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Targeting vs. Universalism, and Other Factors That Affect Social Programs' Political Strength and Durability

Robert Greenstein

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Targeting vs. Universalism, and Other Factors That Affect Social Programs' Political Strength and Durability

Expanded Edition

Robert Greenstein

The Hamilton Project and Economic Studies, The Brookings Institution

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* A condensed version of this paper, "Targeting, Universalism, and Other Factors Affecting Social Programs' Political Strength" is available on The Hamilton Project website (Greenstein June 2022).

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Summary and Introduction

There is a longstanding debate in policy circles over the relative merits of social programs that are targeted by income and social programs that are universal in that they are available to people at all income levels. A popular narrative holds that targeted programs are inherently weak politically and tend to be cut or eliminated over time and that universal programs inevitably do better. An often-cited adage states, "Programs for the poor are poor programs."

This paper examines these issues, focusing on the 40 years before the recent pandemic and recession, from 1979 to 2019. It also considers what other factors beyond a program's targeted or universal nature have an impact on its political weakness or strength. In addition, the paper looks at how well universal and targeted programs do in areas such as reducing poverty and reaching the people eligible for the programs. It concludes with some of the policy implications of the paper's findings.[1]

Among the key findings of this paper is that the history of recent decades does not support the conventional narrative that targeted programs almost invariably do poorly politically and that universal programs virtually always outperform them. As part I of the paper shows, mandatory programs[2] that are targeted—which include the Earned Income Tax Credit (EITC), Medicaid, the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program), and others—grew at a significantly *faster* annual average rate over the 1979–2019 period (3.4 percent after adjusting for inflation and growth in the US population) than the main universal mandatory programs (which grew at a 2.4 percent average annual rate, or nearly one-third less rapidly). Overall, the targeted mandatory programs[3] grew 280 percent over this period, after adjusting for inflation and population, and increased significantly as a share of all mandatory spending. Meanwhile, the three main universal programs—Social Security (including its disability and survivor components), Medicare, and unemployment insurance (UI)—grew at a slower 154 percent over this period, and their share of overall mandatory spending was unchanged. The story is essentially the same if the analysis begins in the 1960s rather than in 1979.

As these data suggest and this paper will explain, multiple factors *beyond* whether a program is targeted or universal affect its political strength or weakness (i.e., whether a program endures and even expands over time, or whether it is cut or eliminated). Among both targeted and universal mandatory programs, some have grown robustly while others have been cut. The variation among programs *within* each of these two program categories exceeds the variation *between* the two categories.

Among targeted programs, Medicaid and the Children's Health Insurance Program (CHIP) grew more than 10-fold between 1979 and 2019 in inflation-adjusted terms. SNAP nearly tripled both in real federal spending and in its number of beneficiaries. The EITC grew from a program serving 7 million tax filers in 1979 to a program serving nearly 27 million in 2019, while providing much larger benefits. To be sure, programs like Medicaid and SNAP were cut in the early 1980s and again under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, or the 1996 Welfare Law). But in both cases policymakers subsequently expanded the programs markedly, more than compensating for the cuts in terms of overall program enrollment and expenditure growth.

Not all targeted programs, however, fared this well. Targeted programs that deliver cash aid to people who are not elderly or disabled and often are not employed—programs often referred to as welfare—were cut sharply.

There are similarly large differences among universal programs. Social Security and Medicare grew strongly, due mainly to the aging of the population, but UI was cut both at the federal level, especially in the 1980s, and at the state level, especially in recent years. In every year from 2011 through 2019, fewer than 30 percent of the unemployed received benefits in an average month, considerably fewer than several decades ago. And while Social Security grew overall as the population aged, policymakers in the early 1980s reduced Social Security retirement benefits significantly, mainly for people who would retire in future decades. Those reduced benefits remain a basic part of the program's benefit structure today.

To be sure, universality *does* confer some advantages politically. But targeted programs appear to have at least one political advantage over universal programs, particularly when policymakers are considering program expansions: their lower costs. For policymakers, cost is often a prime consideration. If they must pay for program expansions to secure the votes needed in Congress for the expansions to pass, or if proposed expansions face resistance on Capitol Hill due to concerns about deficits and debt, the lower cost of targeted-program expansions can enhance their political prospects compared to expansions in universal programs. That dynamic played out during deliberations over the Build Back Better (BBB) legislation, for example, when the House-passed BBB of November 2021 included expansions in two targeted health programs—Medicaid, and the premium subsidies provided under the Patient Protection and Affordable Care Act (ACA, or the Affordable Care Act of 2010)—but not the addition of a universal dental and vision benefit in Medicare, primarily due to those benefits' high cost. Cost is likely one reason why targeted programs have expanded more than universal programs in recent decades.

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

- are tied to work or a work record, especially when beneficiaries have financed their benefits at least in part through payroll-tax contributions;
- serve working families who are significantly above the poverty line and often part of the middle class, along with those who are poor, rather than only the poor;
- are fully federal financed;
- are federally administered or, if not, at least have federally established minimum eligibility, benefit, and access standards that apply nationally, rather than leaving those standards largely or entirely to the states;

- provide benefits either in kind or through the tax code rather than as straight cash, except for benefits for people who are elderly or have disabilities;
- are focused on groups such as the elderly or children, for whom there is more public support, and who are not expected to be employed;
- operate as entitlement programs, rather than as discretionary programs that policymakers fund through the annual appropriations process; and
- are considered by policymakers to be highly effective in achieving important goals.

One striking development of recent decades has been the creation and spread of what might be considered a new model for targeted programs under which they serve not only those who are poor, but also those at least somewhat above the poverty line and, in many cases, a significant share of the middle class. The targeted mandatory programs that have fared badly—i.e., cash welfare programs for people who are not elderly or disabled and have little or no earnings—are limited to the very poor, with state-determined income limits that are set well below the poverty line. In contrast, nearly all the targeted programs that have expanded robustly now include among their beneficiaries people with incomes well above the poverty line, and some of these programs now extend close to or above the median family income level.[4]

Program performance, of course, is not simply the issue of whether a program has been expanded or cut, or how rapidly it has grown. Among other issues related to performance are how well programs do in reducing poverty and how successful they are in reaching their intended beneficiaries.

The growth in both targeted and universal programs has substantially reduced poverty. In 1970, government programs and taxes kept out of poverty only 9 percent of those who would otherwise be poor, a calculation made using the Supplemental Poverty Measure (SPM), which counts benefits such as SNAP and refundable tax credits as income. By 2017, government benefits and taxes kept out of poverty *47 percent* of those who would otherwise be poor. Social Security plays the dominant poverty-reduction role among those ages 65 or older, lifting far more people in that age group out of poverty than all other programs combined. Due to the robust growth of targeted programs over recent decades, however, they now play the dominant role in poverty reduction among those under age 65—keeping twice as many such individuals out of poverty as Social Security and UI combined. Targeted programs also markedly reduce poverty disparities by race, although those disparities remain very wide.

With regard to reaching the people eligible for them, universal programs generally do better. But here, as well, the differences are often overstated—the variations *among* targeted programs and *among* universal programs exceed the variation *between* the two program categories. In 2019, the latest available data show (Haley et al. 2021), Medicaid and CHIP reached 92 percent of the eligible children who were not otherwise insured. SNAP reached 83 percent of the eligible households in 2018. And because SNAP participation is much higher among very poor households, who qualify for larger benefits, than among those at the top of SNAP's eligibility scale (who qualify for much smaller benefits), the program delivers an estimated 95 percent of the benefits it would provide if *every* eligible household enrolled. Similarly, the EITC delivers nearly 90 percent of the benefits that families with children would receive if all eligible families with children participated. By contrast, the participation rate for cash assistance through the Temporary Assistance for Needy Families program (TANF) is only about 25 percent.

Among universal programs, Social Security has a participation rate of nearly 100 percent. But UI reaches only an estimated 40 percent to 70 percent of those eligible for it.

The body of this paper examines these and related issues in more detail and concludes with a look at some of the implications for strengthening social programs.

I. Growth and Retrenchment among Targeted and Universal Mandatory Programs

Most federal spending goes for what are called mandatory benefit programs: these are entitlement programs and other programs that provide benefits to individuals or families and have an ongoing funding stream, rather than being financed through the annual appropriations process.

One type of mandatory program consists of targeted programs with income limits, such as Medicaid, SNAP, Supplemental Security Income (SSI), cash welfare assistance for poor families with children, subsidies to make health-care coverage affordable in the ACA marketplaces, and the EITC. Another type of mandatory program consists of universal programs—programs that are broadly available without income limits—such as Social Security, Medicare, and UI. (The word "universal" is defined here to mean that a program has no income limit, not that every US resident is eligible for it. Social Security, Medicare, and UI do not have upper income limits but do have other eligibility limitations.)

