching the Catalog of Federal Domestic Assistance for relevant programs. We augmented CRS's list by asking relevant agencies to suggest program additions or deletions consistent with the criteria, consulting with CRS and program area experts within GAO, and adding relevant tax expenditures.¹⁰⁸ We consulted with internal subject matter experts and the Department of the Treasury (Treasury) to identify relevant tax expenditures. We included tax expenditures that base an individual's eligibility on a measure of low or limited income, or that indirectly benefit low-income individuals (for example, the Low-Income Housing Tax Credit, which allows developers and owners of qualified low-income housing projects to claim a tax credit for construction or rehabilitation costs). We excluded tax expenditures which indirectly

¹⁰⁷We relied on the list in Congressional Research Service, *Federal Benefits and Services for People with Low Income: Programs, Policy, and Spending, FY2008-FY2009*, R41625 (Washington, D.C.: January 31, 2011). Since we began our work, CRS issued an update. See Congressional Research Service, *Federal Benefits and Services for People with Low Income: Programs and Spending, FY2008-FY2013*, R43863 (Washington, D.C.: January 15, 2015). Small differences in program obligation amounts between this report and the most recent CRS report may be due to rounding.

¹⁰⁸The refundable portions of the Earned Income Tax Credit and the Child Tax Credit (also known as the Additional Child Tax Credit, or the ACTC) were included on CRS's low-income list. According to Treasury officials, the allocation between the ACTC, the refundable portion of the Child Tax Credit, and the nonrefundable portion of the Child Tax Credit, may not necessarily be a meaningful distinction when thinking about support for low-income families because it can depend on circumstances that do not affect the total child credit claimed by a household. For example, itemizing lowers tax before credits which may change the relative amounts of CTC and ACTC claimed without changing the total amount. In general, however, the ACTC is claimed by taxpayers with lower tax liabilities and lower income than those that claim only the Child Tax Credit. As reported by the Statistics of Income division of Internal Revenue Service, in 2012, 88 percent of the ACTC went to taxpayers with adjusted gross income below \$40,000, while 17 percent of the Child Tax Credit went to taxpayers below that income.

benefit low-income individuals based on income measures for a geographic area. We also excluded tax expenditures for which the average reduction in revenue for the past 5 years was less than \$100 million.

To collect program information, we sent a questionnaire (or survey) on each program to the federal agencies responsible for administering it that included questions on federal obligations, numbers served, the program purpose, type of benefit or service, eligibility requirements, and other topics. To ensure that questions were understandable and that we collected the desired information, we pre-tested the survey with two federal agencies, and asked a third agency to review it. We revised it based on agencies' feedback. We sent the survey to agencies in September 2014 and, ultimately, obtained a 100 percent response rate. We did not independently verify the legal accuracy of the information provided by the agencies, such as program purposes, eligibility requirements, or benefits or services provided.

Because this was not a sample survey, there are no sampling errors. To minimize other types of errors, commonly referred to as nonsampling errors, and to enhance data quality, we employed recognized survey design practices in the development of the questionnaire and in the collection, processing, and analysis of the survey data. For instance, as previously mentioned, we pretested the questionnaire with federal officials to minimize errors arising from differences in how questions might be interpreted and to improve the likelihood that variation in responses across agencies are attributable to substantive differences between programs rather than aspects of the data collection process. We further reviewed the survey to ensure the ordering of survey sections was appropriate and that the questions within each section were clearly stated and easy to comprehend. To reduce nonresponse, another source of nonsampling error, we sent out e-mail reminder messages to encourage officials to complete the survey. We reviewed the data for missing or ambiguous responses and followed up with agency officials when necessary to clarify their responses. In some cases, we also checked other sources, such as the Office of Management and Budget's Appendix, Budget for the U.S. Government, Fiscal Year 2015, to confirm information was generally consistent and reliable. On the basis of our application of recognized survey design practices and follow-up procedures, we determined that the data were of sufficient quality for our purposes.

Number and Household Characteristics of People in Poverty

To answer our second question, we analyzed data from the Census' Current Population Survey (CPS) for 2013 (calendar year), the most recent year available.¹⁰⁹ Specifically, we used the public use and replicate weight files from the March 2014 CPS Annual Social and Economic Supplement, which covers 2013, to obtain demographic information about respondents and their households and calculate standard errors of our estimates.¹¹⁰ We merged this information with the Census' SPM Research Data file for 2013, which contains microdata derived from the CPS that allows users to calculate SPM rates.¹¹¹ Because the CPS uses a household-based data collection, its data do not include individuals living outside of a household residence, such as homeless people or those living in institutional group quarters (e.g., correctional facilities, nursing homes). As many individuals in these groups may be low-income, estimates of the size of the low-income population in this report are likely to be undercounts of the low-income population in the United States.

To determine the number of people in poverty according to the SPM, we first calculated each household's income as a percent of the relevant SPM poverty threshold. To define a household, we followed the Census

¹⁰⁹The CPS is designed and administered jointly by Census and the Bureau of Labor Statistics. It is the source of official government statistics on employment and unemployment in the United States. The basic monthly survey is used to collect information on employment, such as employment status, occupation, and industry, as well as demographic information, such as age, sex, race, marital status, educational attainment, and family structure, among other things. The survey is based on a sample of the civilian, noninstitutionalized population of the United States. Using a multistage stratified sample design, about 60,000 households are selected on the basis of area of residence to represent the country as a whole and individual states.

¹¹⁰The CPS Annual Social and Economic Supplement provides supplemental data on work experience, such as weeks and hours worked, total income and income components, such as earnings, noncash benefits, and program participation, among other things. Data on employment and income refer to the preceding calendar year, although demographic data refer to the time of the survey. These data are used to produce the official annual estimate of poverty, and estimates of a number of other socioeconomic and demographic characteristics, including income, health insurance coverage, educational attainment, marital status, and family structure.

¹¹¹The SPM research files are produced by Census and enable researchers to replicate the estimates for the Supplemental Poverty Measure described in reports, *The Research Supplemental Poverty Measure: 2013, 2012, 2011, and 2010* (P60-251, P60-247, P60-244 and P60-241). All of the SPM research files use Census 2010-based population controls. The SPM research files provide data on the resources, SPM poverty threshold, and identification of the SPM unit and the SPM unit head for every observation in the corresponding file from CPS Annual Social and Economic Supplement.

definition of an “SPM Resource Unit,” which includes related individuals living together, plus unrelated children who are living with the family (such as foster children) and any cohabitators (i.e., unmarried partners) and their children. An SPM unit could consist of a single individual. Census defines a household’s SPM resources—which we call its income—to include its cash income plus the value of certain noncash benefits minus estimated expenses related to work, child support, taxes, and medical care.¹¹² Each household’s SPM threshold represents the amount of income it should have available to sufficiently pay for food, housing, clothing, and utilities, plus 20 percent more for miscellaneous necessary expenses. The Bureau of Labor Statistics derives SPM thresholds from actual expenditures on these items averaged over the previous five years. Thresholds are set at the amount that approximately two-thirds of households spent or exceeded and vary by household size, homeownership, and geographic location.

To describe the number of people with household incomes above and below the SPM poverty threshold, we categorized individuals into five income groups based on their household’s income as a percent of its SPM threshold:

- household resources less than 50 percent of its SPM threshold;
- household resources from 50 percent to less than 100 percent of its SPM threshold;
- household resources from 100 percent to less than 150 percent of its SPM threshold;
- household resources from 150 percent to less than 200 percent of its SPM threshold; and
- household resources 200 percent of its SPM threshold or greater.

¹¹²For the purposes of the SPM, noncash benefits include those received by any household members from Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the National School Lunch Program, housing assistance (which could be from federal, state, or local programs), and the Low Income Home Energy Assistance Program (LIHEAP). Work-related expenses, including costs of transportation, child care, and other miscellaneous expenses are estimated for each household member who is employed. Taxes include the household’s estimated federal and state income taxes and payroll taxes, minus the value of tax credits such as the Earned Income Tax Credit (EITC) and Additional Child Tax Credit (ACTC). Medical expenses include estimated out-of-pocket medical expenses and Medicare Part B Premiums.

The first two income groups are considered to be in poverty according to the SPM, and the latter three groups are considered to be above the poverty line.

We calculated each individual's income group according to the official poverty measure in a similar fashion, except that we used their family income rather than their SPM unit income. Census' official poverty statistics use the family—defined as related individuals living together—as the unit of measurement and do not include children under the age of 15 who are living with nonrelatives, such as foster children. We also followed Census procedures to define family income to include its cash income only, and we used official poverty thresholds, which vary by size of family and age of family members, but not by geographic location or homeownership.

For this analysis, we categorized households into six mutually-exclusive types, as follows:

- *Headed by elderly persons:* Households (with or without children) headed by a person who is 65 or over, regardless of whether he or she has a disability. The head of household may live alone, with a spouse, or with a cohabiting partner.
- *Headed by persons with disabilities:* Households (with or without children) headed by a person under 65 with a disability. The head of household may live alone, with a spouse, or with a cohabiting partner. We used a Census Bureau definition of disability, which includes any serious difficulty hearing, seeing, concentrating/remembering/making decisions, walking/climbing stairs, dressing/bathing, or doing errands alone.
- *Without children:* Households without children headed by a person under 65 without a disability. The head of household may live alone, with a spouse, or with a cohabiting partner.
- *Married with children:* Households with at least one child headed by a married person under 65 who does not have a disability.
- *Cohabiting with children:* Households with at least one child headed by an unmarried person under 65 who has a cohabiting partner and does not have a disability.
- *Single parent:* Households with at least one child headed by an unmarried person under 65 who does not have a disability or a cohabiting partner.

For each of the datasets we used in this analysis (CPS, its Annual Social and Economic Supplement, and the SPM Research file), we conducted a data reliability assessment of selected variables including those used in our analysis. We reviewed technical documentation and related publications and websites with information about the data and spoke with Census officials knowledgeable about these datasets to review our plans for analyses, as well as to resolve any questions about the data and any known limitations. We also conducted electronic testing, as applicable, to check for logical consistency, missing data, and consistency with data reported in technical documentation. We determined that the variables that we used from the data we reviewed were reliable for the purposes of this report.

Throughout this report, when we present estimates from survey data, we also present the applicable margins of error (i.e., the maximum half-width of the 95 percent confidence interval around the estimate). In some cases, the confidence intervals around our estimates are asymmetrical; however, we present the maximum half-width for simplicity and for a consistent and conservative representation of the sampling error associated with our estimates.

Estimating the Number and Characteristics of Selected Programs' Recipients

To address our third question, we used data for calendar year 2012 on recipients of selected programs from the Transfer Income Model, version 3—a microsimulation model known as TRIM3. TRIM3 is developed and maintained by staff at the Urban Institute with funding primarily from the Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. The TRIM3 model simulates major governmental tax, transfer, and health programs using data from the CPS, which contains detailed information on the demographic characteristics and economic circumstances of U.S. households, including their benefits from many federal programs. However, CPS data substantially underreports the receipt of these benefits. For example, Urban Institute staff found that CPS data captured about 61 percent of Temporary Assistance for Needy Families (TANF) benefits received in 2012 and about 57 percent of Supplemental Nutrition Assistance Program (SNAP) benefits, when comparing CPS data with program administrative data (data collected by agencies used to administer the program). TRIM3 corrects for this undercounting by creating new variables for each survey respondent indicating their program eligibility, amount of benefits

received, and tax liability, following the same steps that a caseworker would use to determine eligibility, as explained below.¹¹³

We studied eight of the low-income programs that TRIM3 modeled for calendar year 2012, the most recent year that data were available.¹¹⁴ In addition to being included in the TRIM3 model, selected programs were generally large and covered a range of basic needs.¹¹⁵ Table 7 describes the programs we selected, along with the program unit that TRIM3 used to calculate benefits and caveats about interpreting the data.

¹¹³According to Urban Institute staff, the TRIM3 model estimates eligibility, when possible, using the same units that programs use, including state-level variations. For example, for tax expenditures, it uses the tax unit, which is comprised of the people who file income taxes together; whereas for housing assistance, it uses the entire household. Additionally, the construction of filing units for TANF takes into account the state-specific rules for whether or not step-parents are included. See table 7 for descriptions of the units used by the TRIM3 model for each of the programs we studied. For more information on the TRIM3 model, see trim3.urban.org.

¹¹⁴We did not include the Child Care and Development Fund, which TRIM3 simulates without CPS survey data on who reported receiving this assistance. Urban Institute staff said that participation in this program is assigned based on income and family characteristics, as well as program rules; however, due to the relatively small number of participants in this program, there is a greater degree of randomness in assigning participation for this program than other programs in its model. While we did not study this program specifically, we did use TRIM3's simulated child care expenditures and benefits when calculating household income relative to the SPM threshold.

¹¹⁵Urban Institute did not have 2012 TRIM3 microsimulation data on recipients of Medicaid. Urban Institute staff noted that adjusting for Medicaid underreporting would require detailed data on the actual caseload that was not available to them at the time that the simulation work for 2012 was being performed.

Table 7: Information about TRIM3 Estimates Used to Study Selected Programs

Program	Who is included in TRIM3 program unit	TRIM3 estimates of 2012 annual caseload (number of individual recipients)	TRIM3 estimates of 2012 total benefits [Note A]
Additional Child Tax Credit (ACTC) [Note B]	People who file income taxes together	51.9 million	\$18.6 billion
Earned Income Tax Credit (EITC) [Note B]	People who file income taxes together	62.9 million	\$46.7 billion
Housing assistance [Note C]	Everyone living in the assisted household	10.8 million	\$36.1 billion
Low Income Home Energy Assistance Program (LIHEAP)	Everyone living in the assisted household	18.3 million	\$2.6 billion
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) [Note D]	Related people and unmarried parents living together	8.1 million	\$5.6 billion
Supplemental Nutrition Assistance Program (SNAP) [Note E]	Generally, everyone living in the assisted household	58.0 million	\$71.2 billion
Supplemental Security Income (SSI)	Recipient individuals; spouses may be included in unit if both are recipients	8.4 million	\$52.1 billion (includes state supplements)
Temporary Assistance for Needy Families (TANF) cash assistance	Parents or caretakers and age-eligible children; some units are child-only	5.8 million	\$8.0 billion (cash assistance only; includes state supplements)

Source: GAO analysis of TRIM3 microsimulation data. | GAO-15-516

Note: Each estimate in this figure has a 95 percent confidence interval of within +/- 7 percent of the estimate itself.

Note A: Benefit spending totals in this table reflect TRIM3 estimates of benefits provided to recipients of selected programs in 2012 and do not include program spending that did not go directly toward benefits (e.g. program administrative costs).

Note B: For federal tax credits, TRIM 3 uses information from CPS and public-use IRS data and then applies the federal income tax rules in as much detail as feasible given the survey data, according to TRIM3 documentation. For the EITC and ACTC, the model assumes that all tax units that appear eligible in their model claimed these tax credits. For the EITC, TRIM3 found 17 percent fewer tax units eligible for the EITC than actually took the credit in 2012, based on IRS data. Differences in TRIM3 estimates for tax credit recipients and IRS data are due to a combination of factors, according to Urban Institute. For instance, the model assumes full compliance with all rules, while some tax filers may not comply fully with the tax law. Also, there may be differences in how respondents describe their circumstances in survey data versus for tax purposes, which may be due in part to when the survey is conducted versus when taxes are filed.

Note C: Recipients of housing assistance in TRIM3 are those who reported receiving public or subsidized housing in the CPS, excluding apparently ineligible households. These households could include recipients of housing programs administered by the Department of Housing and Urban Development (HUD), other federal agencies, or state or local governments. These could also include households who responded in error as living in public or subsidized housing. TRIM3's calculation of eligibility and benefit amounts most closely approximates the operation of the Section 8 Housing Choice Voucher Program, in which the amount of housing assistance is based on the household's income, size of housing unit, and location, according to HUD guidance.

Note D: TRIM3's estimate of the number of children receiving WIC is within 1 percentage point of the actual caseload, but the estimate of the number of women recipients is only 45 percent of its target. CPS does not ask if women are pregnant, so TRIM3 can only identify pregnant women when childless women report receiving WIC benefits.