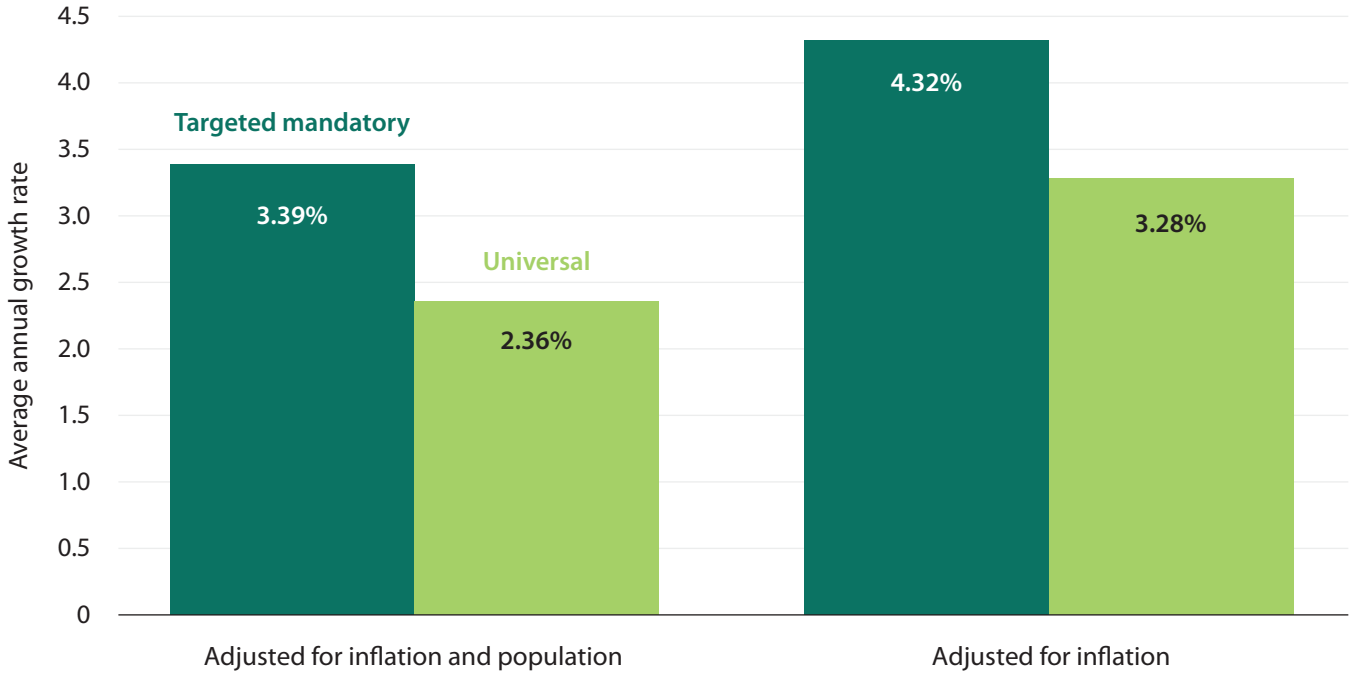
Over the forty years from 1979 to 2019, as well as in the 1960s and 1970s, overall mandatory spending grew rapidly, after adjusting for inflation and increases in the US population, with both targeted and universal programs contributing to this growth.[5] The universal programs remain considerably larger than the targeted ones. But the targeted mandatory programs grew faster than the major universal mandatory programs, even though the aging of the population significantly increased Social Security and Medicare participation and costs.

Decades of historical budget data that Richard Kogan (2022, see Appendix I and the accompanying interactive budget tool) of the Center on Budget and Policy Priorities (CBPP) assembled for this paper) show the following:

- From 1979 to 2019 mandatory programs that are *targeted*[6] grew at an average annual rate of 3.39 percent, after adjusting for inflation and population growth.[7] The three main *universal* benefit programs (Social Security, Medicare, and UI[8]) grew at an average annual rate of 2.36 percent over this period, or nearly a third less quickly (Figure 1).[9]

FIGURE 1

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



Source: Kogan 2022.

Note: The three main universal programs are Social Security, Medicare, and Unemployment Insurance. See endnote 6 and Appendix II for a list of the targeted mandatory programs. In adjusting for inflation and population, we index the historical values of the CPI-U-RS (a series the BLS created to apply recent improvements in inflation measurement to earlier years) to the fiscal year 2019 value of the CPI-U and index each fiscal year's overall US population total to its fiscal year 2019 level. For more details, see Appendix I.

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- Overall, targeted mandatory programs grew 280 percent between 1979 and 2019 after adjusting for inflation and population growth, while the three main universal programs grew 154 percent. In one noteworthy comparison, the universal Medicare program and the targeted Medicaid program both grew at impressive rates between 1979 and 2019, but Medicaid grew more swiftly—at an annual average rate of 4.94 percent after adjusting for inflation and population, as compared with an annual average rate of 4.12 percent for Medicare.[10] Moreover, these Medicaid figures do not include CHIP, which operates as an adjunct to Medicaid in many states, or the ACA's premium subsidies to help people with incomes between 100 and 400 percent of the poverty line afford coverage, which together amounted to more than $66 billion in 2019.[11]
- Largely reflecting this difference in growth rates, the *share* of total mandatory spending—not counting interest payments on the debt—that the targeted programs comprise climbed from 19.7 percent in 1979 to 29.4 percent in 2019, and averaged 30.3 percent over the five years from 2015 through 2019 (Figure 2). The three main universal programs, by contrast, did *not* rise as a share of total mandatory spending, accounting for 61.0 percent of it in both 1979 and 2019.[12] Both targeted and universal mandatory programs increased as a share of the total federal budget, as growth in mandatory programs far outdistanced that in discretionary programs.[13]

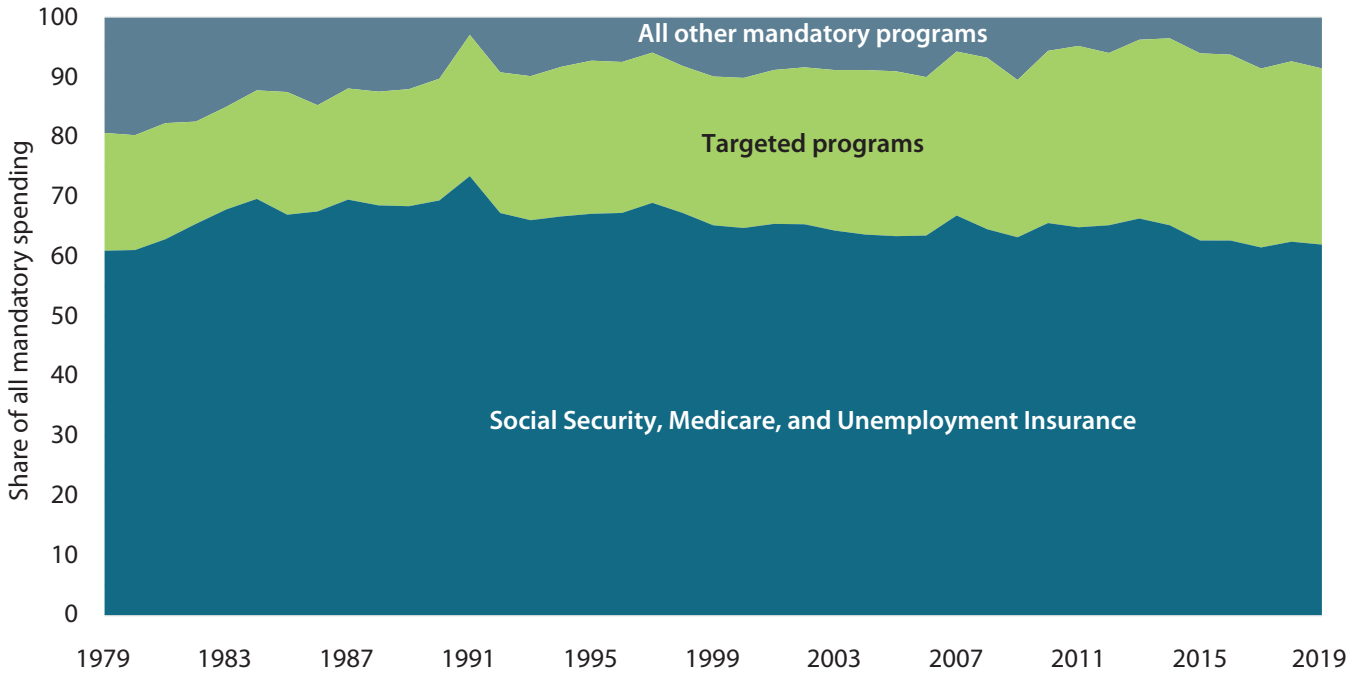
Nor does the story change if the comparison starts in the 1960s rather than 1979. After adjusting for inflation and population growth, targeted mandatory programs grew at an average annual rate of 4.9 percent from 1965 to 2019 and 4.4 percent over the 1969–2019 period. The three universal programs grew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

Various earlier analyses tell a similar story. Christopher Howard's *The Welfare State Nobody Knows* (2007), as well as a 2021 Congressional Research Service (CRS) report (CRS 2021i), Congressional Budget Office (CBO) historical retrospectives (2013, 2018), and a paper by Bradley Hardy, Timothy Smeeding, and James Ziliak (2018) all identify the pattern of rapid growth among targeted mandatory programs.

Note that spending for nondefense discretionary programs, which are funded through the annual appropriations process and include social programs ranging from education to housing assistance for low-income individuals, followed a very different trajectory, remaining essentially flat from 1979 to 2019 except for robust growth in veterans' health care. Total spending for nondefense discretionary programs outside veterans' health care rose a negligible

FIGURE 2

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



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

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1.8 percent over these 40 years, after adjusting for inflation and population—or at an average rate of less than five one-hundredths of 1 percent per year.[15] Spending for targeted discretionary programs, which include various social services programs, low-income housing assistance, low-income home energy assistance, and others, was flat over this period as well, standing at the same level in 2019 as in 1979 after adjusting for inflation and population.[16]

Disparate Outcomes among Both Targeted and Universal Programs

Beneath these figures lie large differences in how individual programs in *both* the targeted *and* universal categories fared. SNAP spending grew from $22.9 billion in 1979 to $63 billion in 2019 in inflation-adjusted terms, and grew 93 percent after adjusting for inflation and population growth. The number of SNAP beneficiaries nearly tripled, far outstripping the 43 percent increase in the US population.

The expansion of targeted health insurance programs over this period was even more pronounced. Spending for Medicaid and CHIP grew seven-fold after adjusting for inflation and population growth. The EITC, which policymakers created in 1975, expanded tremendously as well, with the number of EITC filers rising from 7.1 million in tax year 1979 to 26.7 million in tax year 2019, and the average refundable EITC benefit climbing from $995 in 1979 (in 2018 dollars) to $2,451 in 2018 (CRS 2021a).[17] Policymakers also established an array of new targeted programs over this period, including the subsidies to help low- and moderate-income people buy health insurance in the ACA marketplaces.

The story is starkly different, however, for targeted programs that deliver cash assistance to people who are not elderly or disabled, programs that often are labeled "welfare" (Table 1). In a 2021 study, Zachary Parolin reported that, between 1993 and 2016, real spending for cash assistance through the Aid to Families with Dependent Children (AFDC) program and its successor, TANF, fell by 78 percent.[18] That decline, moreover, came on top of substantial benefit cuts in cash welfare aid by states in the 1970s and 1980s. In 1970 AFDC benefits lifted a family of three with no other income above 60 percent of the poverty line in most states, and *no* state provided benefits equal to less than 20 percent of the poverty line. Today, not a single state provides benefits equal to 60 percent of the poverty line, 46 states provide benefits that fall below 40 percent, and 18 states provide benefits of less than 20 percent. Moreover, for every 100 families with children that had cash incomes below the poverty line in 1979, 82 received cash assistance through AFDC; by 2019, only 23 of every 100 such families received cash aid through TANF (CBPP 2021). In addition, states cut their own general assistance (GA) programs, which provide cash aid to very poor individuals who are not

TABLE 1

Federal Outlays for Six Targeted Programs

Billions of 2019 dollars

	1979			2019	
Program	Real (adjusted for inflation)	Adjusted for inflation and population growth	As a % of GDP	Outlays in 2019	As a % of GDP
Medicaid/CHIP	$41.70	$59.70	0.48%	$427.80	2.02%
ACA Premium Subsidies	0	0	0.00%	48.6	0.23%
EITC and CTC **	2.6	3.7	0.03%	88.1	0.42%
SNAP ***	22.9	32.8	0.27%	63.5	0.30%
SSI	17.7	25.3	0.21%	56	0.26%
TANF/AFDC ****	22.2	31.8	0.26%	19.6	0.09%

Source: Kogan 2022.

Note: The interactive historical budget data tables that accompany this paper also provide comparable data for these and other programs for years back to 1962. ** Includes only the refundable components of the EITC and Child Tax Credit (CTC). *** For 1979, includes the Food Stamp Program in Puerto Rico; for 2019, includes the Nutrition Assistance Block Grant for Puerto Rico, which replaced the Food Stamp Program in Puerto Rico in the early 1980s. **** Includes child support enforcement, because that cannot be separated from the totals for this budget account for these years. Also includes TANF expenditures for purposes other than cash assistance; in 2019, only 21 percent of federal and state TANF funds were used for cash assistance (CBPP 2021).

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elderly, disabled, or raising children, just as severely if not more so (Schott 2020).[19]

Just as many targeted programs grew rapidly while cash welfare assistance fell sharply, universal programs also experienced disparate outcomes. Medicare, for example, added a prescription drug benefit, but UI endured cuts.

Federal policymakers cut UI in the early 1980s when President Reagan and Congress scaled back UI's Extended Benefits program for the long-term unemployed, making it harder for states to qualify for that program, and imposed significant interest charges on the loans that many states take from the federal UI trust fund during recessions, which provided a fiscal incentive for some states to pare back UI eligibility or benefits (Committee on Ways and Means 1993). In addition, various states cut UI, particularly in the years after the Great Recession of 2008–9, by reducing the number of weeks that UI benefits are available or adding or tightening eligibility restrictions (Congdon and Vroman 2021; von Wachter 2019).

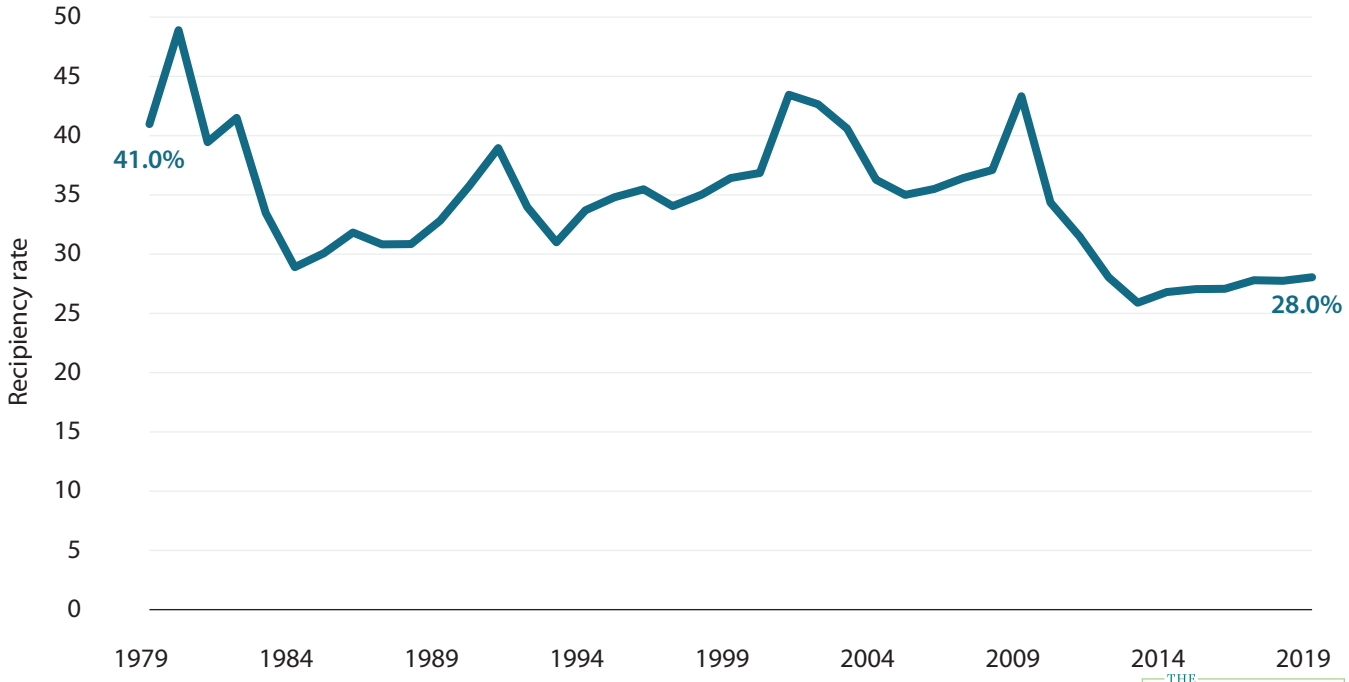
In the 1950s about half of the unemployed nationwide received UI benefits in an average month, as did about 40 percent of the unemployed in the 1970s (Wandner and Stettner 2000). From 2011 through 2019, however, an average of only 27 percent of the unemployed received UI benefits, a historic low (Figure 3). In 33 states and the District of Columbia in 2019, fewer than 30 percent of the unemployed received benefits in an average month (Porter 2021).