Note E: TRIM3 generally assumes that everyone in a SNAP recipient household files together as a single unit, but it may split a household into multiple filing units under certain circumstances, such as if someone in the household receives TANF or CPS data indicate that some, but not all, household members receive SNAP.

The TRIM3 model corrects for underreporting through multiple steps. First, TRIM3 identifies whether each survey respondent appears eligible for the program, generally using the same units that each program uses (individual, family, household, etc.). In addition to CPS data on each respondent's income and demographic characteristics, the model uses the Urban Institute's extensive catalog of program rules, including state variations in income eligibility and asset tests, income disregards, benefit computation, and differences in state income taxes.¹¹⁶ The model also determines how much each respondent would be eligible to receive in benefits.

Next, when TRIM3 finds more respondents to be eligible than the number who actually participate, according to program administrative data, the model chooses some of the eligible respondents to participate in the program. Those that report receiving the benefit in CPS are assumed to have reported correctly, although TRIM3 uses for its calculation the value of the benefit they receive rather than the amount they reported on the CPS. Additionally, the model selects a portion of survey respondents who did not report receiving benefits, but appear eligible, and assigns them as recipients. It makes this selection in such a way that the size and key characteristics of the simulated caseload come close to those of the actual caseload, as indicated by administrative data from the programs.¹¹⁷

¹¹⁶ We did not independently verify the legal accuracy of this information. TRIM3 makes additional adjustments to CPS data that are necessary to determine program eligibility, such as simulating immigrant status and correcting some data for underreporting, such as certain child support payments sent and received.

¹¹⁷ TRIM3 does not adjust its data to meet administrative targets for housing assistance and assumes that 100 percent of those eligible for tax credits claim the credit. For the other five programs we studied, it adjusts the number of recipients to meet targets, derived from program administrative data, for the number of recipients and sometimes for the amount of benefits provided. All TRIM3 estimates were within 2 percentage points of the target except SNAP benefits (95 percent of the target), WIC benefits (79 percent of target), and number of women receiving WIC (45 percent of target). WIC benefits and recipients are low because CPS does not contain information on pregnancy, so TRIM3 can only capture benefits to childless women who report receiving WIC. (TRIM3 assumes they must be receiving benefits based on pregnancy, since they have no other children who could be the recipients.) TRIM3 estimates were within 1 percent of the target for the number of children receiving WIC.

It assigns recipients the full amount of benefits for which they are eligible. For programs that determine eligibility on a monthly basis, TRIM3 also models participation on a month-by-month basis, capturing the fact that a family with part-year work might be eligible for different benefits during months of employment than during months of unemployment. TRIM3 also accounts for program interactions in its modeling so that estimates are internally consistent. For example, if a family is simulated to receive TANF, the SNAP simulation accounts for the simulated TANF benefits when computing SNAP eligibility and benefits.

The TRIM3 model does not allow ineligible recipients. If survey respondents reported receiving a program benefit, but the TRIM3 calculations showed that the respondents would be ineligible based on income or other factors reported on the survey, then the TRIM3 model would not include them as participants. Urban Institute staff told us that, according to some studies that have merged survey data with administrative data records, at least half of the individuals who report a benefit for which they appear ineligible are not actually recipients according to the administrative data.

In order to study the individual recipients of each of the eight programs we selected, we assigned each individual program recipient a benefit amount. SNAP, TANF, Supplemental Security Income (SSI), and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits were already assigned to each individual person by TRIM3. For other programs, TRIM3 calculated benefits for the program unit, and we divided the program unit's benefits evenly among its members. Specifically, we divided Earned Income Tax Credit (EITC) and Additional Child Tax Credit (ACTC) benefits evenly among all members of the tax unit (people who file income taxes together) identified by TRIM3, and we divided Low Income Home Energy Assistance Program (LIHEAP) and housing assistance benefits evenly among everyone living in the same household.¹¹⁸

We used TRIM3 data to study program recipients' benefit amounts, incomes as a percentage of the SPM poverty threshold, and household types, following the typology that we developed for our second question.

¹¹⁸We made these allocations for EITC, ACTC, and housing assistance, but TRIM3 made the allocation for LIHEAP benefits.

We contracted with the Urban Institute to provide us with data on the incomes of each household relative to their SPM threshold using TRIM3 simulated data for benefit receipt and amounts. TRIM3 SPM estimates use the same thresholds developed by Census (with the Bureau of Labor Statistics).¹¹⁹ TRIM3 also defines SPM in the same way as Census, but uses TRIM3's simulated values for a number of variables that affect income and resources, including assistance from programs mentioned above, taxes (including federal and state income taxes, payroll taxes, and capital gains taxes), child care expenses, and child support paid.

To determine the effects of program's benefits on recipient incomes relative to the SPM threshold, we subtracted the value of each program's benefit from its recipients and recalculated their household incomes relative to their SPM thresholds. In doing so, we held all else the same and assumed no other changes occurred, such as changes to other benefit levels or in people's behavior.

To assess the reliability of the TRIM3 data we used, we reviewed extensive documentation on the TRIM3 model and data sources, interviewed staff from the Urban Institute who were responsible for the work provided under our contract, and reviewed the Urban Institute's internal quality control procedures. Following guidance from the Urban Institute, we merged the TRIM3 baseline data for 2012 with Census' replicate weight file for the CPS March 2013 Annual Social and Economic Supplement (for 2012 data). We used adjusted replicate weights in our analysis based on the underrepresentation of unauthorized aliens and high-income families in the CPS data.¹²⁰ Although the microsimulation process introduces analytical decisions into the production of estimated

¹¹⁹ TRIM3 thresholds differ slightly for a small number of households in which a teen living with a parent is identified as the household reference person (and therefore not a "child") in the CPS data, but is treated as a child for the purpose of the TRIM3 simulations and poverty definition.

¹²⁰The TRIM3 2012 baseline file contains 240,145 observations, and the CPS March 2013 Annual Social and Economic Supplement contains 202,634 observations. The TRIM3 file contains additional observations because it includes "clones"—additional observations that are simulated by the TRIM3 model to help it meet its targets for immigrant status and high-income households. All the clones for any one CPS person have an identical set of replicate weights. For each clone, we constructed the ratio of the TRIM3 person weight to the original CPS weight; this ratio is a number between 0 and 1. For each clone, we then multiplied each of that clone's 160 replicate weight variables [REPWT1 – REPWT160] by the ratio, to construct 160 adjusted replicate weights. The result is that the unweighted number of the cloned people is expanded, but not the weighted number.

variables, we treated the program estimates its models produced as if they were numbers tabulated directly from the survey data, following guidance provided by the Urban Institute. We determined that none of the data limitations or modeling assumptions affected or compromised the analysis for this report and the data are considered to be sufficiently reliable for our purposes.

Economic Literature Review

To address our fourth question, we conducted an economic literature review on whether receipt of assistance from selected programs, including EITC, SNAP, TANF, and the Section 8 Housing Choice Voucher program, affects recipients' incentive to work. We conducted a literature search of various databases for peer-reviewed journal articles, and other publications to identify relevant studies that were published in recent years (2009 through 2014) and also reviewed some studies that were published earlier. We also inquired with agency officials for relevant studies and reviewed policy and research organization websites. Additionally, we reviewed citations of other relevant work discussed in studies. In describing findings from the literature, we included studies that were determined to be methodologically sound. Based on our review of studies, we identified reasonable conclusions about likely work incentives related to selected low-income programs. We did not do an exhaustive review of the literature on this topic.

Appendix II: Information Provided by Agencies on Program Purpose and Type of Benefit or Service for Low-Income Programs