Some of UI's erosion reflects changes in the labor force and the composition of work, as well as a decline in the share of the labor force that is unionized (Government Accountability Office [GAO] 2000). But it also reflects policymakers' decisions to narrow the program. About a decade ago, all states provided a minimum of 26 weeks of UI benefits to eligible workers who were out of a job and looking for work. In February 2022, nine states were providing 21 or fewer weeks of benefits to such workers, and five states were providing as little as 12 to 16 weeks (CBPP 2022a). Many states have also added more eligibility restrictions, making it harder for jobless workers to qualify for or continue receiving UI (GAO 2000, 2007; Vroman 2018). In addition, the UI systems in some states now owe substantial sums for loans they took from the federal unemployment trust fund so they could pay UI benefits during the recent recession and pandemic, and some UI experts expect this and other factors to prompt some states to cut UI benefits further in the years ahead, in part to free up funds to help repay the loans (Golshan and Delaney 2021; Gwyn 2021, 2022; Stone 2021). Such a pattern is already starting to show up in state legislatures in 2022, with three more states enacting legislation in the first half of 2022 to cut back the number of weeks of benefits they provide (Gwyn 2022). Some years ago, political scientist Paul Pierson (1994) rated UI as one of the most vulnerable of US income-support programs, noting that policymakers have used "the argument that [unemployment] payments to the able-bodied must be cut so they will seek jobs" (102–3) to limit the program's generosity and reach.

Moreover, UI is a universal program in which low-income workers who lose their jobs fare *worse* than affluent workers who lose theirs. In a 2007 report the GAO found that, "although low-wage workers were almost two-and-a half times as likely to be out of work as higher-wage workers, they were about half as likely to receive UI benefits. This was true even when job tenure for both groups was similar: for example, among unemployed workers who had worked for 35 weeks or more in the year prior to their unemployment, low-wage workers were still about half as likely to receive UI benefits as high-wage workers" (3). In addition, a recent Bloomberg analysis of Georgia's UI system found that Black workers who lost their jobs were more likely to be denied UI than white workers who did (Donnan, Pickert, and Campbell 2021), and another recent study (Ganong et al. 2022) noted that low UI recipiency that is due to states providing fewer weeks of benefits or imposing more eligibility restrictions is more widespread in states in which the Black

FIGURE 3

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



Source: Department of Labor 2022.

Note: Values are annual quarterly averages.

share of the population is higher. Yet another recent study, by O'Leary, Spriggs, and Wandner (2022), found lower UI recipiency rates in states where Black workers constitute a larger share of the unemployed, with only 23 percent of unemployed Black workers nationally receiving UI benefits in 2019. A new GAO study (2022) finds similar results. Such a pattern also marks TANF; studies have shown that TANF sanctions and time limits are harsher in states where African Americans constitute a larger proportion of program participants (Soss, Fording, and Schram 2011).

Several decades ago, political scientist and sociologist Theda Skocpol (1991) noted that universal programs can adopt measures to favor lower-income beneficiaries, as Social Security does in its benefit replacement schedule—an approach she termed "targeting within universalism" (411). UI does the opposite: it is a universal program that does considerably less for lower-income workers who lose their jobs than for more-affluent workers who lose theirs.

The Reagan Years and Beyond

A popular narrative suggests that targeted programs suffered deep cuts in the early Reagan years and under the 1996 Welfare Law and have never recovered, whereas Social Security emerged from those years essentially unscathed. That narrative, however, is mistaken (see Figure 4).

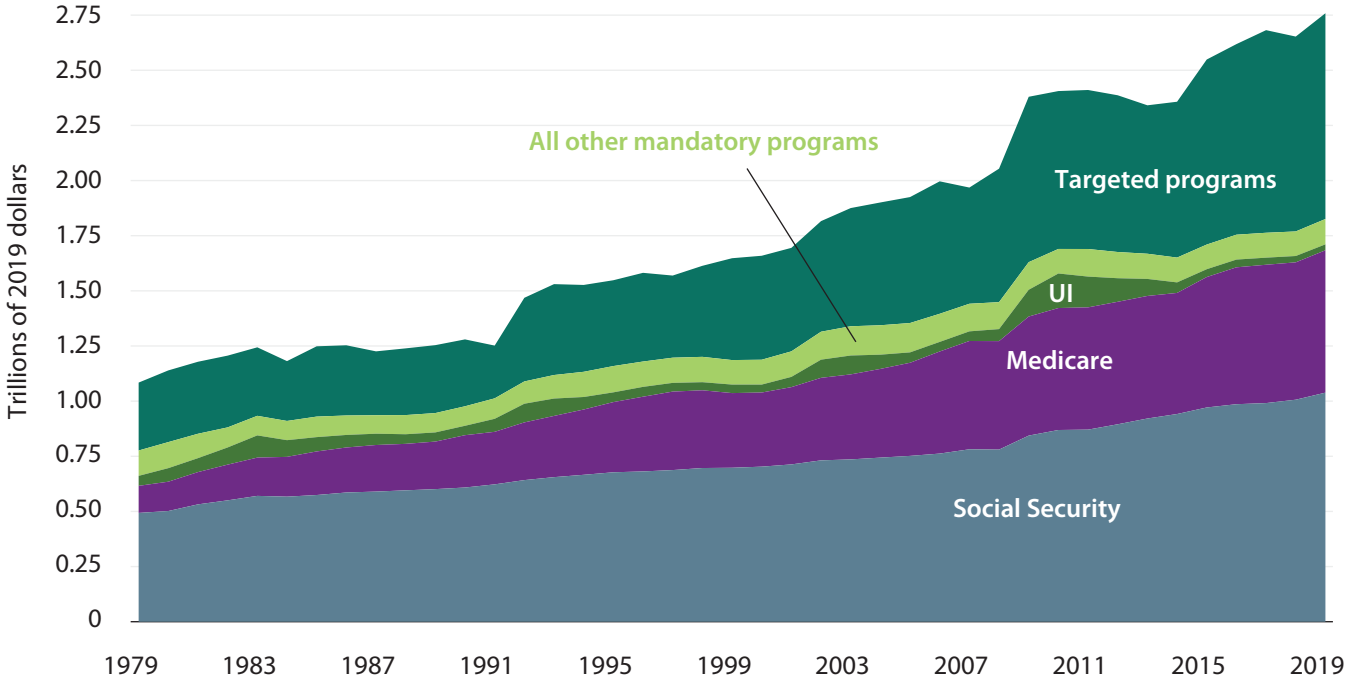
Policymakers did indeed cut SNAP and Medicaid, along with welfare cash assistance, in 1981 and 1982. But the story then changed rather dramatically with repeated expansions of programs like SNAP and Medicaid—and with spending reductions in mandatory programs during the rest of the 1980s and early 1990s coming mainly from *universal* programs, principally Medicare. As Paul Pierson (1994) noted, Reagan's efforts to shrink targeted entitlement programs largely "ran out of steam by the end of 1982 after producing only marginal [lasting] changes" (115). Some of the principal SNAP and Medicaid cuts of 1981 or 1982 expired by the end of 1984, and SNAP and Medicaid were then expanded repeatedly during the remaining Reagan years and the George H. W. Bush years (Committee on Ways and Means 1993; Pierson 1994).

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

SNAP (then called the Food Stamp Program) followed a similar pattern. After the cuts of 1981 and 1982, Pierson (1994) noted, "liberalization of benefits and/or eligibility were enacted every year between 1985 and 1990…By 1990, average monthly benefits were more than 10 percent higher in real terms than they had been a decade before" (118). These liberalizations included benefit increases for households with earnings, high housing costs, or high dependent-care costs; an across-the-board benefit increase; and a prohibition on

FIGURE 4

Mandatory Spending, Adjusted for Inflation and Population Growth (1979–2019)



Source: Kogan 2022.

Note: See Appendix I.

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state sales taxes on the food that recipients bought with food stamps, which increased the benefits' purchasing power in a number of states (Committee on Ways and Means 1993).

Moreover, as noted, while targeted mandatory programs were cut disproportionately early in Reagan's tenure, universal programs, principally Medicare, bore the brunt of the budget cuts over the next decade—the final six Reagan years and the four George H. W. Bush years. The principal deficit-reduction measure of this period—the bipartisan Omnibus Budget Reconciliation Act of 1990—did not cut targeted programs and further expanded Medicaid, even as it included reductions in Medicare, mainly by tightening payments to providers. In fact, the Medicaid expansions during this period were often funded at least in part by measures producing Medicare savings, a pattern repeated in the ACA of 2010. Writing in 1994, Pierson observed, "Virtually every budget round since 1981 has involved some significant effort to reduce Medicare expenditures" (137). Richard Kogan (2022) notes that policymakers enacted 10 budget reconciliation bills between 1981 and 1993, with all but one including measures to reduce Medicare costs.[20] The large deficit reduction package enacted in 1993, President Clinton's first year, continued this pattern, with substantial SNAP and EITC expansions, an absence of cuts in targeted programs, and more Medicare cost-savings measures.

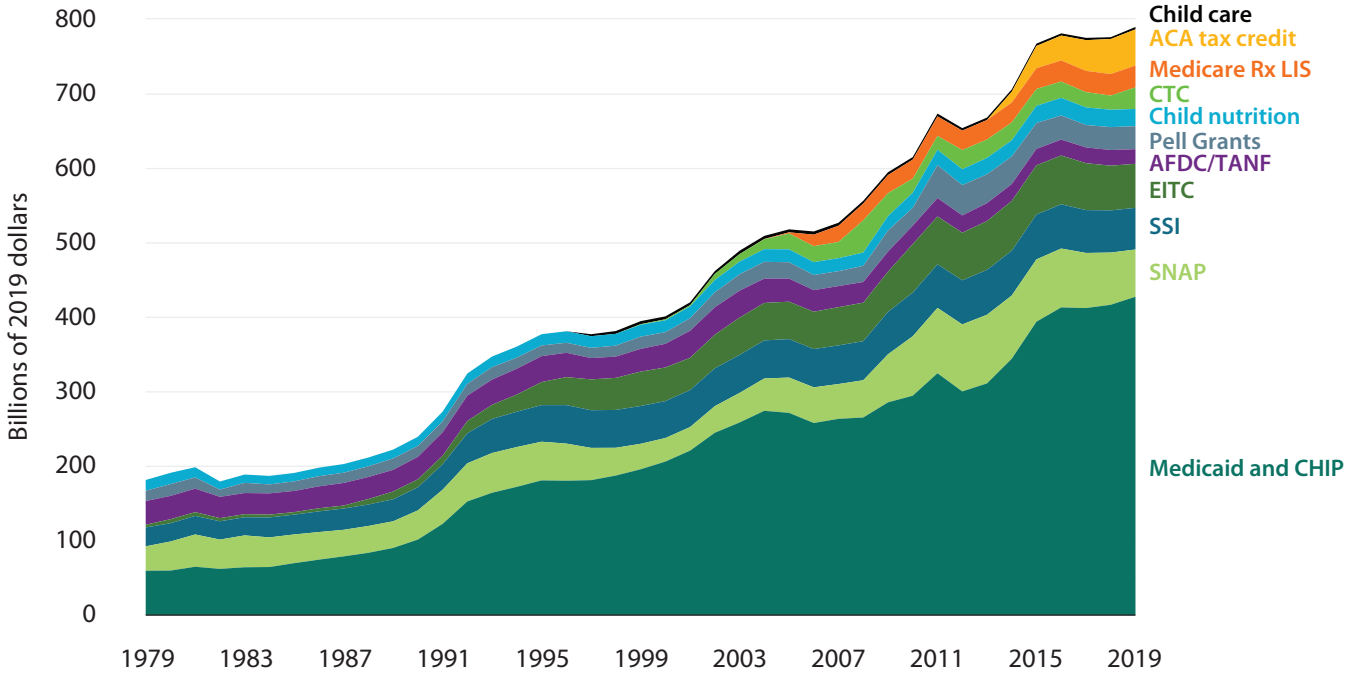
The 1996 Welfare Law and After

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

SNAP was expanded under George W. Bush in the 2002 and 2008 farm bills, and through an array of administrative measures to improve program access in both the final Clinton years and the Bush years. During this period, SNAP eligibility was fully restored for legal immigrant children in their first five years in the United States[21] and for certain other immigrants. SNAP benefits were increased as well, especially for larger households, and transitional benefits were authorized for people leaving TANF cash assistance. In addition, states received new authority to raise the program's income limits and to dispense with much or all of its asset tests, and most states did so.[22] Other new options enabled states to reduce administrative burdens on applicants and recipients such as by simplifying and scaling back requirements for recipients to report small changes in their financial circumstances and easing practices that required many households, especially households with earnings, to reapply and reestablish their eligibility every few months (Committee on Ways and Means 2004; CRS 2006; Rosenbaum 2008).[23] Moreover, when a Republican president (George W. Bush), a Republican House, and a Republican Senate

FIGURE 5

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



Source: Kogan 2022.

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enacted a new deficit-reduction law through the budget reconciliation process—the Deficit Reduction Act of 2005—it included no SNAP cuts.

That 2005 law did contain some Medicaid trims. Most of them were relatively modest, however, and the provision with the largest adverse impact on beneficiaries—requiring many Medicaid applicants and recipients to verify their citizenship or eligible immigrant status, primarily by producing a birth certificate, passport, or naturalization document—was overhauled in the children's health legislation of 2009, eliminating virtually all of the new burdens on applicants and recipients.[24] That children's health legislation and the ACA of 2010 further expanded Medicaid and CHIP while including additional measures to ease administrative burdens.

Due to these and other developments, SNAP and Medicaid are much larger today than they were before the 1981 and 1982 Reagan cuts and before the 1996 Welfare Law (Figure 5). Policymakers expanded SNAP and Medicaid well beyond their parameters before the cuts, either reversing cuts or more than compensating for them in other ways in terms of overall program size and cost. One main SNAP cut of 1981, for example, imposed a gross income eligibility limit of 130 percent of the poverty line. Today, by contrast, states can provide SNAP to various households with gross incomes up to 200 percent of the poverty line, and most states do so in whole or in part. In addition, Medicaid has far more expansive coverage now, both for those below and those above the poverty line (CRS 2021b). These programs are no longer closely tied to cash welfare aid,[25] and they provide broader benefits that go to larger shares of the US population.

Social Security

The narrative that targeted programs never recovered from the Reagan-era and 1996 welfare law cuts while programs like Social Security went unscathed also is problematic for another reason: Social Security was, in fact, cut in several legislative measures in the early 1980s, and these cuts have largely endured. After policymakers expanded Social Security benefits considerably in the late 1960s and early 1970s, they (1) eliminated Social Security's minimum benefit except for those already on the rolls; (2) phased out Social Security benefits for students over age 19 or in postsecondary school who are children of workers who are retired, disabled, or deceased; (3) ended benefits for Social Security beneficiaries caring for a child when the child reaches age 16 instead of 18; (4) limited eligibility for Social Security lump-sum death benefits; and (5) instituted a six-month delay in 1983 in the annual cost-of-living adjustment for benefits, moving it from July to December for that and all future years.

Most important, policymakers raised, from age 65 to 67, the full retirement age, which is the age at which individuals can retire and draw the full benefits to which their earnings record entitles them, rather than reduced benefits as a result of early retirement. The law applied that change to future, not current, beneficiaries and phased it in slowly over several decades; it is fully in place only for people born in 1960 or later. But for individuals born in or after 1960 who begin drawing their Social Security retirement benefits at or before age 67, it results in a reduction in their monthly benefits of up to 14 percent, compared to the benefits they would have received if the age for full benefits had remained at 65.[26]

To be sure, the number of Social Security beneficiaries and the program's spending levels have grown substantially over the past four decades. That is mainly due, however, to the aging of the population, the effect of real wage growth on Social Security benefit levels (since benefits are based on beneficiaries' earnings over their careers), and an increase in applications for Social Security disability benefits. The legislative changes to Social Security over the past four decades, which occurred primarily in the 1980s[27] and were largely driven by the approaching insolvency of the Social Security trust funds and the need to extend program solvency, reduced the program's retirement benefits, coverage, and costs compared to what they would otherwise have been.[28]

Program Restrictions

Misperceptions about how targeted and universal programs have fared in recent decades are not limited to whether caseloads and costs expanded or shrank. Some people assume, for example, that drug testing or drug-related restrictions are widespread in targeted programs but are not found in universal programs. This is not the case. Some programs in each program category have drug-related restrictions while others in each category do not.

Today, only one state (South Carolina) still has a lifetime ban on SNAP benefits for drug felons. Some 28 states and the District of Columbia have dropped drug-related restrictions altogether from their SNAP programs, and the rest have more-limited restrictions (National Conference of State Legislatures [NCSL] 2019; Thompson and Burnside 2021). But while states have eased their drug-related restrictions in SNAP, and federal law does not allow them in Medicaid, more states have imposed them in UI—especially since the enactment of a 2012 federal law that explicitly lets them do so. In 2019, CRS reported that virtually all states disqualify people for UI if they lose their jobs due to illegal drug use and that in 20 states, illegal drug use, alcohol misuse, or related circumstances such as refusing to take a drug test or testing positive for drugs can also disqualify them (CRS 2019a). There are similar misperceptions with respect to targeted—and universal—program restrictions on benefits for people who are immigrants (see Box 1).

A final challenge to the problematic narrative about targeted and universal programs comes from the federal budget-cutting process known as sequestration. Starting with the Gramm-Rudman-Hollings Balanced Budget Act of 1985 and continuing through the Budget Enforcement Act of 1990, the Statutory PAYGO Act of 2010, and the Budget Control Act of 2011, policymakers have enacted a number of measures that both set fiscal targets and established procedures for enforcing them through sequestration—automatic, across-the-board spending cuts if the prescribed fiscal targets are missed (unless policymakers enact legislation to cancel sequestration before it takes effect, as they frequently have done). In setting the rules for sequestration, policymakers exempted all major *targeted* entitlement programs as well as Social Security from the across-the-board cuts. But they did not exempt such universal programs as Medicare, federal (as distinguished from state) UI benefits, and student loans.[29]

In short, the assumption that universal programs virtually always do better in the political process than targeted programs, which inevitably fare poorly, is too simplistic and one-dimensional. The developments of recent decades reveal a considerably more-complex and more-nuanced story. In parts II and III of this paper, we turn to lessons from these developments.