Program	Program purpose	Benefit or service provided
Cash aid		
Additional Child Tax Credit	To assist eligible parents with dependent children whose tax liability is not sufficient to receive the full benefit of the regular nonrefundable Child Tax Credit.	Refundable tax credit.
Earned Income Tax Credit	To offset the burden of taxes, including Social Security taxes; provide an incentive to work; and provide income support to low-income families.	Tax credit to reduce the amount of income taxes owed; an eligible worker may receive the credit regardless of whether taxes are owed (i.e., the credit is refundable).
Exclusion of Cash Public Assistance Benefits	To allow exclusion of public assistance benefits from taxable income.	Reduces tax liability for recipients of public assistance
Veterans Pension and Survivors Pension	To provide assistance to needy veterans, their surviving spouses, and surviving children	Cash assistance.
Supplemental Security Income	To provide a minimum income for aged, blind or disabled individuals who have very limited income and assets.	Cash assistance. The basic federal SSI benefit is the same for all beneficiaries nationwide (reduced by any countable income). States may supplement the federal benefit.
Temporary Assistance for Needy Families <i>(This program provides funding for cash assistance, employment and training, and social services.)</i>	To accomplish one or more of the following: (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families.	Noncash services, including child care, work activities, child welfare services, and various social services directed toward the statutory goals of family formation and reduced nonmarital pregnancies. Cash assistance benefit levels are defined by the individual states.
Food Assistance		
Child and Adult Care Food Program (lower-income components)	To enable nonresidential day care institutions to integrate a nutritious food service with organized care services for enrolled children and adults.	Breakfasts, lunches, suppers and snacks that meet minimum federal nutrition standards.
Commodity Supplemental Food Program	To improve the health of low-income elderly persons at least 60 years of age by supplementing their diets with nutritious Department of Agriculture (USDA) Foods, which are distributed through public and nonprofit private local agencies such as food banks and community action organizations.	Food packages and nutrition education.
Food Distribution Program on Indian Reservations	To provide USDA foods to low-income households living on or near Indian reservations.	Income eligible households receive a supplemental monthly food package and nutrition education.
Fresh Fruits and Vegetables Program	To provide free fresh fruits and vegetables to elementary school children. The goal is to create healthier school environments by providing healthier food choices.	Selected schools receive reimbursement for the cost of making free fresh fruits and vegetables available to students during the school day.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
National School Lunch Program (free and reduced-price components)	To safeguard the health and well-being of the nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food.	Lunches that meet minimum federal nutrition standards and are served free or at reduced price by participating public and private elementary and secondary schools and residential child care institutions.
Nutrition Assistance Program for Puerto Rico	To improve diets of needy persons living in Puerto Rico.	Nutrition assistance benefits. Benefits are provided through electronic benefit transfers, and at least 75% must be used for food purchases.
Nutrition Service for the Elderly	To reduce hunger and food insecurity, promote socialization, and promote the health and well-being of older individuals and delay adverse health conditions through access to nutrition and other disease prevention and health promotion services.	Meals served in congregate settings, home-delivered meals, and related nutrition services (nutrition screening, education and assessment and counseling).
School Breakfast Program (free and reduced-price components)	To promote learning readiness and healthy eating behaviors through provision of nutritious breakfasts.	Breakfasts that meet minimum federal nutrition standards and are served free or at reduced price by participating public and private elementary and secondary schools and residential child care institutions.
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	To provide supplemental food and nutrition education to eligible women and children to serve as an adjunct to good health care during critical times of development, to prevent the occurrence of health problems, including drug abuse, and improve the health status of beneficiaries.	Food assistance (provided through cash value vouchers or electronic benefit transfer card for the purchase of specifically prescribed food packages), nutrition risk screening, and related services (e.g., nutrition education and breastfeeding support, medical care referral).
Summer Food Service Program	To help children in low-income areas get necessary nutrition during the summer months when they are out of school.	Meals and snacks.
Supplemental Nutrition Assistance Program	To alleviate hunger and malnutrition and permit low-income households to obtain a more nutritious diet by increasing their food purchasing power.	Benefits are provided through an electronic benefit transfer card to purchase food from authorized retailers. Allotments are determined on the basis of a low-cost model diet plan.
The Emergency Food Assistance Program	To supplement the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance at no cost.	Food commodities that are distributed to local feeding programs and the administrative costs necessary to store and transport the commodities.
Health care		
National Breast and Cervical Cancer Early Detection Program	To provide low-income, uninsured, and underserved women access to timely breast and cervical cancer screening and diagnostic services.	Clinical breast examinations, mammograms, Pap tests, pelvic examinations, diagnostic testing, and referrals to treatment. No fees for services may be charged for women with incomes below 100% of federal poverty guidelines.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Consolidated Health Centers	To provide comprehensive, culturally competent, quality primary health care services to medically underserved communities and vulnerable populations.	Primary and additional health care services defined in statute, delivered by community health centers, migrant health centers, health centers for the homeless, and health centers for residents of public housing.
Family Planning	To assist individuals to determine freely the number and spacing of their children through the provision of education, counseling, and medical services.	A broad range of family planning methods and services. Family planning services include clinical family planning and related preventive health services; information, education and counseling related to family planning; and referral services.
Indian Health Service	To elevate the health status of the Indian population to a level at parity with the general U.S. population.	Hospital, medical, and dental care, behavioral health, environmental health and sanitation services as well as outpatient services and the services of mobile clinics and public health nurses, and preventive care, including immunizations and health examinations of special groups, such as school children.
Maternal and Child Health Block Grant	To improve the health of all mothers and children consistent with applicable health status goals and national health objectives established by the Secretary of Health and Human Services (HHS).	Preventive and primary health care services (excluding inpatient services with some exceptions) for women, infants, and children, including children with special health care needs.
Medicaid	To provide medical assistance to qualifying individuals, and to provide rehabilitation and other services to help such families and individuals achieve independence and self-care.	Federal law provides two primary medical benefit packages for state Medicaid programs: traditional benefits and alternative benefit plans (ABPs).
Medical Care for Low-Income Veterans Without Service-Connected Disability	To provide necessary hospital care and medical services to eligible veterans.	Standardized medical benefits package including preventive services; primary care, specialty care, prescription drugs, comprehensive rehabilitative services, mental health services; and emergency care in VA facilities and in non-VA facilities by contract or as authorized by 38 U.S.C. §§ 1728 or 1725.
Ryan White HIV/AIDS Program	To address the unmet care and treatment needs of persons living with HIV/AIDS who are uninsured or underinsured, and therefore are unable to pay for HIV/AIDS health care and vital health-related supportive services.	Benefits include a wide range of medical and supportive services to help persons living with HIV/AIDS who are uninsured or underinsured.
State Children's Health Insurance Program	To provide health coverage to uninsured, low-income children in an effective and efficient manner that is coordinated with other sources of health benefits coverage for children.	Benefits vary by state, but all benefits provide health coverage to uninsured, low-income children.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Transitional Cash and Medical Services to Refugees	To provide for the effective resettlement of refugees and to assist them to achieve economic self-sufficiency as quickly as possible.	Cash payments to eligible individuals that are at least equal to the payment rate to a family of the same size under the state's Temporary Assistance for Needy Families (TANF) program; and medical benefits, through payments to doctors, hospitals and pharmacists. Those eligible for Supplemental Security Income (SSI) may receive refugee cash assistance while their SSI applications are pending.
Voluntary Medicare Prescription Drug Benefit-Low-Income Subsidy	To provide low-income seniors and people with disabilities with comprehensive prescription drug benefits.	Prescription drug coverage with reduced premiums, copayments and other out-of-pocket expenses.
Housing and development		
Choice Neighborhoods Implementation Grants	To transform neighborhoods of poverty into viable mixed-income neighborhoods with access to economic activities by revitalizing severely distressed public and assisted housing and investing and leveraging investments in well-functioning services, effective schools, and education programs, public assets, public transportation, and improved access to jobs.	Funds to rehabilitate or replace distressed public and assisted housing; provide supportive services for residents, such as those focused on self-sufficiency, health, safety, and education; and support community improvements, such as environmental, retail, or transit improvements.
Community Development Block Grants	To develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low to moderate income.	Assistance with the acquisition of real property, relocation and demolition, rehabilitation of residential and nonresidential structures, construction of public facilities and improvements, public services within certain limits, activities related to energy conservation and renewable energy resources, and assistance to nonprofit entities and to profit-motivated businesses to carry out economic development and job creation/retention activities.
HOME Investment Partnerships Program	To increase the number of families served with decent, safe, sanitary and affordable housing and expand the long-term supply of affordable housing; and to strengthen the ability of states and local governments to provide for housing needs.	Assistance with the real estate development and construction activities to increase the supply of affordable housing.
Homeless Assistance Grants	Promote the goal of ending homelessness; provide funding for nonprofits, states, and local governments to quickly re-house the homeless; promote use of mainstream programs and optimize self-sufficiency among those experiencing homelessness.	Transitional housing for homeless individuals and families, permanent housing for disabled homeless individuals, and supportive services. Renovation, rehabilitation, or conversion of buildings into homeless shelters, services such as employment counseling, health care and education, assistance with rent or utility payments to prevent homelessness.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Housing Opportunities for Persons with AIDS	To devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS.	Housing assistance and related supportive services; real estate and construction assistance; project- or tenant-based rental assistance; short-term rent, mortgage, and utility payments to prevent homelessness; supportive services such as health services, drug and alcohol abuse treatment, day care, nutritional services, and aid in gaining access to other public benefits.
Indian Housing Block Grant	(1) To promote quality, affordable housing on Indian reservations and areas; (2) to ensure access to private mortgage markets for Indian tribes; (3) to coordinate activities to provide housing for Indian tribes; (4) to plan for and integrate infrastructure resources with housing development for tribes; and (5) to promote the development of private capital markets in Indian country.	Housing development, assistance to housing developed under the former Indian Housing Program, housing services to eligible individuals and families, crime prevention and safety, and model activities that provide creative approaches to solving affordable housing problems.
Low-Income Housing Tax Credit	To allow developers and owners of qualified low-income housing projects to claim a tax credit for construction or rehabilitation costs.	Tax credit to reduce amount of taxes owed.
Public Housing	To provide cost-effective, decent, safe and affordable rental housing for eligible low-income families, the elderly, and persons with disabilities.	Subsidized publicly-owned rental housing units. In general, assisted households pay 30 percent of their income for rent.
Rental Housing Bonds Interest Exclusion	To allow holders of rental housing bonds to exclude interest from taxable income.	Tax exclusion to reduce amount of taxes owed.
Rural Rental Assistance Payments	To reduce the rent paid by low-income households in eligible units financed under certain Rural Housing Service programs.	Rental subsidies for low-income tenants provided through payments to eligible property owners; payments make up the difference between the tenant's rental payment to the owner and the approved rent for the unit.
Section 8 Housing Choice Vouchers	To provide very low-income families with decent, safe and affordable housing in the private market.	Tenant-based vouchers that can be used to help recipients afford privately-owned rental housing. In general, recipients pay 30 percent of their "adjusted" income for rent, with the Department of Housing and Urban Development (HUD) providing a subsidy for the difference up to a maximum limit based on local Fair Market Rents.
Section 8 Project-Based Rental Assistance	To provide very low-income families with decent, safe and affordable housing in the private market.	Rent subsidies tied to units in privately-owned multifamily housing properties. In general, tenants pay 30 percent of their adjusted income for rent, with HUD providing a subsidy for the remaining amount up to the contract rent level.
Supportive Housing for Persons with Disabilities	To allow persons with disabilities to live as independently as possible in the community by increasing the supply of rental housing with the availability of supportive services.	Financial assistance for development of supportive housing for persons with disabilities, and rent subsidies for eligible tenants.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Supportive Housing for the Elderly	To help expand the supply of affordable housing with supportive services for the elderly.	Financial assistance for development of supportive housing for the elderly, and rent subsidies for eligible tenants.
Water and Waste Disposal Systems for Rural Communities	To provide basic human amenities, alleviate health hazards, and promote the orderly growth of the nation's rural areas by meeting the need for new and improved rural water and waste disposal facilities.	Long-term low-interest loans and grants to support the construction, repair, improvement or expansion of rural water facilities.
Energy assistance		
Low-Income Home Energy Assistance Program	To assist low-income households, particularly those with the lowest incomes, that pay a high proportion of their income for home energy, primarily in meeting their immediate home energy needs.	Assistance to households in paying their heating and cooling costs, crisis intervention, home weatherization, and services (such as counseling) to help reduce energy costs.
Weatherization Assistance	To increase the energy efficiency of homes owned or occupied by low-income persons to reduce their total residential energy costs, and improve their health and safety.	Computerized energy audits and diagnostic equipment to determine the most energy-efficient measures for each individual home; labor and materials necessary to install such energy-efficient measures.
Social services		
Adoption Assistance	To facilitate the timely placement of children whose special needs (which may include age, membership in a large sibling group or a racial/ethnic minority group, physical or mental disabilities or other circumstances as determined by the state) would otherwise make it difficult to place them with adoptive families.	One-time nonrecurring payments to assist with the costs of adopting a special needs child (e.g., adoption fees, court costs, attorney fees) and ongoing monthly payments to adoptive families; administrative and child placement services intended to promote child safety, permanency and well-being.
Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	To strengthen and improve the programs and activities carried out under Title V; to improve coordination of services for at-risk communities; to identify and provide comprehensive services for families who reside in at-risk communities.	Home visiting services during pregnancy and to parents with young children up to age five.
Chafee Foster Care Independence Program	To help current and former foster youth achieve self-sufficiency.	Educational assistance, vocational training, employment services, life skills training, mentoring, preventive health activities, counseling, and (subject to certain limitations) room and board.
Child Care and Development Fund	To develop child care programs that best suit the needs of children and parents in each state, to empower working parents to make their own decisions on the child care that best suits their family's needs, to provide consumer education to help parents make informed decisions, to provide child care to parents trying to achieve independence from public assistance, and to help states implement their child care regulatory standards.	Subsidized child care services that may include center-based care, group home care, family care, and care provided in the child's own home. States also use a portion of funds for quality improvement activities, such as professional development and training, and quality rating and improvement systems.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Child Support Enforcement	To enforce the support obligations owed by noncustodial parents to their children and the spouse (and former spouse) with whom such children are living through locating noncustodial parents, establishing paternity, obtaining child and spousal support, and assuring that assistance in obtaining support will be available to all children who request such assistance.	Noncustodial parent location, paternity establishment, establishment of child support orders, review and modification of child support orders, collection of child support payments, distribution of child support payments, and establishment and enforcement of medical support.
Community Services Block Grant	To reduce poverty, revitalize low-income communities, and empower low-income individuals and families in rural and urban areas to become fully self-sufficient.	A wide range of activities may be supported to help low-income individuals and families become self-sufficient; address the needs of youth in low-income communities; and effectively use and coordinate with related programs.
Emergency Food and Shelter Program	To provide shelter, food, and supportive services for homeless individuals nationwide.	Mass shelter, mass feeding, food distribution through food pantries and food banks, one-month utility payments to prevent service cutoff, one-month rent/mortgage payments to prevent evictions or help people leaving shelters to establish stable living conditions.
Foster Care	To provide temporary out-of-home care for children who cannot safely remain in their own homes, until the children may be safely returned home; placed permanently with adoptive families, in a legal guardianship, or with a fit and willing relative; or placed in another planned permanent living arrangement.	Payments to foster care providers to cover the costs of children's maintenance (e.g., room and board, clothing and supplies, liability insurance, certain travel expenses); and support for administrative and child placement services intended to promote safety and permanency for children and well-being for children and their families.
Head Start	To promote school readiness by enhancing the social and cognitive development of children through the provision of educational, health, nutritional, social and other services to children and their families; and (for Early Head Start) to promote healthy prenatal outcomes, enhance the development of infants and toddlers, and promote healthy family functioning.	Comprehensive child development services, including educational, dental, medical, nutritional, and social services to children and their families. Services may be center based, home-based, or a combination, and may be full- or part-day or full- or part-year.
Indian Human Services (Division of Human Services)	To provide financial assistance for needy American Indians who live on or near reservations; to support tribal programs to reduce substance abuse and alcoholism; to promote stability and security of American Indian tribes and families; and to improve Indian housing for low-income Indians.	Assistance in processing welfare applications, foster care assistance services, operation of emergency shelters and similar services; cash payments to meet basic needs; counseling and family assistance services, protective day care, after-school care; and renovations, repairs, or additions to existing homes.
Legal Services Corporation	To provide equal access to the justice system for individuals who seek redress of grievances and to provide high quality legal assistance to those would be otherwise unable to afford legal counsel.	Legal services in civil cases.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Older Americans Act: National Family Caregiver Support Program	To provide multifaceted systems of support services for family caregivers and grandparents or older individuals who are relative caregivers.	Assistance to caregivers in gaining access to services; individual counseling, support groups, and caregiver training in the areas of health, nutrition, and financial literacy; and supplemental services, on a limited basis, to complement the care provided by caregivers.
Older Americans Act Grants for Supportive Services and Senior Centers	To secure and maintain maximum independence and dignity in a home environment for older individuals capable of self-care with appropriate supportive services, to remove individual and social barriers to economic and personal independence for older individuals, and to provide a continuum of care for older individuals.	A large variety of services including health, mental health, education, transportation, housing, legal, abuse prevention, employment, and counseling for older individuals.
Social Services Block Grants	To promote economic self-sufficiency; prevent abuse or neglect of children; refer individuals into institutional care only when appropriate.	Variety of social services for children, families, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically disabled, and alcoholics and drug addicts.
Employment and training		
Community Service Employment for Older Americans	To enable eligible low-income individuals over age 55 to become self-sufficient through placement in community service positions and job training.	Part-time temporary community service jobs that pay at least minimum wage, job-related training, and supportive services that are necessary to enable an individual to participate in the program.
Foster Grandparent Program	To provide opportunities for older low-income people to have a positive impact on the lives of children in need.	Volunteer service (between 15 and 40 hours weekly), with hourly stipend, providing services to children with special or exceptional needs or with conditions or circumstances that limit their academic, social or economic development.
Job Corps	To assist eligible youth who need and can benefit from an intensive program, operated in a group setting in residential and nonresidential centers, to become more responsible, employable, and productive citizens.	Education and vocational training, including advanced career training; work experience; recreational activities; physical rehabilitation and development; job placement and counseling; and child care.
Social Services and Targeted Assistance for Refugees	To provide for the effective resettlement of refugees and to assist them to achieve economic self-sufficiency as quickly as possible.	Employability and other services that address participants' barriers to employment such as social adjustment services, interpretation and translation services, day care for children, citizenship and naturalization services. Services are designed to enable refugees to obtain jobs within 1 year of becoming enrolled.
Workforce Investment Act Adult Activities [Note A]	To assist eligible individuals in finding and qualifying for meaningful employment, and to help employers find the skilled workers they need to compete and succeed in business.	Services range from career counseling, job training, and supportive services such as transportation and child care.

**Appendix II: Information Provided by Agencies
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Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Workforce Investment Act Youth Activities [Note B]	To improve educational and skill competencies of youth and develop connections to employers, mentoring opportunities with adults, training opportunities, supportive services, incentives for recognition and achievement, and leadership opportunities.	Strategies to complete secondary school, alternative secondary school services, summer employment, work experience, occupational skill training, leadership development opportunities, supportive services, adult mentoring, follow-up services, and comprehensive guidance and counseling.
Work Opportunity Tax Credit	To increase job opportunities for specified groups of disadvantaged individuals.	Reduces the net cost to employers of hiring individuals who belong to specified groups.
Education		
21st Century Community Learning Centers	To create community learning centers that provide academic enrichment opportunities during non-school hours (i.e., before school, after school, or during summer sessions) to help students meet academic achievement standards, particularly for children who attend high-poverty and low-performing schools. Also offers families of participating students opportunities for literacy and related educational development.	Academic enrichment programs including math, science, arts, music, recreational, technology, and entrepreneurial education programs; activities for limited-English-proficient students; promoting parental involvement and family literacy; drug and violence prevention programs; counseling and character education programs.
Adult Education Grants to States (Adult Education and Family Literacy Act)	To assist adults to become literate and obtain the knowledge and skills necessary for employment and economic self-sufficiency; to assist adults who are parents to obtain the education and skills necessary to become full partners in the educational development of their children, and that lead to sustainable improvements in their family's economic opportunities; to assist adults in completing a secondary school education and in making the transition to postsecondary education and training; and to assist immigrants and other English language learners in improving their English reading, writing, speaking, and comprehension skills and mathematics skills, and in acquiring an understanding of the American system of government, individual freedom, and the responsibilities of citizenship.	Adult education and literacy activities, including adult education, literacy, workplace adult education and literacy activities, family literacy activities, English language acquisition activities, integrated English literacy and civics education, workforce preparation activities, and integrated education and training.
Education for the Disadvantaged- Grants to Local Educational Agencies (Title I, Part A)	To ensure that all children have a fair, equal and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging state academic achievement standards and state academic assessments.	Additional academic support and learning opportunities for students in prekindergarten through grade 12 that attend schools with high numbers or high percentages of children from low-income families to help low-achieving children master challenging curricula and meet state standards in core academic subjects.
Federal Pell Grants	To promote access to postsecondary education for low-income students.	Need-based grants (size of grant is capped by law) to eligible students at participating institutions of higher education.
Federal Supplemental Educational Opportunity Grants	To promote access to postsecondary education for low-income undergraduate students.	Grants to help students with the costs of postsecondary education.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Federal TRIO Programs	To motivate and assist students from disadvantaged backgrounds through outreach and support programs designed to help them move through the academic pipeline from middle school to post baccalaureate programs.	Academic instruction; personal, academic and career counseling; tutoring; exposure to cultural events and academic programs; stipends; and grant aid.
Federal Work-Study	To assist students in financing the costs of postsecondary education.	Federally subsidized part-time employment for students.
Gaining Early Awareness and Readiness for Undergraduate Programs	To assist low-income students attain a secondary school diploma or equivalent and prepare for and succeed in postsecondary education.	Special teacher training and early intervention services; e.g., counseling, mentoring, academic support, outreach, and supportive services designed to better promote high school graduation. Also college scholarships and other financial assistance needed for students served to be able to attend an institution of higher education.
Higher Education: Aid for Institutional Development programs and Developing Hispanic-Serving Institutions programs	To assist institutions of higher education that serve high percentages of low-income and minority students in improving their management, fiscal operations, and educational quality, to ensure access and equal educational opportunity for low-income and minority students.	Possible activities are broad and depend on the specific program. They may include, but are not limited to, assistance in planning; administrative management; development of academic programs; equipment and facilities assistance; staff development and tutoring.
Improving Teacher Quality State Grants	To increase student achievement through improving teacher and principal quality and increasing the number of highly qualified teachers, principals and assistant principals in classrooms and schools.	State and local activities include professional development, support for educator evaluation systems, provision of recruitment and retention bonuses to highly qualified teachers, and other means of improving teacher quality. At the school district level, also hiring highly qualified teachers to reduce class size.
Indian Education – Bureau of Indian Education	To provide comprehensive education programs and services for American Indians and Alaska Natives; to provide quality education opportunities from early childhood through life in accordance with the tribes' needs for educational, cultural and economic wellbeing in keeping with the wide diversity of Indian tribes and Alaska Native villages as distinct cultural and governmental entities.	Preschool, elementary, secondary, postsecondary and adult education at BIE-funded institutions, public schools, and postsecondary institutions; financial assistance for postsecondary education at accredited institutions.
Indian Education—Formula Grants to Local Educational Agencies	To support local educational agencies in their efforts to reform elementary school and secondary school programs that serve Indian students in order to ensure that such programs: (1) are based on challenging state academic content and student academic achievement standards that are used for all students; and (2) are designed to assist Indian students in meeting those standards.	Grant funds supplement the regular school program, and support comprehensive programs to meet the culturally related academic needs of Indian children. Funds support such activities as after-school programs, early childhood education, tutoring, and dropout prevention.

**Appendix II: Information Provided by Agencies
on Program Purpose and Type of Benefit or
Service for Low-Income Programs**

Program	Program purpose	Benefit or service provided
Mathematics and Science Partnerships	To improve the content knowledge of teachers and the performance of students in the areas of mathematics and science.	Enhanced professional development of math and science teachers, promotion of strong teaching skills, and summer workshops or institutes.
Rural Education Achievement Program	To address the unique needs of rural school districts that frequently lack the personnel and resources needed to compete effectively for federal competitive grants, and receive formula grant allocations in amounts too small to be effective in meeting their intended purposes.	A wide range of services to improve rural education through enhanced services for children, teacher training, and academic programs, including for limited English proficient children.
Title I Migrant Education Program	To help ensure that migratory children are afforded the same educational quality, opportunities, and assistance as other students.	Supplemental education and support services, tutoring, summer and extended-day instructional services, language development services, career education services and counseling; and other services.