II. Implications of These Developments

The history and data discussed in the previous pages show why analysts should not use cash welfare assistance as a proxy for, or as representative of, how targeted programs in general fare. They also show why analysts should not compare targeted programs like AFDC/TANF cash assistance—which goes primarily to people who are not employed but who much of the public believes can work—to programs like Social Security and Medicare, which require a significant employment record and mainly serve people who are elderly or who have a serious disability.[30] Assuming that cash welfare reflects how targeted programs in general fare politically and that Social Security reflects how all universal programs perform conflates the targeted versus universal issue with the work issue.

In his classic, *The Welfare State Nobody Knows*, Christopher Howard (2007) warned that academic and popular discussions of US social programs too often suffer from "overreliance on a few social programs, particularly Social Security and welfare, to support more general claims" (2), especially claims about the presumed severe political weakness of targeted programs compared to universal ones. Most targeted programs differ in important respects from cash welfare aid, Howard observed, and universal programs do not all have Social Security's attributes. Social Security and cash welfare aid are "polar opposites" (29) on so many dimensions, he wrote, that it is difficult to know which differences are the most important.

Nor should one assume that the policy choices are limited to programs for the poor and programs that are universal. By and large, the programs that policymakers have expanded the most in recent decades are targeted programs that focus not only on those who are poor or close to the poverty line but also serve millions or tens of millions of households that, while not affluent, are well above the poverty line and tend to consider themselves to be middle class.

Cash assistance for people who are not elderly and do not have disabilities

As we have seen, cash welfare assistance (e.g., AFDC and TANF) has fared worst among the targeted programs, while UI has fared worst among the universal programs. Both programs provide unrestricted cash aid mainly to people who are not employed but who a substantial share of the public believes can work. That these programs have fared poorly even as others in both the targeted and universal categories, including SNAP and Medicaid, have expanded substantially is consistent with years of public opinion survey data that reveal widespread antipathy toward cash for jobless individuals whom a substantial part of the public views as less deserving because they are seen as able to work, alongside support for providing assistance to the poor, particularly

BOX 1

Immigrants and Targeted and Universal Programs

The 1996 Welfare Law restricted the eligibility of certain categories of legally present immigrants for various federal benefit programs. The Balanced Budget Act of 1997 then eliminated or scaled back some of the most severe restrictions, and subsequent laws further rolled back some remaining restrictions in programs such as SNAP, Medicaid, and CHIP. But some significant restrictions have endured, especially for recently arrived legal immigrants. Today, most legally present immigrants remain ineligible for SNAP during their first five years in the United States, though the five-year bar does not apply to most legally present immigrant children under 18. It also does not apply to persons granted refugee or asylum status or who have been admitted to the United States for humanitarian reasons, to immigrants with lawful permanent resident status who are receiving government disability payments, or to immigrants with a military connection. Many legally present immigrants also are ineligible for Medicaid during their first five years in the United States, though states can narrow this restriction and make children under age 21 and pregnant women of any age eligible without any waiting period (CRS 2021g; KFF 2021). Thirty-five states, including nearly all of the most populous states, make children eligible without any waiting period, while 25 states do so for pregnant women (Brooks et al. 2020). As in SNAP, people with military connections, as well as refugees, asylees, and others admitted for humanitarian reasons, are generally exempt from Medicaid's five-year bar. States can provide Medicaid to other legal permanent residents during their first five years in the United States, as well as to other immigrants, at state cost.

Trump administration actions further discouraged immigrant participation in various programs, especially as a result of the administration's so-called public charge rule under which some legal immigrants who were fully eligible for various targeted programs could face risks to their immigration status, including being denied legal permanent resident status, if they received benefits from those programs (Barofsky et al. 2020). Federal courts struck down the Trump rule, and the Biden administration subsequently reversed it, but it had a chilling effect on whether immigrants applied for benefits for which they qualified.

Nevertheless, targeted programs are not inherently more restrictive with respect to immigrants than universal programs. As with many other issues that this paper considers, the reality is more complex. Undocumented people are ineligible for most federal programs, both targeted and universal. And many legally present immigrants are effectively ineligible for Social Security and Medicare because those programs require a substantial number of years of work in the United States to qualify. To be eligible for Social Security retirement benefits, an individual generally must work at least 10 years in the United States. Thus, many recent legal immigrants can qualify for programs like SNAP and Medicaid before they can qualify for Social Security retirement benefits and Medicare, if they ever qualify for Social Security and Medicare. In particular, many people who immigrated legally to the United States relatively late in life and could not amass much of an earnings record here can ultimately receive SNAP, Medicaid, and SSI, but may be permanently ineligible for Social Security or qualify for only small Social Security benefits.

Not surprisingly, the data show that immigrants receive fewer per capita government benefits than native-born Americans, with Social Security being the main reason why. Nowrasteh and Orr (2018) found that the average per capita benefits that income- and age-eligible immigrants received in 2016 from SNAP, Medicaid, SSI, and TANF were lower than the average per capita benefits that income- and age-eligible native-born Americans received. Yet these differences were considerably smaller, they found, than the differences between what immigrants and natives received in Social Security: on average, age-eligible immigrants received more than $4,000 (or 31 percent) less per capita in Social Security benefits each year than natives did. Overall, immigrants received 39 percent less than natives from targeted and universal programs combined, "largely because they [immigrants] are less likely to receive Social Security retirement benefits and Medicare" (Nowrasteh and Orr 2018, 7; see also Nowrasteh and Howard 2022).

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

For example, Greg Shaw reported in 2009 that, over the prior two decades, the share of respondents who said the nation spends too little on assistance for the poor held steady at above 60 percent in most public opinion surveys, while the share who said the same about "welfare" was about 40 percentage points lower. Similarly, Christopher Howard and his colleagues (2017) noted that a 2014 survey found that 62 percent of respondents said the country was spending too little on the poor—higher than the 55 percent who said the nation spends too little on Social Security—but only 19 percent said the same about welfare, reflecting a "gap in support [that] has been visible for several decades" (780). And, in an important book on the US safety net, Howard (forthcoming) reports that, in 2018, 73 percent of Americans said we were spending too little on assistance for the poor while only 7 percent said we were spending too much, producing a net score of plus 66 percentage points, whereas the net score for welfare was *minus* 16 points. An earlier review of public opinion (Hasenfeld and Rafferty 1989) found "considerable [public] ambivalence in supporting such programs as public assistance or unemployment compensation" (1028).

Consistent with these findings, Michael Katz (1986) argued in his book, *In the Shadow of the Poorhouse*, that the welfare reform plans of Nixon and Carter, which would have provided a national minimum cash income for poor families with children, failed mainly because they did not "make benefits completely contingent on willingness to work . . . [and thereby] violated the structural foundation of American welfare" (269). Similarly, Jane Waldfogel wrote in 2013 that unconditional cash assistance programs have "been viewed as undermining work incentives and, if provided to unmarried families with children, creating incentives for nonmarital childbearing or family break-up" (154). And, in a point that Waldfogel and others also have emphasized, Martin Gilens showed in *Why Americans Hate Welfare* (1999) that racial stereotypes and racial animosity

by White households lie beneath much of the strong public hostility to cash welfare assistance, while Alesina, Glaeser, and Sacerdote (2001) called race the single most important predictor of support for or opposition to welfare. Other researchers have observed more recently that "perceptions of deservingness are also linked to race" (Lanford and Quadagno 2022, 2; see also Gilens 1996).

The hostility toward cash aid for people who are not employed makes SNAP's robust expansion in recent decades all the more striking, since SNAP is a near-cash program that serves (among others) people who are not employed; a substantial share of SNAP benefits substitute for food purchases that beneficiaries otherwise would make out of pocket, thereby freeing up their cash for other needs (Hastings and Shapiro 2018; Hoynes and Schanzenbach 2009). Hardy, Smeeding, and Ziliak (2018) term SNAP a "highly liquid" program (190), while Christopher Jencks (1992) described SNAP as "almost indistinguishable in practice from a guaranteed income" (9).[31]

As these developments indicate, SNAP has a much more favorable public image than cash welfare assistance, reflected in polling over a number of years that shows much more positive public responses to SNAP and other food assistance programs than to cash welfare aid (Shaw 2009). When the Center for American Progress conducted polling and focus groups in 2014 to measure public attitudes toward an array of possible social program expansions, expanding food assistance programs was among the five most popular measures, along with expanding child care, pre-school, and college scholarship aid and raising the minimum wage (Halpin and Agne 2014). "Part of the solution to this policy challenge," Shaw (2009) wrote about the sharp difference between the political fortunes of cash welfare aid and those of programs like SNAP, "lies in successfully emphasizing ways to accomplish transfers so they do not look like cash handouts, pure and simple, to non-working, able-bodied persons. The Food Stamp Program is a case in point" (652).