Source: GAO analysis of survey responses. | GAO-15-516

Note: GAO did not independently verify the legal accuracy of this information. For more information on our methodology, see appendix I.

Note A: This program became Workforce Innovation and Opportunity Act Adult Activities on July 1, 2015

Note B: This program became Workforce Innovation and Opportunity Act Youth Activities on July 1, 2015

Appendix III: Information Provided by Agencies on Federal Obligations (Fiscal Year 2013) and Number Served for Low-Income Programs (Time Periods Vary)

Program (type of assistance)	Fiscal year 2013 obligations (in millions)	Number served	Time Period for number served (vary based on information provided by agencies)
Medicaid (health care)	\$287,454 [Note A]	Average of 57.4 million individuals (including 27.9 million children) per month; total of 72.8 million individuals were enrolled during the year (including 35 million children).	Average monthly based on fiscal year 2013; cumulative total for fiscal year 2013
Supplemental Nutrition Assistance Program (food assistance)	\$80,110 [Note B]	Average of 47.6 million individuals (or 23.1 million households) per month	Average monthly based on fiscal year 2013
Earned Income Tax Credit (cash aid)	\$57,513 [Note C]	27.9 million tax returns claimed the EITC (of these, 24.3 million had a credit that exceeded their tax liability)	Cumulative total for calendar year 2012
Supplemental Security Income (cash aid)	\$56,486 [Note D]	9.1 million individuals who received at least 1 payment during the year, not including those who only receive a state supplementary payment.	Calendar year 2013
Federal Pell Grants (education)	\$31,887	8.6 million students	Cumulative total for 2012-2013 school year
Voluntary Medicare Prescription Drug Benefit-Low-Income Subsidy (health care)	\$22,400 [Note E]	11.5 million beneficiaries	Calendar year 2013
Additional Child Tax Credit [Note F] (cash aid)	\$21,608	19.8 million tax returns	Cumulative total for calendar year 2012
Section 8 Housing Choice Vouchers (housing and development)	\$17,897	2.2 million households with 5.36 million persons	Single point-in-time (August 2014)
Temporary Assistance for Needy Families (cash aid, employment and training, and social services)	\$17,334 (of this amount, cash amount totaled \$6,200) [Note G]	Average of 3.5 million individuals receiving cash assistance per month (caseload average without state supplemental funds)	Average monthly for fiscal year 2014
Medical Care for Low- Income Veterans Without Service Connected Disability (health care)	\$13,764 [Note H]	1.4 million veterans	Cumulative total for fiscal year 2013
Education for the Disadvantaged – Grants to Local Educational Agencies (Title I, Part A)(education)	\$13,757	23.8 million students	Cumulative total for 2012-2013 school year
National School Lunch Program, free and reduced-price components (food assistance)	\$10,549 [Note I]	5,083 million lunches, and 222 million snacks	Cumulative total for fiscal year 2013
State Children’s Health Insurance Program (health care)	\$9,357	8.1 million children and 219,473 adults ever enrolled during the year	Cumulative total fiscal year 2013
Section 8 Project based Rental Assistance (housing and development)	\$8,820	1.2 million households with 2.1 million persons	Single point in time (March 2013)
Head Start (social services)	\$7,573	903,679 children	Single point in time for fiscal year 2013

**Appendix III: Information Provided
by Agencies on Federal Obligations
(Fiscal Year 2013) and Number Served for Low-
Income Programs (Time Periods Vary)**

Program (type of assistance)	Fiscal year 2013 obligations (in millions)	Number served	Time Period for number served (vary based on information provided by agencies)
Special Supplemental Nutrition Program for Women, Infants, and Children (food assistance)	\$6,946	8.7 million individuals	Average monthly participation for fiscal year 2013
Public Housing (housing and development)	\$5,834 [Note J]	1.1 million households with 2.34 million persons	Average number of individuals served at any time during this time period-July 2013 to October 2014.
Indian Health Service (health care)	\$5,661	2.2 million American Indians and Alaskan natives	Calendar year 2013
Veterans Pension and Survivors Pension (cash aid)	\$5,186	515,947 total; 308,995 veterans; 206,952 survivors	Average monthly caseload for fiscal year 2013
Child Care and Development Fund (social services)	\$5,123 [Note K]	1.5 million individuals	Average monthly for fiscal year 2013a (preliminary data)
Child Support Enforcement (social services)	\$4,244	39.3 million children and parents	Single point in time for fiscal year 2013
Foster Care (social services)	\$4,132	Average of 158,800 children per month	Cumulative total for fiscal year 2013
School Breakfast Program, free and reduced-price components (food assistance)	\$3,514	2.2 billion breakfasts served	Cumulative total for fiscal year 2013
Low-Income Home Energy Assistance Program (energy assistance)	\$3,255	Approximately 6.4 million households	Cumulative total for fiscal year 2013 (preliminary data)
Child and Adult Care Food Program, lower-income components (food assistance)	\$2,799	2 billion meals served	Cumulative total for fiscal year 2013
Community Development Block Grants (housing and development)	\$2,971 [Note L]	13.1 million individuals	Cumulative total for fiscal year 2013
Consolidated Health Centers (health care)	\$2,945 [Note M]	21.7 million individuals	Cumulative total for calendar year 2013
Improving Teacher Quality State Grants (education)	\$2,334	Agency does not track number served	n/a
Adoption Assistance (social services)	\$2,278	Average of 436,400 children per month	Average monthly number for fiscal year 2013
Ryan White HIV/AIDS Program (health care)	\$2,249	524,674 individuals	Cumulative total for calendar year 2013
Homeless Assistance Grants (housing and development)	\$2,086	760,000 individuals	Cumulative total for calendar year 2013
Nutrition Assistance Program for Puerto Rico (food assistance)	\$2,001 [Note N]	1.4 million households per month; 666,624 households on average per month	Average monthly number for fiscal year 2013
Job Corps (employment and training)	\$1,718 [Note O]	55,000 students	Cumulative total for program year 2013

**Appendix III: Information Provided
by Agencies on Federal Obligations
(Fiscal Year 2013) and Number Served for Low-
Income Programs (Time Periods Vary)**

Program (type of assistance)	Fiscal year 2013		Time Period for number served (vary based on information provided by agencies)
	obligations (in millions)	Number served	
Social Services Block Grant (social services)	\$1,613	29.6 million individuals	Cumulative total for fiscal year 2012
21st Century Community Learning Centers (education)	\$1,092	1.7 million students	Cumulative total for fiscal year 2013
Federal Work Study (education)	\$934	690,428 students	Cumulative total for 2012- 2013 school year
Home Investment Partnerships Program (housing and development)	\$919	5,100 multifamily rental units developed or rehabbed per year, with 463,000 total from the program inception (1992). Affordability terms are generally for 20 years.	Cumulative total for fiscal year 2013
Workforce Investment Act Youth Activities ^P (employment and training)	\$856 [Note P]	218,050 individuals	Cumulative total for program year 2012
Rural Rental Assistance Payments (housing and development)	\$837	285,000 housing units	Single point in time for fiscal year 2014-Sept. 2014
Federal TRIO Programs (education)	\$796	759,101 students	Cumulative total for fiscal year 2013
Higher Education: Aid for Institutional Development Programs and Developing Hispanic-serving Institutions Programs (education)	\$779	Agency does not track annual number served [Note Q]	n/a
Nutrition Service for the Elderly (food assistance)	\$765 (not all for low-income)	2.5 million individuals	Unduplicated count of people served during federal fiscal year 2012
Indian Education – Bureau of Indian Education (education)	\$754	365,000 students	Cumulative total for 2013 school year
Workforce Investment Act Adult Activities ^F (employment and training)	\$731 [Note R]	6.8 million individuals	Cumulative total for program year 2012 (July 1, 2012-June 30, 2013)
Federal Supplemental Educational Opportunity Grants (education)	\$698	1.6 million students	Cumulative total for 2013 school year
Community Services Block Grant (social services)	\$635	15.7 million individuals	Cumulative total for fiscal year 2013
Indian Housing Block Grant (housing and development)	\$627	360 grantees	Cumulative total for fiscal year 2013
Maternal and Child Health Block Grant (health care)	\$605	42.0 million individuals	Cumulative total for fiscal year 2013
Adult Education Grants to States (Adult Education and Family Literacy Act) (education)	\$564	1.7 million individuals	Single point in time: 2013 school year

**Appendix III: Information Provided
by Agencies on Federal Obligations
(Fiscal Year 2013) and Number Served for Low-
Income Programs (Time Periods Vary)**

Program (type of assistance)	Fiscal year 2013		Time Period for number served (vary based on information provided by agencies)
	obligations (in millions)	Number served	
Water and Waste Disposal Systems for Rural Communities (housing and development)	\$524	1.8 million individuals	Cumulative total for fiscal year 2013
Summer Food Service Program (food assistance)	\$437	150.7 million meals served	Cumulative total for fiscal year 2013
Community Service Employment for Older Americans (employment and training)	\$429 [Note S]	67,814 individuals	Cumulative total for program year (July 1, 2013-June 30, 2014)
Transitional Cash and Medical Services to Refugees (health care)	\$401	79,596 individuals	Fiscal year 2013
Supportive Housing for the Elderly (housing and development)	\$389	116,700 housing units	Single point in time fiscal year 2013 (March 2013)
Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program (social services)	\$378	77,023 individuals	New enrollees in fiscal year 2013 plus those who enrolled in previous years and received services at any point in fiscal year 2013.
Title I Migrant Education Program (education)	\$374	246,182 children and youth	Cumulative total for 2012 school year
Older Americans Act Grants for Supportive Services and Senior Centers (social services)	\$348 (not all for low-income)	11.7 million individuals	Fiscal year 2012
Legal Services Corp. (social services)	\$343	1.8 million individuals	Cumulative total for calendar year 2013
Housing Opportunities for Persons with AIDS (housing and development)	\$315	52,249 households	Cumulative total for fiscal year 2013
The Emergency Food Assistance Program (food assistance)	\$311 [Note T]	Agency does not track annual number served	n/a
Gaining Early Awareness and Readiness for Undergraduate Programs (education)	\$286	617,437 students	Number served at any point during fiscal year 2013
Family Planning (health care)	\$278	4.8 million individuals	Cumulative total for calendar year 2012
Social Services and Targeted Assistance for Refugees (employment and training)	\$197	318,514 individuals	Cumulative total for fiscal year 2013
National Breast and Cervical Cancer Early Detection Program (health care)	\$197	533,406 individuals	Cumulative total for fiscal year 2013
Commodity Supplemental Food Program (food assistance)	\$186	Average of 579,759 persons served per month	Monthly average served in fiscal year 2013
Rural Education Achievement Program (education)	\$170	5.1 million students	Single point in time- 2014 school year

**Appendix III: Information Provided
by Agencies on Federal Obligations
(Fiscal Year 2013) and Number Served for Low-
Income Programs (Time Periods Vary)**

Program (type of assistance)	Fiscal year 2013 obligations (in millions)	Number served	Time Period for number served (vary based on information provided by agencies)
Fresh Fruits and Vegetables Program (food assistance)	\$165	Agency does not track annual number served	n/a
Older American's Act: National Family Caregiver Support Program (social services)	\$146 (not all for low-income)	822,551 individuals	Fiscal year 2012
Mathematics and Science Partnerships (education)	\$141	1.8 million students	Cumulative total for fiscal year 2013
Chafee Foster Care Independence Program (social services)	\$140	641,000 individuals	Cumulative total for fiscal year 2013
Weatherization Assistance (energy assistance)	\$135 [Note U]	126,240 individuals/48,757 housing units	Cumulative total for 2013 Grantee Program year
Choice Neighborhoods Implementation Grants (housing and development)	\$117	4 grantees	Cumulative total for fiscal year 2013
Emergency Food and Shelter Program (social services)	\$114	9,371 local service organizations	Cumulative total for fiscal year 2013
Foster Grandparent Program (employment and training)	\$105	22,700 Volunteer Service Years	Cumulative total for fiscal year 2013
Supportive Housing for Persons with Disabilities (housing and development)	\$102	32,238 housing units	Cumulative total for calendar year 2014
Food Distribution Program on Indian Reservations (food assistance)	\$100	Average of 75,608 persons per month	Monthly average for fiscal year 2013
Indian Education- Formula Grants to Local Educational Agencies (education)	\$100	475,000 American Indian students	Single point in time 2013 school year
Indian Human Services (Division of Human Services) (social services)	\$100	56,319 individuals	Cumulative total for fiscal year 2013
Exclusion of Cash Public Assistance Benefits (cash aid)	[Note V]	Agency does not track annual number served	n/a
Low-Income Housing Tax Credit (housing and development)	[Note V]	Agency does not track annual number served [Note W]	n/a
Rental Housing Bonds Interest Exclusion (housing and development)	[Note V]	\$5,616 million in new money, long-term issues in 2012 for qualified residential rental facility bonds	Cumulative total for calendar year 2012
Work Opportunity Tax Credit (employment and training)	[Note X]	1.2 million individuals	Average number of approved certifications for fiscal year 2012 and fiscal year 2013. [Note Y]

Source: GAO analysis of survey responses. | GAO-15-516

Notes: Fiscal year 2013 obligation amounts are rounded to the nearest million. Amounts include total federal program costs, including program administration, research, and other related costs.

Note A: The federal total for Medicaid includes grants to states (\$286,920 million) as well as State Grants and Demonstrations (\$534 million).

**Appendix III: Information Provided
by Agencies on Federal Obligations
(Fiscal Year 2013) and Number Served for Low-
Income Programs (Time Periods Vary)**

Note B: Includes employment and training, the American Recovery and Reinvestment Act of 2009 (Recovery Act) supplement, and the Nutrition Block Grant for American Samoa.

Note C: Includes the refundable portion only.

Note D: Includes federal obligations and does not include state supplementary payments.

Note E: This total is aggregate reimbursements under the Low-Income Subsidy program in calendar year 2013 (from 2014 Medicare trustees' report).

Note F: The Additional Child Tax Credit is the refundable portion of the Child Tax Credit.

Note G: Includes TANF Family Assistance Grants to States, Healthy Marriage and Responsible Fatherhood Grants, Tribal Work Programs, and the TANF Contingency Fund. No information on the number of recipients of noncash services.

Note H: This amount is a subset of the amount for veterans in Priority 1-6 listed in the U.S. Budget Appendix, Fiscal Year 2015.

Note I: Includes costs for after school snacks.

Note J: Includes operating and capital funds. It does not include the Choice Neighborhoods program amount.

Note K: Includes obligations from Child Care Entitlement and the Child Care Development Block Grant.

Note L: Includes obligations for disaster relief.

Note M: Includes amount under the Patient Protection and Affordable Care Act and Federal Tort Claims Act.

Note N: Includes Recovery Act supplement.

Note O: The amount listed is from the U.S. Budget Appendix. The agency provided the program year amount (July 1 through June 30 of the following calendar year), which is based on its authorization and appropriation and is used to allocate funds and measure performance. That amount was \$1,479 million.

Note P: This program became the Workforce Innovation and Opportunity Act Youth Activities on July 1, 2015. The amount listed is from the U.S. Budget Appendix. The agency provided the program year amount (July 1 through June 30 of the following calendar year), which is based on its authorization and appropriation and is used to allocate funds and measure performance. That amount was \$781 million.

Note Q: These programs are not intended to provide services directly to individuals.

Note R: This program became the Workforce Innovation and Opportunity Act Adult Activities on July 1, 2015. The amount listed is from the U.S. Budget Appendix. The agency provided the program year amount (July 1 through June 30 of the following calendar year), which is based on its authorization and appropriation and is used to allocate funds and measure performance. That amount was \$731,000,000.

Note S: The amount listed is from the U.S. Budget Appendix. The agency provided the program year amount (July 1 through June 30 of the following calendar year), which is based on its authorization and appropriation that is used to allocate funds and measure performance. That amount was \$425 million.

Note T: Excludes bonus foods distributed through the Emergency Food assistance Program.

Note U: Approximate since some activities have not been closed out for grant period.

Note V: No federal spending in obligations.

Note W: Agency noted that under the Housing and Economic Recovery Act of 2008, state housing agencies were required to collect and submit demographic and economic information on tenants to the agency by September 31, 2010. The agency is still in the process of processing the data and these have not been made available.

Note X: No federal spending in obligations for the tax credit. However, in fiscal year 2013, the Department of Labor provided about \$18 million in grants to states to process certification requests for the Work Opportunity Tax Credit, according to the agency.

^YAccording to the agency, this number represents the number of individuals who applied for a job and were certified by a state workforce agency as being a member of a targeted group for the Work

**Appendix III: Information Provided
by Agencies on Federal Obligations
(Fiscal Year 2013) and Number Served for Low-
Income Programs (Time Periods Vary)**

Opportunity Tax Credit. They did not necessarily work long enough for the employer to receive the credit and an individual could be certified more than once in a fiscal year.

Appendix IV: List of Programs Based on Types of Income Eligibility or Targeting

Based on our analysis of agency responses to our survey, 49 of the 82 federal low-income programs we identified include income or financial eligibility requirements for potential recipients at the individual, household, or related level (see table 8). Thirty-three programs do not assess income eligibility at the individual (or related) level. Instead these programs allocate resources based on a measure of financial need, but offer services more broadly; give priority to those who are low-income; or serve a group that is presumed low-income or which tends to be disproportionately low-income. The table is not meant to be a comprehensive list of program eligibility criteria. For example, for certain programs, agencies reported that states have some flexibility to set specific financial eligibility criteria. Any such state-determined criteria are not shown in this table. The table also does not show any information provided on automatic or categorical eligibility. Additionally, agencies reported that some programs use other criteria, such as age, to determine eligibility in addition to income or financial requirements, which are not included in this table. If an agency reported that a program used more than one type of income eligibility criteria, we counted it only in one category.

Table 8: List of Federal Low-Income Programs Based on Types of Income Eligibility or Targeting

Programs That Have Some Type of Income Eligibility Criteria at the Individual, Household or Related Level

**Type of income eligibility criteria or low-income targeting and description
(number of programs using this type)**

Federal poverty guidelines: These are based on the official poverty thresholds and determined by HHS on an annual basis. [Note A] The federal poverty guideline in 2013 for a household of one was \$11,490 (for most states and Washington, D.C.).

Programs may use eligibility criteria based on certain percentages of the federal poverty guidelines.

For example, eligible households for the Supplemental Nutrition Assistance Program (if not automatically eligible) generally must have gross monthly income no higher than 130% of federal poverty guidelines, a net monthly income no higher than 100% of the federal poverty guidelines and limited liquid assets. (20 programs)

Food assistance:

- Child and Adult Care Food Program [Note B]
- Commodity Supplemental Food Program*
- Food Distribution Program on Indian Reservations
- National School Lunch Program (free and reduced-price)
- School Breakfast Program (free and reduced-price)
- Special Supplemental Food Program for Women, Infants and Children (WIC)
- Supplemental Nutrition Assistance Program (SNAP)

Health care:

- Medicaid*
- State Children’s Health Insurance Program*
- Voluntary Medicare Prescription Drug Benefit Low Income Subsidy

Energy assistance:

- Low-Income Home Energy Program (LIHEAP) [Note C]*
- Weatherization Assistance

Social services:

- Community Services Block Grant*
- Head Start
- Legal Services Corporation

Employment and training:

- Community Service Employment for Older Americans
- Foster Grandparents Program
- Job Corps
- Workforce Investment Act Youth Activities [Note D]

Education

- Federal TRIO Programs

**Appendix IV: List of Programs Based on Types
of Income Eligibility or Targeting**

Programs That Have Some Type of Income Eligibility Criteria at the Individual, Household or Related Level (continued)

Type of income eligibility criteria or low-income targeting and description

(number of programs using this type)

Program names

Area Median Income and related measures:

Various percentages of area median income are used to determine eligibility and/or target program benefits. For example, in the Section 8 Housing Choice Vouchers program, eligible families must be “very low-income” (with incomes no higher than 50% of area median income), but 75% of vouchers that become available each year must go to families that are “extremely low-income” (incomes no higher than 30% of area median income).

(9 programs)

Housing and development:

- HOME Investment Partnerships Program
- Housing Opportunities for Persons with AIDS
- Public Housing
- Rural Rental Assistance Payments
- Section 8 Housing Choice Vouchers
- Section 8 Project Based Rental Assistance
- Supportive Housing for Persons with Disabilities
- Supportive Housing for the Elderly

Social services:

- Child Care and Development Fund*

Specified income threshold: Thresholds can vary by household size and/or other criteria and may be updated annually. For example, in general, the income limit in 2013 for an individual receiving SSI was \$1,505 for someone whose countable income was only from wages and \$730 for someone whose countable income was not from wages. For a couple, it was \$2,217 and \$1086, respectively.

(7 programs)

Cash aid:

- Additional Child Tax Credit
- Earned Income Tax Credit
- Veterans Pension and Survivors Pension
- Supplemental Security Income

Health care:

- Medical Care for Low-Income Veterans without Service-Connected Disability [Note E]

Social services:

- Adoption Assistance [Note F]
- Foster Care [Note F]

Needs analysis: Certain education programs use a needs analysis to determine the amount of aid a student is eligible to receive, based on family income and assets.

(3 programs)

Education:

- Federal Pell Grants
 - Federal Supplemental Educational Opportunity Grants
 - Federal Work Study
-

**Appendix IV: List of Programs Based on Types
of Income Eligibility or Targeting**

Programs That Have Some Type of Income Eligibility Criteria at the Individual, Household or Related Level (continued)

Type of income eligibility criteria or low-income targeting and description

(number of programs using this type)

Program names

Defined at the state or local level: Financial eligibility criteria is set or defined by states, localities, or other entities administering the benefits.

For example, under TANF, states determine the income and asset criteria for eligible families with children.

(7 programs)

Cash aid, social services, and employment and training:

- Temporary Assistance for Needy Families

Food assistance:

- The Emergency Food Assistance Program
- Nutrition Assistance Program for Puerto Rico [Note G]

Health care:

- Ryan White HIV/AIDS Program

Social services:

- Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program
- Emergency Food and Shelter
- Social Services Block Grant [Note H]

Other: These programs have other types of income eligibility requirements at the individual, household, or related level, not captured above.

(3 programs)

Cash aid:

- Exclusion of Cash Public Assistance Benefits

Health care:

- Transitional Cash and Medical Services to Refugees

Employment and training

- Work Opportunity Tax Credit
-

**Appendix IV: List of Programs Based on Types
of Income Eligibility or Targeting**

Programs Targeted to Low-Income Populations with No Individual Income Eligibility Criteria

Description of type of low-income targeting (number of programs using this type)	Name of programs
<p><u>Target area, entity, or group using a measure of financial need:</u> Resources for these programs are generally allocated based on a measure of financial need, such as the number of low-income children (based on federal poverty guidelines) in a certain area; however, benefits or services may serve a broader group. For example, funds for the Education for the Disadvantaged-Grants to Local Educational Agencies (Title I, Part A) program are allocated to school attendance areas and schools based on the number of children from low-income families. Depending on the percentage of low-income students in a school, schools funded by this program may serve all students, or must focus services on low-achieving students in the school.</p> <p>(15 programs)</p>	<p><u>Food assistance:</u></p> <ul style="list-style-type: none"> • Fresh Fruits and Vegetables Program • Summer Food Service Program <p><u>Health care:</u></p> <ul style="list-style-type: none"> • Consolidated Health Centers <p><u>Housing and development:</u></p> <ul style="list-style-type: none"> • Choice Neighborhoods Implementation Grants • Community Development Block Grants • Indian Housing Block Grants • Water and Waste Disposal Systems for Rural Communities <p><u>Social Services:</u></p> <ul style="list-style-type: none"> • Indian Human Services (Division of Human Services) <p><u>Education:</u></p> <ul style="list-style-type: none"> • 21st Century Community Learning Centers • Education for the Disadvantaged-Grants to Local Educational Agencies (Title I, Part A) • Gaining Early Awareness and Readiness for Undergraduate Programs • Higher Education: Aid for Institutional Development programs and Developing Hispanic-Serving Institutions programs • Improving Teacher Quality State Grants • Mathematics and Science Partnerships • Rural Education Achievement Program

Appendix IV: List of Programs Based on Types of Income Eligibility or Targeting

Programs Targeted to Low-Income Populations with No Individual Income Eligibility Criteria (continued)

Description of type of low-income targeting (number of programs using this type)	Name of programs
<p><u>Priority for low income:</u> These programs give priority to those who are low-income, but serve a broader group. For example, the Nutrition Service for the Elderly generally serves individuals who are 60 and older, but preference is given to individuals with the greatest economic and social needs, with particular attention to low-income older individuals. (10 programs)</p>	<p><u>Food assistance:</u></p> <ul style="list-style-type: none"> • Nutrition Service for the Elderly <p><u>Health care:</u></p> <ul style="list-style-type: none"> • Family Planning • Maternal and Child Health Block Grant* • National Breast and Cervical Cancer Early Detection Program <p><u>Housing and development:</u></p> <ul style="list-style-type: none"> • Low Income Housing Tax Credit • Rental Housing Bonds Interest Exclusion <p><u>Social services:</u></p> <ul style="list-style-type: none"> • Child Support Enforcement • Older Americans Act: National Family Caregiver Support Program • Older Americans Act Grants for Supportive Services and Senior Centers <p><u>Employment and Training:</u></p> <ul style="list-style-type: none"> • Workforce Investment Act Adult Activities [Note I]
<p><u>Program target population is presumed to be low-income or tends to be low-income:</u> These programs generally do not use a specific measure of need, but are included in the inventory because they target groups presumed to be low-income or which tend to be disproportionately low-income. (8 programs)</p>	<p><u>Health care:</u></p> <ul style="list-style-type: none"> • Indian Health Service <p><u>Housing and development:</u></p> <ul style="list-style-type: none"> • Homeless Assistance Grants <p><u>Social services:</u></p> <ul style="list-style-type: none"> • Chafee Foster Care Independence Program <p><u>Employment and training:</u></p> <ul style="list-style-type: none"> • Social Services and Targeted Assistance for Refugees <p><u>Education:</u></p> <ul style="list-style-type: none"> • Adult Education Grants to States (Adult Education and Family Literacy Act) • Indian Education – Bureau of Indian Education [Note J] • Indian Education – Formula Grants to Local Educational Agencies • Title I Migrant Education Program

Source: GAO analysis of agency survey responses. GAO did not independently verify the legal accuracy of the information provided. | GAO-15-516

Notes: This table is not a comprehensive list of the program eligibility criteria identified by the agencies. For example, this table does not include any state-determined income or financial eligibility

**Appendix IV: List of Programs Based on Types
of Income Eligibility or Targeting**

criteria, any automatic or categorical eligibility criteria, or any nonfinancial criteria used to determine eligibility in addition to income or financial requirements.

*For these programs, the agency reported that states may establish their own eligibility criteria within federal parameters, for some or all portions of the program.

Note A: The federal poverty guidelines issued by HHS are a simplified version of the official poverty thresholds issued by Census. The Omnibus Budget Reconciliation Act of 1981 requires HHS to update the poverty guidelines at least annually, adjusting them on the basis of the Consumer Price Index for All Urban Consumers. 42 U.S.C. § 9902(2). There are some differences between the federal poverty guidelines and the official poverty thresholds. For instance, the guidelines vary by family size, while the poverty thresholds vary by family size, number of children, and, for households with one or two people, whether these members are elderly. In addition, due to differences in the timing of when each measure is updated, the poverty guidelines are approximately equivalent to the poverty thresholds for the prior year.

Note B: For free or reduced price meals served to individuals in centers. All meals served in homes are free; providers receive higher reimbursement if they are low-income or in a low-income area.

Note C: Financial eligibility is based on the state's choice between up to 150 percent of federal poverty guidelines or 60 percent of area median income, whichever is higher, but no lower than 110 percent of federal poverty guidelines.

Note D: Financial eligibility could also be based on Department of Labor's Lower Living Standard criteria. This program became Workforce Innovation and Opportunity Act Youth Activities on July 1, 2015.

Note E: Financial eligibility is based on meeting both a specified income threshold and an area median income threshold.

Note F: Financial eligibility is based on income eligibility criteria as of 1996 under a former program, Aid for Families with Dependent Children. Under the Fostering Connections to Success and Increasing Adoptions Act of 2008, income related eligibility criteria are phased out for children entering the Adoption Assistance program beginning in fiscal year 2010 and no income eligibility criteria will remain by fiscal year 2018.

Note G: Defined by annual agreement between the U.S. Department of Agriculture and Puerto Rico.

Note H: However, any funds transferred into the Social Services Block Grant from the Temporary Assistance for Needy Families program must be used to serve children and their families whose incomes are no greater than 200 percent of the federal poverty guidelines.

Note I: This program became Workforce Innovation and Opportunity Act Adult Activities on July 1, 2015.

Note J: Although there are no financial eligibility requirements for elementary and secondary students, otherwise eligible students accepted or enrolled at an accredited institution of higher education must be determined to have financial need by the institution's financial aid offices.

Appendix V: Federal Agencies' Evaluation Efforts for Five Selected Programs

We collected descriptive information on the recent efforts of federal agencies to evaluate five selected programs: the Earned Income Tax Credit (EITC), Section 8 Housing Choice Vouchers (Section 8 Vouchers), Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), and Temporary Assistance for Needy Families (TANF). We selected these programs because they are financially large programs, meet basic needs through different types of assistance, and vary in how benefits are administered. We focused on impact evaluations¹²¹ conducted or sponsored by the respective agencies, published in 2010 or later, that were related to participant outcomes (excluding, for example, those related to program processes, operations, or integrity).¹²² In addition to evaluations, we looked at other recent research conducted or sponsored by the respective agencies that provided information on program participants. For each program, we also looked at performance measures, focusing on those related to participant outcomes. In addition, we reviewed agency information available online (e.g., evaluations, research, and annual performance reports) and conducted semi-structured interviews with knowledgeable agency officials. Federal administering agencies are: the Department of the Treasury (Treasury) for EITC, the Department of Housing and Urban Development (HUD) for Section 8 Vouchers, the Department of Agriculture (USDA) for SNAP, Social Security Administration (SSA) for SSI, and Department of Health of Human Services (HHS) for TANF.

Evaluations

Four of the five agencies conducted or sponsored recent evaluations related to participant outcomes for their respective selected programs. Evaluations focused on a range of subjects, including employment practices and self-sufficiency (TANF, SSI, Section 8 Vouchers), food

¹²¹Impact evaluation is a form of outcome evaluation that assesses the net effect of a program by comparing program outcomes with an estimate of what would have happened in the absence of the program. This type of study is conducted when external factors are known to influence the program outcomes, in order to isolate the program's contribution to the achievement of its objectives.

¹²²For the purposes of this report, we focused on evaluations and performance measures related to program outcomes and did not include agencies' efforts for the five programs related to measuring and improving program efficiencies or accountability measures or studies. For all of the programs, agencies had efforts in place to measure or study ways to improve program administration, such as those related to eligibility determination processes, client services, or identification and reduction of improper payments. We did not identify all of these efforts or assess them.

security and healthy food consumption (SNAP), and family outcomes (Section 8 Vouchers), among others (see table 9; see table 10 at the end of this section for full names of evaluations). Unlike the four spending programs we examined, the Department of the Treasury (Treasury) does not conduct program evaluations related to program outcomes on the EITC or any other tax expenditure. In our prior work, we have recommended that the Office of Management and Budget (OMB) set up a performance evaluation framework for tax expenditures, which represent a substantial federal commitment.¹²³ However, Treasury staff are aware of and contribute to the academic research on participant outcomes related to the EITC, such as on work, poverty, and household income.¹²⁴

Agencies administering Section 8 Vouchers, SNAP, SSI and TANF generally did not evaluate their respective programs as a whole, with the exception of USDA's evaluation of SNAP's effect on food security and food spending. Instead, these agencies typically evaluated different practices within the program, often experimenting with new and innovative practices. For example, the SNAP Healthy Incentives Pilot Evaluation was aimed at testing new types of financial incentives designed to make fruits and vegetables more affordable for SNAP participants. Another example is TANF's Pathways to Advance Career Education evaluation, which is currently testing promising strategies for increasing employment and self-sufficiency among low-income families. Many evaluations across the four programs were also conducted to study the effects of the program on particular sub-populations of participants. For example, SSA's Youth Transition Demonstration tested strategies designed to help youth with disabilities who were receiving SSI to transition to economic self-sufficiency as adults, while USDA had evaluations looking at food security among the elderly and working poor populations.