In this regard, SNAP is neither unique nor idiosyncratic; Medicaid is another in-kind targeted program that has proven politically robust and increasingly popular. Mark Schmitt has noted that broad support for Medicaid, which the ACA expanded, played a pivotal role in the failure of Republican efforts in 2017 to repeal the ACA (Grogan and Park 2018a; Schmitt 2017). In addition, when the question of whether their state should adopt the ACA's Medicaid expansion was placed on the ballot in five "red" states (Idaho, Missouri, Nebraska, Oklahoma, and Utah) and one "purple" state (Maine) in recent years, voters said "yes" each time. Moreover, when federal policymakers replaced AFDC with TANF in 1996, they converted cash welfare aid from an individual entitlement to a block grant with fixed funding levels that are not adjusted for inflation and do not increase when the need for more funding grows during recessions—but Republican efforts to end the Medicaid and SNAP entitlements and convert those programs to block grants repeatedly failed.

Analysts have long noted the dichotomy between public support for in-kind assistance under programs like Medicaid and SNAP and public animosity to cash aid. "Not many Americans outside the anti-poverty community," Hugh Heclo (1986) wrote, "seemed to accept the concept of a right to income as such but only to the necessities income might buy" (3). Robert Moffitt (2003) observed, "Voters and legislators appear to prefer to make transfers tied to specific consumption items rather than open-ended cash transfers" (7). Howard and his colleagues (2017) reached a similar conclusion based on seven public opinion surveys conducted from 1994 to 2012 (779).[32]

Particularly telling is recent work by Zachary Liscow and Abigail Pershing (2022), who surveyed a large, demographically representative sample of the public, giving participants a hypothetical choice between a cash transfer and a transfer that recipients could spend only on necessities. The public "overwhelmingly prefers in-kind redistribution to cash," they found, and is "willing to support a larger in-kind than cash transfer" (1). As a result, the authors note, "in-kind redistribution appears to be a good deal . . . for poor recipients because—based on their own preferences—they would be better off with the considerably larger amount that the public is willing to redistribute in-kind than with the smaller amount in cash" (28).

In his new book, Christopher Howard (forthcoming) connects the public's apparent preference for in-kind benefits over cash aid to the issue of work, noting that most of those who receive SNAP, the Supplemental Nutrition Program for Women, Infants, and Children (WIC), and low-income housing assistance are not subject to work requirements. He observes that when aid is targeted on specific necessities, the public is less insistent that people work to receive the benefits, but when the aid comes in the form of cash that recipients can spend as they choose, the public's insistence on work and work requirements is greater.

Another reason that in-kind programs have done better politically than cash programs is that they can build secondary constituencies, such as hospitals, hospital trade associations, and managed-care companies in the case of Medicaid and the retail food industry in the case of SNAP. As Janet Currie and Farouz Gahvari (2008) explained, "By focusing on particular goods, in-kind programs create political constituencies in addition to those who are the recipients of the transfers" (276). By their very nature, cash programs cannot do the same.

The type of in-kind benefits that a program offers also affects which congressional committee has jurisdiction over the program—and that, too, can influence its political prospects. SNAP is stronger politically because it is an integral part of the farm bills that the House and Senate Agriculture Committees write every four or five years. As the share of Americans who run farms has fallen sharply over time, it has become increasingly difficult to pass farm bills on the House floor without substantial support from urban lawmakers. And the main interest of urban lawmakers in farm bills has been how those bills treat SNAP.

Expanding targeted programs beyond the poor

The make-up of the population that a targeted program serves is another important factor affecting its political strength.

Cash welfare aid traditionally has been limited to people below—usually far below—the poverty line. By contrast, the targeted programs that have expanded the most virtually all now serve people well above the poverty line, often encompassing a significant share of the middle class. Medicaid, CHIP, subsidies to help people buy health coverage in

the ACA marketplaces, the EITC, and the Child Tax Credit (CTC) all go to at least a significant share of the middle class. As of January 2020, for example, the Medicaid/CHIP income limit for children stood at 255 percent of the poverty line in the median state—$55,386 for a family of three and $66,810 for a family of four that year—meaning that half of the states, including many of the most populous states, have higher income limits than that (Brooks et al. 2020). In many states, these levels are closer to the median family income, which stood at $86,372 in 2020, than to the poverty line.[33] In addition, under the ACA, the premium tax-credit subsidies that help people buy health coverage in the ACA's marketplaces extend to people with incomes up to four times the poverty line, which in 2022 exceeds $92,000 for a family of three and $110,000 for a family of four. (And under the Inflation Reduction Act passed in August 2022, the subsidies will extend through 2025 to people above 400 percent of the poverty line if their premium costs otherwise would exceed 8.5 percent of their income.) SNAP has tighter targeting, but most states have raised SNAP's eligibility limits up to, or closer to, 200 percent of the poverty line, which is $46,060 in 2022 for a family of three.[34]

Policymakers have broadened eligibility for programs like Medicaid and SNAP in other ways as well. The ACA eliminated asset tests in Medicaid (except for its elderly and disabled eligibility categories, reflecting the fact that some retirees have low current incomes but significant liquid assets).[35] In addition, a substantial majority of states have largely or entirely eliminated asset tests for most or all households in SNAP, under authority that the federal government has given them to do so through legislation and regulation.[36] By easing asset tests, policymakers simplified these programs, made them more accessible, and reduced their administrative costs.

In the late 1980s and early 1990s, 42 percent of SNAP's caseload consisted of households that received AFDC, and about 70 percent of the caseload received AFDC, SSI, or state GA (Committee on Ways and Means 1994, 2004). By 2019, however, only *4 percent* of SNAP's then-much-larger caseload received TANF cash assistance, and only 29 percent received TANF, SSI, or GA (US Department of Agriculture [USDA] 2021a).[37] Medicaid has undergone a similar transformation from a program largely linked to welfare to one serving a broader population (CRS 2021b). In 1985, it covered a sixth of all US births (Howard 2007); today, it covers about half. Indeed, in 2019, 40 percent of Medicaid beneficiaries had annual incomes above 138 percent of the poverty line (MACPAC 2021). Moreover, in a 2019 survey (KFF 2020), 66 percent of Americans said they had a personal connection to Medicaid, meaning that they, a family member, or a friend have received Medicaid coverage at some point. This broadening of various programs so they now extend to families well above the poverty line, along with the substantially weakening of links between these programs and cash welfare, may also have led to the programs being viewed in less racially charged terms.

In 2017, more generally, 111 million people—about a third of the US population—received benefits at some point from one or more of eight targeted programs, as did 57 percent of all children and 40 percent of all adults in families with children, CRS found.[38] People with annual income below the poverty line, before counting these benefits, participated in these programs at higher rates, and in most cases received higher benefits. People with annual pre-assistance income *above* the poverty line, however, accounted for a majority of those who received benefits at some point during 2017—numbering 60 million people.[39] Similarly, a study by Hilary Hoynes and Diane Schanzenbach (2018) shows very sizeable increases between 1990 and 2015 (the years they examined) in the amount of targeted-program benefits for families with children that go to families with annual incomes above the poverty line (see Figure 6). Many households have income *below* the poverty line for some months of the year but *above* the poverty line for the year as a whole and receive benefits in months when their incomes are low or modest.

In addition, CBO (2021) found that, in 2018, about a quarter of the benefits from targeted programs went to households in the second income quintile (i.e., households between the 20th and 40th percentiles on the income scale, based on annual income), and between a fifth and a quarter of the benefits went to households above the second quintile. The CBO data show the breadth of various key targeted programs today. They also show that the programs still concentrate their benefits most on people in the bottom fifth of the population, who receive a majority of the benefits from targeted programs, although benefits *within* the bottom quintile have shifted to a significant degree in recent decades from extremely poor households without earnings—for whom cash assistance has been reduced due to the cuts in AFDC, TANF, and GA—to households with earnings (Moffitt and Pauley 2018).