¹²³Because these expenditures are not evaluated, GAO concluded it is difficult to determine their performance; including costs, benefits, and whether they achieve program goals. See: GAO, *Tax Expenditures Represent a Substantial Federal Commitment and Need to Be Reexamined*, [GAO-05-690](#) (Washington, D.C.: September 23, 2005); *Tax Expenditures: Background and Evaluation Criteria and Questions*, [GAO-13-167SP](#) (Washington, D.C.: November 29, 2012).

¹²⁴For example, a recent literature review looking at participant effects of the EITC on work, household income, poverty, and other issues, includes research conducted by Treasury staff. See, A. Nichols and J. Rothstein, *The Earned Income Tax Credit (EITC)*, Working Paper 21211, (Cambridge, MA: National Bureau of Economic Research, May 2015).

Appendix V: Federal Agencies' Evaluation Efforts for Five Selected Programs

Table 9: Federal Agencies' Recent Efforts to Evaluate Program Effects on Participant Outcomes for Five Selected Programs, 2010 or Later

Program (federal administering agency)	Program purpose	Areas of recent evaluation related to participant outcomes (see the list of evaluations at the end of this appendix for the full citations and web links)
Earned Income Tax Credit (Treasury)	To offset the burden of taxes, including Social Security taxes, and provide an incentive to work.	Tax expenditures are not evaluated for performance [Note A]
Section 8 Housing Choice Vouchers (HUD)	To help very low-income families afford decent, safe, and sanitary housing in the private market.	<p><i>Family outcomes</i></p> <ul style="list-style-type: none"> • Effects of moving very low-income families, including voucher recipients, to lower-poverty neighborhoods on a range of family outcomes. • Effects of the Family Self-Sufficiency program on employment and earnings, including for voucher recipients. • Impact of various housing and services interventions on homeless families. • Impact of alternatives to current rent structure.
Supplemental Nutrition Assistance Program (SNAP) (USDA)	To alleviate hunger and malnutrition and permit low-income households to obtain a more nutritious diet by increasing their food purchasing power.	<p><i>Food security and SNAP accessibility</i></p> <ul style="list-style-type: none"> • SNAP effect on food security for all types of households. • Effects of strategies to facilitate SNAP access for underserved elderly and working poor populations. <p><i>Food choices and education</i></p> <ul style="list-style-type: none"> • Effects of financial incentives on SNAP recipients' consumption of healthier food. • Effects of nutrition education on SNAP recipients' consumption of healthier food.
Supplemental Security Income (SSI) (SSA)	To provide a minimum income for aged, blind, or disabled individuals who have very limited income and assets	<p><i>Job readiness and economic self-sufficiency</i></p> <ul style="list-style-type: none"> • Ticket to Work and Self-Sufficiency program effects on employment for disability beneficiaries, including SSI recipients. • Effects of strategies to help youth receiving SSI become economically self-sufficient as they transition to adulthood. <p><i>Special populations</i></p> <ul style="list-style-type: none"> • Effects of services to promote education and employment outcomes for SSI youth recipients. • Accessibility of SSI benefits for homeless persons with disabilities. • Effects of pilot strategies examining the overlap between SSI and TANF programs and populations; strategies look at a variety of outcomes, including employment and provision and coordination of services

Appendix V: Federal Agencies' Evaluation Efforts for Five Selected Programs

Program (federal administering agency)	Program purpose	Areas of recent evaluation related to participant outcomes (see the list of evaluations at the end of this appendix for the full citations and web links)
Temporary Assistance for Needy Families (TANF) (HHS)	<p>To increase state flexibility in operating programs designed to:</p> <ul style="list-style-type: none"> • Provide assistance (help children cared for in their homes/relative homes); • End dependency on government benefits by promoting job preparation, work, and marriage; • Prevent/reduce out-of-wedlock pregnancies; and • Encourage two-parent families. 	<p><i>Employment and self-sufficiency</i></p> <ul style="list-style-type: none"> • Effects of strategies and programs (e.g. job search assistance) to promote employment and self-sufficiency among low-income families and TANF recipients (multiple evaluations). • Effects of strategies promoting employment opportunities in health professions, including for TANF recipients. • Effects of strategies enhancing employment services for the hard-to-employ, including for TANF recipients. • Effects of strategies promoting employment retention and advancement strategies, including for TANF recipients. • <i>(Also see above on overlap of TANF and SSI programs and populations)</i>

Source: Program purpose from agency responses to GAO survey; evaluation and research efforts based on review of agency documents and interviews with agency officials. | GAO-15-516

Notes: This includes evaluations conducted or sponsored by the agency that were started or published in 2010 or later. It excludes evaluations that are conducted on program processes, operations, or program integrity.

Federal agency abbreviations are as follows: HHS = Department of Health and Human Services; HUD = Department of Housing and Urban Development; SSA = Social Security Administration; Treasury = Department of the Treasury; USDA = Department of Agriculture.

Note A: Tax expenditures, including the EITC are not evaluated for performance. (In prior GAO work, we have recommended that the Office of Management Budget set up a performance evaluation framework for tax expenditures.) However, Treasury staff are aware of and contribute to academic research on participant outcomes related to the EITC.

For each of the four programs, the agencies conducted evaluations for a variety of reasons. Some of the programs' evaluations were required by law. For example, HUD was required by law to conduct the Moving to Opportunity for Fair Housing demonstration program evaluation, which presented the long-term impacts of moving people, including Section 8 Voucher recipients, from high-poverty neighborhoods in large inner cities to lower-poverty neighborhoods.¹²⁵ Other evaluations we reviewed were determined by the agencies, often in line with a larger evaluation plan or strategy aimed at supporting certain agency goals, according to officials from the HHS, USDA, and HUD. For example, USDA's evaluations on education programs to promote healthier eating for low-income children, women, and seniors was based on USDA's goals, according to officials.

¹²⁵The Moving to Opportunity for Fair Housing demonstration program was authorized by section 152 of the Housing and Community Development Act of 1992. The authorizing legislation charged HUD with describing "the long-term housing, employment, and educational achievements of the families assisted under the demonstration program."

Officials told us findings from evaluations have helped inform program design and administration at the federal and state level. For example, based on findings from the Ticket to Work and Self-Sufficiency Evaluations, SSA officials said the agency changed the program's design to incentivize service providers to serve disability beneficiaries who are more difficult to employ. Agency officials told us they frequently share findings and best practices with state agencies administering the programs to inform their program or policy decisions. For example, USDA officials stated that the SNAP Education and Evaluation studies have helped several states develop their own SNAP education programs. Agencies disseminated findings to administrators and other interested parties through various channels, including research clearinghouses, journals, conferences, and agency websites. Officials from these four agencies told us that evaluation findings also helped them determine financial decisions, such as resource allocation, or to provide support for budget requests to Congress.

Agencies faced a number of challenges with regards to their evaluation efforts, including financial, methodological, and administrative limitations. Agency officials informed us that large-scale, multi-year evaluations are resource intensive, and limited or short-term funding can make it difficult to perform these evaluations, particularly for program wide research. Officials from USDA informed us that it is helpful when money is designated by law for specific evaluations, as was the case with the Healthy Incentives Pilot, which was designated funding in the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). According to officials, methodological challenges can also limit their evaluation efforts. For example, SNAP and SSI benefits generally must be provided to eligible applicants, which makes it difficult to establish a control group.¹²⁶ Under TANF, states generally design and administer their own programs, making it difficult to assess the program more broadly. Furthermore, HHS officials informed us that state and local TANF administrators are not required to participate in evaluations. Therefore, it can be difficult to persuade them to participate because of the burden of additional work and costs that evaluations may create for them. We recently found that the structure of TANF can present challenges for HHS to conduct

¹²⁶To address this problem, USDA's Food and Nutrition Service (FNS) surveyed people who had just come on the program. FNS asked them about their food insecurity the month prior to starting SNAP. They then resurveyed them 6 months later—after they had been on SNAP—and compared the results.

evaluations and how this may leave TANF recipients without access to promising approaches for employment.¹²⁷

Other Related Research

Agencies administering SNAP, SSI, TANF, and Section 8 Vouchers also sponsored other recent research—that were not impact evaluation studies—that informed their understanding of program participants, including when participants receive benefits from other similar programs. Some research we reviewed provides information on participants, such as their demographic characteristics and economic circumstances. For example, USDA conducted research on the characteristics and circumstances of SNAP participants with zero income by using Census' Survey and Income Program Participation (SIPP) data to conduct cross-sectional and longitudinal analysis that would not have been possible with USDA administrative data alone. Other studies provided information on participants' or potential participants' experiences with the programs, such as need for assistance or reasons for participating, leaving, or returning to the program (Section 8 Vouchers, SNAP, SSI, TANF). Agency research also identified experiences and challenges that participants faced outside of the program, such as crime (Section 8 Vouchers), education (Section 8 Vouchers, SSI), and health issues (SSI). Agencies also conducted cross-program research, which included examining the extent to which program participants received other benefits, such as HHS's annual Indicators of Welfare Dependence reports, which analyze statistics indicating and predicting welfare dependence among TANF, SNAP, and SSI recipients.¹²⁸ Agencies also work across programs to conduct research regarding large cross-cutting goals, such as interagency research related to ending or preventing homelessness.

¹²⁷ GAO, *Temporary Assistance for Needy Families: Action Is Needed to Better Promote Employment-Focused Approaches*, [GAO-15-31](#) (Washington, D.C.: November 19, 2014). In this report we recommended HHS should issue guidance to clarify how the career pathways approach can be used by TANF agencies and identify potential changes to address the lack of incentives in the TANF program.

¹²⁸ Department of Health and Human Services, Office of the Assistance Secretary for Planning and Evaluation, *Indicators of Welfare Dependence, Annual Report to Congress*, <http://aspe.hhs.gov/hsp/indicators-rtc/index.cfm>

Performance Measures

The four selected direct spending programs also track program performance measures, including those related to participant outcomes as well as performance measures related to administrative performance. Examples of outcome focused performance measures include those related to employment (TANF, SSI, Section 8 Vouchers), food security (SNAP), and the level of poor housing situations (Section 8 Vouchers). Measures focused on administrative performance include those related to payment accuracy (SSI, SNAP), participation rates (TANF), and utilization rates (Section 8 Vouchers).

Selected GAO Reports on Program Evaluation

Program Evaluation: Some Agencies Reported that Networking, Hiring, and Involving Program Staff Help Build Capacity, [GAO-15-25](#) (Washington, D.C.: November 13, 2014).

Program Evaluation: Strategies to Facilitate Agencies' Use of Evaluation in Program Management and Policy Making, [GAO-13-570](#) (Washington, D.C.: June 26, 2013).

Performance Measurement and Evaluation: Definitions and Relationships (Supersedes GAO-05-739SP), [GAO-11-646SP](#) (Washington, D.C.: May 2, 2011).

Program Evaluation: Experienced Agencies Follow a Similar Model for Prioritizing Research, [GAO-11-176](#) (Washington, D.C.: July 14, 2011).

Program Evaluation: A Variety of Rigorous Methods Can Help Identify Effective Interventions, [GAO-10-30](#) (Washington, D.C.: November 23, 2009).

Program Evaluation: An Evaluation Culture and Collaborative Partnerships Help Build Agency Capacity, [GAO-03-454](#) (Washington, D.C.: May 2, 2003).

Selected GAO Reports Related to Selected Programs

TANF: Action Is Needed to Better Promote Employment-Focused Approaches, [GAO-15-31](#) (Washington, D.C.: November 19, 2014).

Rental Housing Assistance: HUD Data on Self-Sufficiency Programs Should Be Improved, [GAO-13-581](#) (Washington, D.C.: July 9, 2013).

Moving to Work Demonstration: Improved Information and Monitoring Could Enhance Program Assessment, [GAO-13-724T](#) (Washington, D.C.: June 26, 2013).

TANF Potential Options to Improve Performance and Oversight, [GAO-13-431](#) (Washington, D.C.: May 15, 2013).

Tax Expenditures: Background and Evaluation Criteria and Questions [GAO-13-167SP](#) (Washington, D.C.: November 29, 2012).

Social Security Disability: Participation in the Ticket to Work Program Has Increased, but More Oversight Needed, [GAO-11-828T](#) (Washington, D.C.: September 23, 2011).

Domestic Food Assistance: Complex System Benefits Millions, but Additional Efforts Could Address Potential Inefficiency and Overlap among Smaller Programs, [GAO-10-346](#) (Washington, D.C.: April 15, 2010).

Government Performance and Accountability: Tax Expenditures Represent a Substantial Federal Commitment and Need to Be Reexamined, [GAO-05-690](#) (Washington, D.C.: September 23, 2005).

Source: GAO | GAO-15-516

Appendix V: Federal Agencies' Evaluation Efforts for Five Selected Programs

Table 10: Titles of Impact Evaluations That Focus on Participant Outcomes by Program, Started or Completed 2010 or Later

	Time Period of Evaluation(s)	Name and Website of Evaluations
Section 8 Housing Choice Vouchers	2005-2011	Evaluation of the Family Self-Sufficiency Program: Prospective Study http://www.huduser.org/portal/publications/FamilySelfSufficiency.pdf
	2010-2016*	Family Options Study http://www.huduser.org/portal/family_options_study.html
	1994-2011	Moving to Opportunity for Fair Housing Demonstration Program - Final Impacts Evaluation http://www.huduser.org/portal/publications/pubasst/MTOFHD.html
	2012-N/A*	Rent Reform Demonstration http://www.mdrc.org/project/rent-reform-demonstration#overview
Supplemental Nutrition Assistance Program (SNAP)	2010-2014	Evaluation of the Effectiveness of Pilot Projects in Increasing SNAP Participation among Medicare's Extra Help Population http://www.fns.usda.gov/evaluation-effectiveness-pilot-projects-increasing-supplemental-nutrition-assistance-program-snap
	2011-2014	Healthy Incentives Pilot Evaluation http://www.fns.usda.gov/healthy-incentives-pilot-final-evaluation-report
	2011-2014	Measuring the Effect of SNAP Participation on Food Security http://www.fns.usda.gov/measuring-effect-snap-participation-food-security-0
	2009-2014	Reaching Underserved Elderly and Working Poor SNAP Evaluation http://www.fns.usda.gov/reaching-underserved-elderly-and-working-poor-snap-evaluation-findings-fiscal-year-2009-pilots
	2010-2013	SNAP Education and Evaluation Study http://www.fns.usda.gov/snap-education-and-evaluation-study-wave-i-final-report
Supplemental Security Income (SSI)	2009-2014	Improving Access to Benefits for Persons with Disabilities Who Were Experiencing Homelessness: An Evaluation of the Benefits Entitlement Services Team Demonstration Project http://www.ssa.gov/policy/docs/ssb/v74n4/v74n4p45.html
	2014-2022*	Promoting Readiness of Minors in SSI (PROMISE)- Evaluation Design Report http://www.ssa.gov/disabilityresearch/promise.htm
	2008-2013	TANF/SSI Disability Transition Project, http://www.acf.hhs.gov/programs/opre/research/project/tanf/ssi-disability-transition-project
	2002-2013	Ticket to Work Evaluations http://www.ssa.gov/disabilityresearch/twe_reports.htm
	2006-2014	Youth Transition Demonstration Evaluation http://www.ssa.gov/disabilityresearch/youth.htm
	2010-2013	Youth Transitioning Out of Foster Care: An Evaluation of a Supplemental Security Income Policy Change http://www.ssa.gov/policy/docs/ssb/v73n3/v73n3p53.html
Temporary Assistance for Needy Families (TANF)	1998-2011	Employment Retention and Advancement Project http://www.ssa.gov/policy/docs/ssb/v73n3/v73n3p53.html .
	2001-2012	The Enhanced Services for the Hard-to-Employ (HtE) Demonstration and Evaluation Project http://www.acf.hhs.gov/programs/opre/research/project/enhanced-services-for-the-hard-to-employ-demonstration-and-evaluation
	2011-2015*	Health Profession Opportunity Grants (HPOG) Impact Study http://www.acf.hhs.gov/programs/opre/research/project/evaluation-portfolio-for-the-health-profession-opportunity-grants-hpog
	2013-2018*	Job Search Assistance (JSA) Strategies http://www.acf.hhs.gov/programs/opre/research/project/job-search-assistance-evaluation

Appendix V: Federal Agencies' Evaluation Efforts for Five Selected Programs

2007-2017*	Pathways to Advance Career Education (PACE) http://www.acf.hhs.gov/programs/opre/research/project/innovative-strategies-for-increasing-self-sufficiency
2010-2017*	Subsidized and Transitional Employment Demonstration (STED) http://www.acf.hhs.gov/programs/opre/research/project/job-search-assistance-evaluation
2008-2013	TANF/SSI Disability Transition Project (listed above under SSI)

Source: Evaluations were collected by reviewing agency websites and interviewing agency officials. | GAO-15-516

Note: Evaluations with an asterisk are still in progress at the time of this report. In some instances, agencies released issue reports prior to the final evaluation publication.

Appendix VI: Comments from the Department of Housing and Urban Development



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-6000

ASSISTANT SECRETARY FOR
POLICY DEVELOPMENT AND RESEARCH

July 14, 2015

Kay E. Brown
Director
Education, Workforce,
and Income Security Issues
Government Accountability Office
441 G St NW
Washington, DC 20548

Dear Ms. Brown,

On behalf of Secretary Julián Castro, thank you for the opportunity to review and comment on the Government Accountability Office (GAO) report, “Federal Low Income Programs: Multiple Programs Target Diverse Populations and Needs,” (GAO-15-516).

The report presents valuable information and findings on the low-income families assisted by a variety of federal programs, including rental assistance programs administered by the Department of Housing and Urban Development (HUD). HUD does have some continuing specific concerns with some aspects of the report. These concerns are outlined here with additional detailed comments provided as an attachment.

The Census Bureau’s Supplemental Poverty Measure (SPM) is a potentially powerful information and analytical tool that can be used to assess economic conditions and levels of need among the American people, as well as to assess the effectiveness of programs in meeting and overcoming those needs.¹ However, because the SPM is relatively new many readers of this report may still be unfamiliar with its somewhat sophisticated methodology. The report’s discussion of the SPM and how it works is very useful. Both the discussion and the presentation of the tables could be further improved in this regard. **As presented, some of the tables may give the erroneous impression that programs are serving families above poverty, when in fact the programs in question are well-targeted to families with very low incomes and it is the effect of the program itself that is being measured by the SPM in moving them above the “supplemental” poverty line.**

In addition, as indicated in the detailed comments, the report’s findings on the characteristics of families assisted by HUD rental programs have some discrepancies when compared with HUD’s own program data. This is likely due to use of Census Bureau survey data in which information is gathered directly from survey respondents who may answer affirmatively that they are in a rental

¹ “The supplemental poverty measure deducts various necessary expenses from income; these include medical out-of-pocket expenses, income and payroll taxes, child care expenses and work-related expenses. These expenses reduce income available for purchasing essential basic goods, including food, clothing, shelter and utilities and a small additional amount to allow for other needs.” Census Bureau, “Poverty Rate Declines, Number of Poor Unchanged, Based on Supplemental Measure of Poverty” (October, 2014); <https://www.census.gov/newsroom/press-releases/2014/cb14-188.html>.

www.hud.gov

espanol.hud.gov

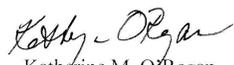
**Appendix VI: Comments from the Department
of Housing and Urban Development**

assistance program that may be a HUD program or may be a program administered by another agency (e.g. USDA's Rural Housing Service, Department of Treasury's Low-Income Housing Tax Credits, a state or local housing program, etc.).

Finally, the list of program "impact evaluations" at the end of the report is useful but incomplete. There are numerous other reports on the effectiveness of HUD housing programs (available on HUDUSER.ORG), as well as an extensive body of private academic research.

I appreciate the opportunity to review GAO's report. Please do not hesitate to contact me or PD&R staff directly if you have any questions.

Sincerely,



Katherine M. O'Regan
Assistant Secretary for Policy
Development and Research

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

Kay E. Brown, (202) 512-7215 or brownke@gao.gov

Staff Acknowledgments

In addition to the contact named above, Gale Harris (Assistant Director), Theresa Lo (Analyst-in-Charge), Matthew Hunter, Brittini Milam, Rhiannon Patterson, Max Sawicky, Rosemary Torres Lerma made significant contributions to this report. Also contributing significantly to this report were Chuck Bausell, James Bennett, Ted Burik, David Chrisinger, Sarah Cornetto, and Kirsten Lauber.

Appendix VIII: Accessible Data

Accessible Text and Data Tables

Accessible Text for Figure 1: Household Income or Resources under the Official Poverty Measure in Comparison with the Supplemental Poverty Measure

The official measure uses Household income, which is cash income, such as:

- Earned income (e.g. wages, salary);
- Social Security and other retirement income;
- Disability and unemployment insurance;
- Cash public assistance (TANF, SSI, state or local general assistance).

The Supplemental Poverty Measure (SPM)

- The SPM includes all the same components under cash income as the official measure, but adds non-cash benefits and subtracts expenses to reach a final measure of household resources

Household resources:

- Adding benefits:
 - Tax credits;
 - Housing Assistance;
 - Supplemental Nutrition Assistance Program (SNAP);
 - Low-Income Home Energy Assistance Program (LIHEAP);
 - National School Lunch Program;
 - WIC.
- Subtracting expenses:
 - Taxes paid;
 - Work expenses;
 - Child care expenses;
 - Child support paid;
 - Medical expenses (Out-of-pocket).

Source: GAO presentation of U.S. Census Bureau graphic. | GAO-15-516

Note: Unlike the official measure, the SPM adjusts for taxes. It subtracts federal, state, and local income taxes, and payroll taxes. It also takes into account federal and state tax credits, such as the Earned Income Tax Credit, as well as other tax credits.

Housing assistance, in the SPM, is based on households who reported living in public or subsidized housing in the Census Bureau's Current Population Survey, Annual Social and Economic Supplement. These could include recipients of housing programs administered by the Department of Housing and Urban Development, other federal agencies, or state or local governments.

Abbreviations: **TANF**: Temporary Assistance for Needy Families; **SSI**: Supplemental Security Income; **WIC**: Special Supplemental Nutrition Program for Women, Infants and Children.

Data Table for Figure 2: Reported Federal Obligations for Low-Income Programs by Type of Assistance, Fiscal Year 2013 (Billions of dollars)

	Total	Components
Health care	345.3	Medicaid: 287.5
		Medicare drug subsidy: 22.4
		9 others: 35.5
Cash aid	147.0	EITC: 57.5

		SSI: 56.5
		ACTC: 21.6
		2 others: 11.4
Food	107.5	SNAP: 79.7
		11 others: 27.8
Education	54.7	Pell Grants: 31.9
		14 others: 22.8
Housing	41.4	13 programs
Social Services	36.7	15 programs
Employment and training	6.0	8 programs
Energy	3.4	2 programs

Source: GAO analysis of agency survey responses. | GAO-15-516

Note: Programs totaling over \$20 billion in obligations are identified by name. Programs totaling less than \$100 million in federal obligations in fiscal year 2013 are not included in this figure. Amounts include total federal program costs, including program administration, research, and other related costs. This figure includes only the refundable portion of the EITC. Tax expenditures other than the EITC and the ACTC are not included. For Temporary Assistance for Needy Families, the total federal obligation amount is divided among three categories: cash aid, employment and training, and social services, and counted as a separate program in each category. For SNAP, the obligation amount for employment and training (\$368 million) is counted in the employment and training category, and counted as a separate program in that category. The full name for the Medicare drug subsidy is the Voluntary Medicare Prescription Drug Benefit Low-Income Subsidy. The full name for Pell Grants is Federal Pell Grants.

Abbreviations: **ACTC**: Additional Child Tax Credit; **EITC**: Earned Income Tax Credit; **SNAP**: Supplemental Nutrition Assistance Program **SSI**: Supplemental Security Income.

Data Table for Figure 3: Total Federal Obligations for 78 Low-Income Programs Compared with Selected Social Insurance Programs, Fiscal Year 2013 (Billions of dollars)

	Total	Components
Selected Social Insurance	1,485	Social Security (OASI): 674
		Medicare: 596
		DI: 143
		UI: 72
Low-income	36.7	Health care: 345.3
		Cash aid: 147
		Food: 107.5
		Education: 54.7
		Housing: 41.4
		Social Services: 36.7
		Employment and Training: 6.0
		Energy: 3.4

Source: Office of Management Budget, Appendix, Budget of the United States Government, Fiscal Year 2015 for selected social insurance programs and GAO analysis of agency survey responses for low-income programs. | GAO-15-516

Note: Federal obligations include administrative costs. Low-income bar consists of 78 programs grouped into categories developed by the Congressional Research Service. Low-income programs totaling less than \$100 million in federal obligations in fiscal year 2013 are not included in this figure.

Abbreviations: **DI:** Social Security Disability Insurance; **OASI:** Old-Age and Survivors Insurance; **UI:** Unemployment Insurance

Data Table for Figure 4: Distribution of U.S. Population by Their Household Incomes as a Percent of the Supplemental Poverty Measure (SPM) Threshold, 2013

	Percentage below 2013 Supplemental Poverty Measure (SPM) Threshold	Number of people nationwide (Millions)
Less than 50% of SPM	5	16.5
50% to 99% of SPM	10	32.2
100% to 149% of SPM	17	53.2
150% to 199% of SPM	14	45.0
200% or more of SPM	53	166.5

Source: GAO analysis of U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data. | GAO-15-516

Note: Percentages do not add up to 100 due to rounding. SPM income includes a household's earned and unearned cash income, plus the value of noncash benefits (e.g., food assistance) and tax credits, minus necessary expenses (e.g., medical, taxes, and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Each estimate in this figure has a 95 percent confidence interval of within +/- 6 percent of the estimate itself.

Data Table for Figure 5: Distribution of U.S. Population by Their Household Incomes as a Percentage of the Supplemental Poverty Measure (SPM) Threshold and the Official Poverty Threshold, 2013 (Number of people in millions)

Income as percentage of poverty threshold	Supplemental Poverty Measure (SPM)	Official poverty measure
Less than 50%	16.5	20.3
50% to 99%	32.23	25.45
100% to 149%	53.16	30.76
150% to 199%	45.04	29.94
200% or more	166.5	206.94

Appendix VIII: Accessible Data

	Supplemental Poverty Measure (SPM)	Official poverty measure
Thresholds are calculated differently and result in different numbers. For example, for two adults and two children...	\$25,639 for homeowners with a mortgage; \$21,397 for homeowners without a mortgage; \$25,144 for renters.	\$23.624
Household income	Includes income sources from the official measure and adds the value of non-cash benefits (e.g., food assistance) and tax credits. SPM also subtracts living expenses (e.g., taxes paid, medical expenses, and work expenses).	Includes earned and unearned pre-tax cash income.
Household members	Includes related individuals living together and adds any cohabiting partners and/or foster children living in the household.	Includes related individuals living together.

Source: GAO analysis of U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data. | GAO-15-516

Note: Each estimate in this figure has a 95 percent confidence interval of within +/- 5 percent of the estimate itself.

Data Table for Figure 6: Supplemental Poverty Measure (SPM) Poverty Rate by State, Using a 3-Year Average—2011, 2012, 2013

	Supplemental Poverty Measure (SPM) rate
Iowa	8.7
North Dakota	9.2
South Dakota	9.7
Vermont	9.7
Wyoming	9.7
Nebraska	10.3
Minnesota	10.5
New Hampshire	10.5
Maine	10.7
Idaho	11.1
Utah	11.1
Wisconsin	11.2
Montana	11.7
Kansas	11.8
Missouri	12.3
Oklahoma	12.4
Connecticut	12.5
Ohio	12.6
Washington	12.6
Alaska	12.7
Pennsylvania	12.7

Colorado	12.8
Indiana	13.2
West Virginia	13.2
Maryland	13.4
Michigan	13.4
Virginia	13.6
Kentucky	13.8
Massachusetts	13.8
Delaware	13.9
Rhode Island	14
Alabama	14.1
Oregon	14.5
Illinois	14.9
Mississippi	15.3
North Carolina	15.4
Tennessee	15.6
National 3-year average	15.9
New Jersey	15.9
Texas	15.9
New Mexico	16
Arkansas	16.1
South Carolina	16.4
Georgia	17.5
New York	17.5
Louisiana	18.3
Hawaii	18.4
Arizona	19
Florida	19.1
Nevada	20
District of Columbia	22.4
California	23.4

Source: GAO analysis of the U.S. Census Bureau's SPM data by state using 3-year average over 2012, 2013, and 2014; National Atlas (base map). | GAO-15-516

Note: SPM income includes a household's earned and unearned cash income, plus the value of noncash benefits (e.g., food assistance) and tax credits minus necessary expenses (e.g., medical, taxes and work-related). The poverty rates in this figure are calculated using income as a percentage of the SPM poverty threshold, which is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person.

Data Table for Figure 7: Distribution of U.S. Population by Household Type and Income as a Percent of the Supplemental Poverty Measure (SPM) Threshold, 2013 (Number of people in millions)

	Less than 50%	50% to 99%	100% to 149%	150% to 199%	200% or more	Total people below SPM	Total people above SPM	Percentage below SPM	Percentage above SPM
Married couple with children	2.29	8.09	17.37	16.51	61.02	10.4	94.9	10	90
Households without children	6.44	7.85	10.77	11.46	61.16	14.3	83.4	15	85
Headed by an elderly person	2.6	5.07	8.84	6.87	27.78	7.7	43.5	15	85
Headed by single parent	2.77	5.8	8.72	5.04	6.35	8.6	20.1	30	70
Headed by person with disability	1.91	3.56	4.47	2.74	6.26	5.5	13.5	29	71
Cohabiting couple with children	0.49	1.87	2.99	2.43	3.89	2.4	9.3	20	80

Source: GAO analysis of the U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data. | GAO-15-516

Note: SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Household categories are mutually exclusive. Households headed by an elderly person with a disability are placed in the elderly category. Households headed by a person who is elderly or has a disability may have children, but are not counted as a household with children for this analysis. SPM income includes a household's earned and unearned cash income, plus the value of noncash benefits (e.g., food assistance) and tax credits minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. Each estimate in this figure has a 95 percent confidence interval of within +/- 16 percent of the estimate itself except people in cohabiting households with incomes below 50 percent of the SPM threshold (+/- 30 percent).

Data Table for Figure 8: Distribution of Individuals from Households Not Headed by an Elderly Member or Member with a Disability, by Their Household Earnings Status and Incomes as a Percentage of the Supplemental Poverty Measure (SPM), 2013 (Percentage of people by in household type)

	Less than 50%	50% to 99%	100% to 149%	150% to 199%	200% or more	Percentage below SPM	Percentage above SPM
With earnings	3	9	16	15	57	12	88
Without earnings	39	22	17	7	15	62	38

Source: GAO analysis of the U.S. Census Bureau's Current Population Survey, Annual Social and Economic Supplement data. | GAO-15-516

Note: Household categories are mutually exclusive. Households with earnings had at least one member who earned any amount of income from employment or self-employment during 2013. This group includes all households meeting this definition, including those whose heads are elderly or have a disability. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. The SPM defines household income as earned and unearned cash income, plus the value of noncash benefits (e.g., food assistance) and tax credits minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. Each estimate in this figure has a 95 percent

confidence interval of within +/- 12 percent of the estimate itself except people in households without earnings with incomes from 150-199 percent of the SPM threshold (+/- 15 percent).

Data Table for Figure 9: Distribution of U.S. Population by Participation in Eight Selected Federal Low-Income Programs and Income (Including Program Benefits) Relative to the Supplemental Poverty Measure (SPM) Threshold, 2012 (Number of people in millions)

Income as percentage of poverty threshold	No program participation	One program	Two programs	More than two programs	Total in 1 or more programs	Average number of programs per person (Among those who participate in at least one program)
200% or more	154.4	8.6	3.2	1.3	13.1	1.5
150% to 199%	25.1	8.2	5.7	5.9	19.7	2.0
100% to 149%	15.9	10.1	11.6	19.1	40.9	2.5
50% to 99%	5.8	7.9	8.7	8.3	24.9	2.1
Less than 50%	4	4.3	2.1	0.9	7.3	1.6

Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Programs included in this analysis are the Additional Child Tax Credit, Earned Income Tax Credit, housing assistance (which could be from federal, state, or local programs), Low-Income Home Energy Assistance Program, Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families cash assistance, and Special Supplemental Nutrition Program for Women, Infants, and Children. Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program receipt using program eligibility rules.

The SPM incomes shown in this figure are not the incomes of program recipients when eligibility for program benefits was determined. SPM income includes a household's earned and unearned cash income, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance, plus the value of benefits from the low-income programs listed in the figure note as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Each estimate in this figure has a 95 percent confidence interval of within +/- 9 percent of the estimate itself except participants in 3 or more programs with incomes below 50 percent of the SPM threshold (+/- 14 percent) and 200 percent or more of the SPM threshold (+/- 13 percent).

Data Table for Figure 10: Estimated Effect of Combined Benefits of Eight Selected Federal Low-Income Programs on Income Groups of Individual Participants, According to the Supplemental Poverty Measure (SPM), 2012 (Percentage of people in household type)

	Less than 50%	50% to 99%	100% to 149%	150% to 199%	200% or more	Percentage below SPM	Percentage above SPM
With benefits	7.3	24.9	40.9	19.7	13.1	30	70
Without benefits	26.4	31.2	24.6	13.2	10.5	54	46

Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Programs included in this analysis are the Additional Child Tax Credit, Earned Income Tax Credit, housing assistance (which could be from federal, state, or local programs), Low-Income Home Energy Assistance Program, Supplemental Nutrition Assistance Program, Supplemental Security

Income, Temporary Assistance for Needy Families cash assistance, and Special Supplemental Nutrition Program for Women, Infants, and Children.

Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. This figure counts individual program recipients, categorized according to their household's income relative to its SPM threshold. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. SPM income includes a household's earned and unearned cash, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance, plus the value of noncash benefits from the low-income programs listed in the figure as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. To simulate the effects of program benefits on recipient income levels, we subtracted the benefits that all household members received from these eight programs combined, then recalculated the household's income relative to its SPM threshold. Each estimate in this figure has a 95 percent confidence interval of within +/- 5 percent of the estimate itself.

Data Table for Figure 11: Estimated Millions of People Who Moved above the Supplemental Poverty Measure Threshold Due to Benefits from Eight Selected Federal Programs, by Household Type, 2012

Household type	Number of recipients (in millions)
Married couple with children	9.2
Headed by single parent	7.9
Headed by person with disability	3
Headed by an elderly person	2.3
Cohabiting couple with children	2.1
Households without children	1.9

Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Programs included in this analysis are the Additional Child Tax Credit, Earned Income Tax Credit, housing assistance (which could be from federal, state, or local programs), Low-Income Home Energy Assistance Program, Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families cash assistance, and Special Supplemental Nutrition Program for Women, Infants, and Children.

Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. This figure counts individual program recipients, categorized according to their household's type and SPM income. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. For this analysis, household categories are mutually exclusive. Households headed by an elderly person with a disability are placed in the elderly category. Households whose head is elderly or has a disability may have children, but are not counted as a household with children for this analysis. SPM income includes a household's earned and unearned cash, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance plus the value of benefits from the low-income programs listed in the figure as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. To simulate the effects of program benefits on recipient income levels, we subtracted the benefits that each individual received from each of these eight programs, then recalculated the household's income relative to its SPM threshold. Each estimate in this figure has a 95 percent confidence interval of within +/- 10 percent of the estimate itself except people in cohabiting households with children (+/- 13 percent).

Data Table for Figure 12: Estimated Millions of People Who Moved above the Supplemental Poverty Measure Threshold Due to Benefits from Each of Eight Selected Federal Programs, 2012

Household type	Number of recipients (in millions)
SNAP: Supplemental Nutrition Assistance Program	8.7
EITC: Earned Income Tax Credit	6.3
Housing: Housing Assistance	4
SSI: Supplemental Security Income	2.3
ACTC: Additional Child Tax Credit	2.2
TANF (cash assistance): Temporary Assistance for Needy Families	0.9
WIC: Special Supplemental Nutrition Program for Women, Infants, and Children	0.4
LIHEAP: Low-Income Home Energy Assistance Program	0.3

Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. Housing assistance could be from federal, state, or local programs. This figure counts individual program recipients, categorized according to their household's SPM income. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. SPM income includes a household's earned and unearned cash, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance plus the value of benefits from the low-income programs listed in the figure as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. To simulate the effects of program benefits on recipient income levels, we subtracted the benefits that each individual received from each of these eight programs, then recalculated the household's income relative to its SPM threshold. Each estimate in this figure has a 95 percent confidence interval of within +/- 16 percent of the estimate itself except WIC (+/- 21 percent) and LIHEAP (+/- 23 percent).

Data Table for Figure 13: After Receipt of Benefits from Listed Programs and Others, Estimated Distribution of Individual Recipients of Eight Selected Federal Low-Income Programs by Income as a Percent of the Supplemental Poverty Measure (SPM) Threshold, 2012 (Number of program recipients in millions)

	Less than 50%	50% to 99%	100% to 149%	150% to 199%	200% or more	Percentage below SPM	Percentage above SPM
EITC: Earned Income Tax Credit	2.949	13.092	27.854	12.617	6.383	26	75
SNAP: Supplemental Nutrition Assistance Program	4.814	16.959	24.459	8.448	3.295	38	62
ACTC: Additional Child Tax Credit	0.917	8.509	23.441	12.337	6.688	18	82
LIHEAP: Low-Income Home Energy Assistance Program	1.757	5.235	8.538	2.249	0.53	38	62
Housing: Housing Assistance	0.1	2.4	6.8	1.3	0.1	23	77
SSI: Supplemental Security Income	0.232	2.974	3.211	1.025	0.979	38	62

Appendix VIII: Accessible Data

WIC: Special Supplemental Nutrition Program for Women, Infants, and Children	0.314	1.818	3.562	1.565	0.883	26	74
TANF (cash assistance): Temporary Assistance for Needy Families	0.3	2.194	2.376	0.626	0.257	43	57

Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. Housing assistance could be from federal, state, or local programs. The SPM incomes shown in this figure are not the incomes of program recipients when eligibility for program benefits was determined. SPM income includes a household's earned and unearned cash, Social Security, other retirement income, disability and unemployment insurance, state and local general assistance plus the value of benefits from low-income programs listed in the figure as well as others (e.g., the National School Lunch Program), minus necessary expenses (e.g., medical, taxes and work-related). The SPM poverty threshold is based on current expenditures on food, clothing, geographically-adjusted housing, and utilities. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Each estimate in this figure has a 95 percent confidence interval of within +/- 24 percent of the estimate itself except housing recipients with incomes below 50 percent of the SPM threshold and above 200 percent of the SPM threshold. For these groups, the estimates are imprecise, but the upper bounds of their 95 percent confidence intervals are below 2 percent of the population of housing recipients.

Data Table for Figure 14: Estimated Distribution of Individual Recipients of Eight Selected Federal Low-Income Programs by Household Type, 2012 (Percentage of recipients)

	Headed by single parent	Married couple with children	Cohabiting couple with children	Without children	Headed by person with a disability	Headed by an elderly person
TANF	51.52	21.77	9.52	0.79	10.81	5.6
Housing	36	14	5	13	18	14
WIC	28.59	50.16	13.6	0.78	5.23	1.63
SNAP	26.26	27.95	8.69	15.12	12.98	9
ACTC	25.44	59.92	8.07	0.02	4.39	2.15
EITC	24.74	43.28	8.47	13.21	6.52	3.79
LIHEAP	20.75	25.73	5.05	18.04	12.94	17.49
SSI	11.67	10.22	3.36	21.91	26.82	26.02

Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program receipt using program eligibility rules. Housing assistance could be from federal, state, or local programs. This figure counts individual program recipients, categorized according to their household type. For this analysis, household categories are mutually exclusive. Households headed by an elderly person with a disability are placed in the elderly category. Households whose head is elderly or has a disability may have children, but are not counted as a household with children for this analysis. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Each estimate in this figure has a 95 percent confidence interval of within +/- 26 percent of the estimate itself except TANF and WIC recipients from households headed by an elderly person (+/- 31 percent) and TANF and WIC recipients from childless households. For each of these groups, the estimate is imprecise, but the upper bounds of the 95 percent confidence.

Abbreviations: **EITC**: Earned Income Tax Credit; **SNAP**: Supplemental Nutrition Assistance Program; **ACTC**: Additional Child Tax Credit; **LIHEAP**: Low-Income Home Energy Assistance Program; **Housing**: Housing Assistance; **SSI**: Supplemental Security Income; **WIC**: Special Supplemental Nutrition Program for Women, Infants, and Children; **TANF (cash assistance)**: Temporary Assistance for Needy Families.

Data Table for Figure 15: Estimated Distribution of Individual Recipients of Eight Selected Federal Low-Income Programs by Household Earnings Status, 2012 (Number of program recipients in millions)

	Households without earnings headed by a person who is elderly or has a disability	Households without earnings headed by a person who is neither elderly nor has a disability	Households with earnings	Percentage without earnings	Percentage with earnings
EITC: Earned Income Tax Credit	0	0.01	62.89	0	100
ACTC: Additional Child Tax Credit	0	0	51.89	0	100
SNAP: Supplemental Nutrition Assistance Program	7.54	8.44	42	28	72
LIHEAP: Low-Income Home Energy Assistance Program	3.91	2.62	11.77	36	64
WIC: Special Supplemental Nutrition Program for Women, Infants, and Children	0.2	0.9	7.08	13	87
Housing: Housing Assistance	2.7	2.1	6	45	55
TANF (cash assistance): Temporary Assistance for Needy Families	0.44	1.39	3.92	32	68
SSI: Supplemental Security Income	3.27	1.54	3.62	57	43

Source: GAO analysis of TRIM3 microsimulation data provided by the Urban Institute. | GAO-15-516

Note: Receipt of assistance is assigned based on TRIM3 modeling, which adjusts the Census Bureau's Current Population Survey data for underreporting of program benefit receipt using program eligibility rules. Housing assistance could be from federal, state, or local programs. This figure counts individual program recipients, categorized according to their household type. For this analysis, household categories are mutually exclusive. SPM households include related and certain unrelated individuals who live together, including cohabiting partners and foster children, and may consist of a single person. Households with earnings had at least one member who earned any amount of income from employment or self-employment during 2012. This group includes all households meeting this definition, including those whose heads are elderly or have a disability. Households headed by an elderly person with a disability are placed in the elderly category. Households whose head is elderly or has a disability may have children, but are not counted as a household with children for this analysis. Each estimate in this figure has a 95 percent confidence interval of +/- 19 percent of the estimate itself, with the following exceptions. The number of WIC recipients from households without earnings headed by a person who was elderly or had a disability was 0.2 million +/- 30 percent. Additionally, estimates of EITC and ACTC recipients from households with no earnings were either missing because the TRIM3 data contained no observations, or were not reported due to small sample size.

Data Table for Figure 16: Simulation of Marginal Tax Rates with \$100 Annual Increase in Earnings, Based on Federal Tax Provisions in Effect in 2012 (Including Earned Income Tax Credit and Child Tax Credit) and Supplemental Nutrition Assistance Program Benefit (Tax rate in percentage)

Earnings as percentage of federal poverty guidance	10 th percentile	25 th percentile	Median	75 th percentile	90 th percentile
200% or more	25	27	30	33	42
150% to 199%	22	27	31	41	51
100% to 149%	22	25	32	45	61
50% to 99%	13	14	24	39	53
Less than 50%	-8	5	13	15	35

Source: Congressional Budget Office based on a public-use sample of tax returns from the Internal Revenue Service filed in 2006; and 2006 and 2007 survey data from the Census Bureau. | GAO-15-516

Note: CBO's simulations used 2006 data (the most recent public-use data at the time of CBO's analysis), state tax provisions in effect in 2006, and federal tax provisions and federal poverty guidelines in effect in 2012 (the year the study was conducted). CBO's restricted its sample of tax returns to working-age tax filers with earnings and who did not have a disability. This figure shows taxpayers with adjusted gross incomes below 250 percent of federal poverty guidelines; however, CBO's entire sample included taxpayers with adjusted gross income below 450 percent of federal poverty guidelines. Median marginal tax rates for taxpayers in higher income groups that are not shown in this chart ranged from 31 percent (for taxpayers with earnings 250 to 300 percent of federal poverty guidelines) to 37 percent (for taxpayers with earnings 400 to below 450 percent of federal poverty guidelines). (For more information on CBO's analysis, see CBO, Effective Marginal Tax Rates for Low- and Moderate-Income Workers, Publication No. 4149 (Washington, D.C.: November 2012).

Agency Comments

Department of Housing and Urban Development

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Accessible Text for Appendix VI: Comments from the Department of Housing and Urban Development

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH

July 14, 2015

Kay E. Brown
 Director
 Education, Workforce, and Income Security Issues
 Government Accountability Office
 441 G St NW
 Washington, DC 20548

Dear Ms. Brown,

On behalf of Secretary Julián Castro, thank you for the opportunity to review and comment on the Government Accountability Office (GAO) report, "Federal Low Income Programs: Multiple Programs Target Diverse Populations and Needs," (GAO-15-516).

The report presents valuable information and findings on the low-income families assisted by a variety of federal programs, including rental assistance programs administered by the Department of Housing and Urban Development (HUD). HUD does have some continuing specific concerns with some aspects of the report. These concerns are outlined here with additional detailed comments provided as an attachment.

The Census Bureau's Supplemental Poverty Measure (SPM) is a potentially powerful information and analytical tool that can be used to assess economic conditions and levels of need among the American people, as well as to assess the effectiveness of programs in meeting and overcoming those needs.¹²⁹ However, because the SPM is relatively new many readers of this report may still be unfamiliar with its somewhat sophisticated methodology. The report's discussion of the SPM and how it works is very useful. Both the discussion and the presentation of the tables could be further improved in this regard. **As presented, some of the tables may give the erroneous impression that programs are serving families above poverty, when in fact the programs in question are well-targeted to families with very low incomes and it is the effect of the program itself that is being measured by the SPM in moving them above the "supplemental" poverty line.**

In addition, as indicated in the detailed comments, the report's findings on the characteristics of families assisted by HUD rental programs have some discrepancies when compared with HUD's own program data. This is likely due to use of Census Bureau survey data in which information is gathered directly from survey respondents who may answer affirmatively that they are in a rental

assistance program that may be a HUD program or may be a program administered by another agency (e.g. USDA's Rural Housing Service, Department of Treasury's Low-Income Housing Tax Credits, a state or local housing program, etc.).

Finally, the list of program "impact evaluations" at the end of the report is useful but incomplete. There are numerous other reports on the effectiveness of HUD housing programs (available on HUDUSER.ORG), as well as an extensive body of private academic research.

I appreciate the opportunity to review GAO's report. Please do not hesitate to contact me or PD&R staff directly if you have any questions.

Sincerely,

Signed by
Katherine M. O'Regan
Assistant Secretary for Policy Development and Research

¹²⁹ "The supplemental poverty measure deducts various necessary expenses from income; these include medical out-of-pocket expenses, income and payroll taxes, child care expenses and work-related expenses. These expenses reduce income available for purchasing essential basic goods, including food, clothing, shelter and utilities and a small additional amount to allow for other needs." Census Bureau, "Poverty Rate Declines, Number of Poor Unchanged, Based on Supplemental Measure of Poverty" (October, 2014); <https://www.census.gov/newsroom/press-releases/2014/cb14-188.html>.

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