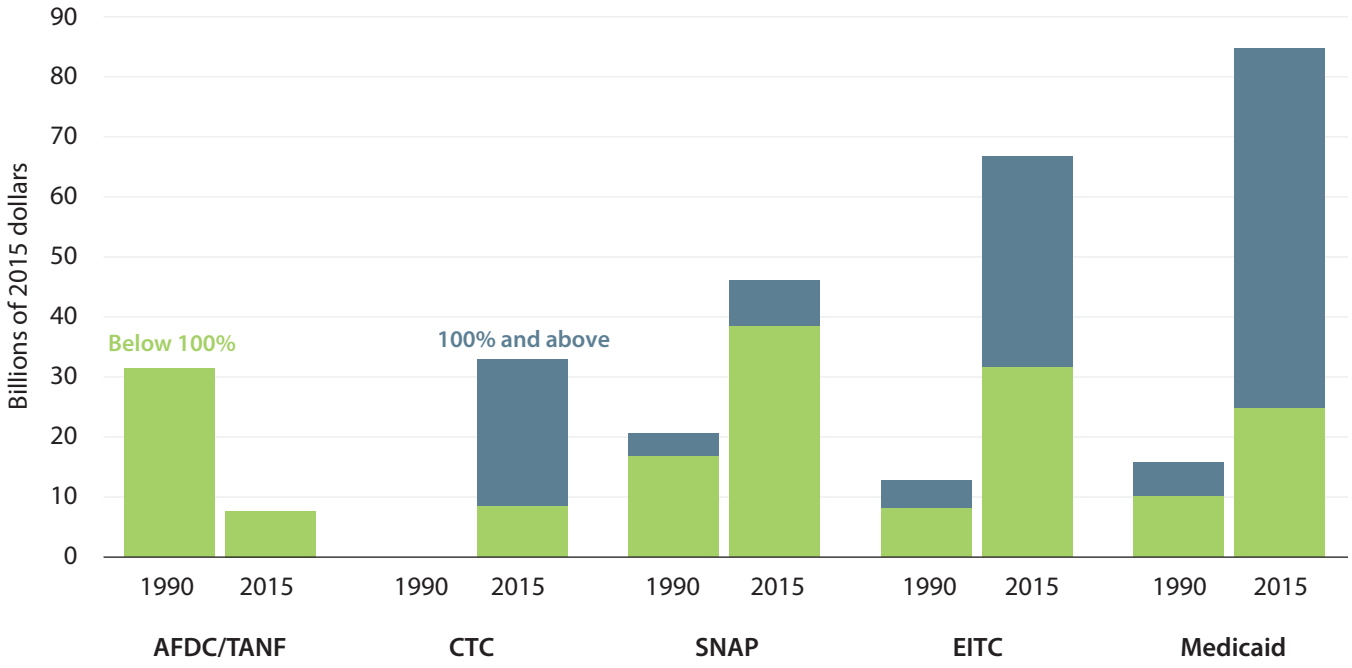
In a similar vein, a recent study by Gary Burtless and Isabel Sawhill found that among non-elderly households in the second and third income quintiles, income—under a comprehensive measure that counts in-kind benefits—rose 20 percent between 2000 and 2017 in inflation-adjusted terms, with about *half* of the growth resulting from increases in the targeted benefits that these households received (Burtless and Sawhill 2021). "Several decades ago," a recent Hamilton Project paper explains, "it was common to think of programs as being either universal (having no upper income limits) or targeted on the poor, but that categorization is no longer very useful. Increasingly, targeted . . . programs cover both low-income households and households that are somewhat higher—often much higher—on the income scale" (Barnes et al. 2021, 9).[40]

Also of note, while policymakers broadened eligibility for various targeted programs in recent decades, they somewhat scaled back the benefits that universal programs provide to affluent individuals. The most striking such change was the introduction of large income-related premiums for Medicare Part B (physician, laboratory, and hospital outpatient coverage), which means that very affluent beneficiaries now pay most of the costs of Part B coverage themselves, with only a modest government subsidy. In addition, UI benefits and a portion of Social Security benefits are now subject to the federal income tax.

Extending targeted programs up the income scale to varying degrees also has another effect: the benefits from various programs can phase down over somewhat different, broader income ranges. That can help keep a beneficiary's combined marginal tax rate from tax and benefit programs from climbing too high, although the level of combined marginal rates remains an issue to which policymakers must pay attention in these programs.

FIGURE 6

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



Source: Hoynes and Schanzenbach 2018.

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Reassessing targeted and universal programs: What lessons can we draw?

Two decades ago, Theda Skocpol (2000) argued that targeted programs are inherently weak politically because people who are not far above the poverty line and who feel squeezed economically may oppose programs that benefit those below them on the income scale but that they cannot access themselves. Such individuals, she wrote, "can easily come to resent other, slightly less well-off families who *are* getting such benefits" (109–10; emphasis in original). And earlier, Skocpol (1991) challenged proponents of targeted programs to explain "why working-class families with incomes just above the poverty line, themselves frequently struggling economically without the aid of health insurance, childcare, or adequate unemployment benefits, should pay for programs that go only to people with incomes below the poverty line" (414).

Skocpol argued that universality would address this problem. Yet changes in social programs over the past few decades show that the choice is not simply between restricting programs to the poor and making them universal. Over this period, policymakers have created and expanded targeted programs that now provide benefits both to poor families *and* to people above them on the income scale, often including a sizeable share of the middle class. Skocpol (1991) called for "new policies that could address the needs of less privileged Americans along with those of the middle class and the stable working class" (428). That is essentially what has occurred with a number of key targeted programs, but without universality.

Mark Schmitt, a former editor-in-chief of *The American Prospect* and now director of the New America Foundation's political reform program, studied these issues after Republican efforts to repeal the ACA in 2017 failed. Noting that the threat to Medicaid played a central role in preventing GOP leaders from securing the needed votes, Schmitt (2017) wrote, "It was [the broad support for] a means-tested program . . . that clearly played the pivotal role in protecting the ACA." Schmitt observed that while Medicaid began as a program for the very poorest (those eligible for welfare), policymakers subsequently expanded it up the income scale. In addition, he noted, Medicaid had developed "a secondary constituency with political clout" in the form of governors, hospitals, and others.

"The result," Schmitt (2017) concluded, "is a program that, while still means-tested and targeted, now reaches enough people, and has enough secondary constituencies such as governors and hospitals, that its future is likely as secure as a 'cross-class' universal program would be."[41] Consistent with his view, the research finding that a majority of Americans are connected to Medicaid through their own coverage or that of a family member or friend was accompanied by a finding that people who have such a connection are "significantly more likely to view Medicaid as important and to support increases in its spending, even among conservatives" (Grogan and Park 2018b, 749).

These developments persuaded Schmitt (2017) that "the knowledge that programs don't need to be universal to build strong political support should give progressives greater flexibility, when the opportunity comes, to design

programs that directly address need. We don't always have to spread benefits thinly across the entire population in order to achieve lasting social progress" (see Box 2). As noted, there may also be another reason why expanding targeted programs to families above, and often well above, the poverty line strengthens them politically: extending programs to cover at least part of the middle class may alter the racial imagery, and reduce the racial animus, surrounding them.

"The literature," political scientist Eric Patashnik commented recently, "suggests that many factors affect a program's trajectory, including whether the beneficiaries are viewed as deserving, such as children in the case of the children's health insurance program or the working poor in the case of the EITC, and some means-tested programs have actually been pretty robust in many conditions. The Medicaid program helped save the ACA after all. Millions of people depend on that program, and the program also has strong support in many states, from governors to the health insurance industry and hospitals." What the literature shows, he added, is that to build strong political support for targeted programs, their eligibility criteria need to be "sufficiently expansive and not be limited to the poorest people" (Niskanen Center 2021).

Schmitt's commentary raises a related issue. While targeted programs have some weaknesses compared to universal programs with respect to political strength, they also may have an advantage—their lower cost. To the extent that proponents of new programs and program expansions need to find ways to pay for them to secure the needed votes to pass Congress, as is often the case, the lower cost of targeted programs and program expansions can enhance their prospects. That is likely a significant reason why policymakers have expanded targeted programs more than universal programs in recent decades.

Targeted programs could have another political advantage as well, though that is much less clear. Public opinion analyst David Shor (2021) has reported that, according to polling by Blue Rose Research in 2021, free college and student debt forgiveness became more popular when it was targeted (Bazelon and Shor 2021; Philbrick 2022). Blue Rose also conducted polling on the CTC and found a similar result—targeting it more increased its popularity. "The conventional wisdom on means-testing and political durability," Shor (2021) concluded in a tweet, is "wrong." His results raise an interesting question: just as many households resent wealthy individuals not paying their fair share of taxes, do some people resent affluent households receiving certain government benefits that are not tied to a work record and viewed as earned? This question may merit further study.

III. Other Factors Related to Programs' Political Success or Failure

Why have some targeted programs done well politically, while others, especially cash welfare assistance, have fared so badly? We have discussed such factors as (1) whether benefits are linked to employment and hence perceived as having been earned, or are viewed as welfare for people who much of the public believes can work but do not; (2) whether benefits are provided as cash or in kind, particularly when a substantial share of beneficiaries lack earnings; and (3) whether a targeted program's clientele includes modest-income working families and even a significant portion of the middle class. Part III of this paper explores additional factors that can strengthen or weaken programs politically, especially targeted programs.

Full federal financing strengthens programs

Full federal financing of benefits appears to be among the most important factors in strengthening programs politically. It removes incentives for states, which have to balance their operating budgets each year, to cut social programs to help reach balance or to free up money for measures such as tax cuts. Social Security, Medicare, SNAP, the EITC, and the CTC are examples of programs, universal or targeted, in which the benefits are fully federally financed and not dependent on state budget decisions and, accordingly, in which the federal government sets most or all eligibility and benefit rules.

Illustrating the significance of this factor, the benefits in most fully federally financed programs that provide cash or near-cash benefits—including Social Security, SSI, SNAP, and the EITC—are indexed to inflation each year. But states decide whether to index TANF benefits and the state SSI supplemental benefits that some states provide, and most states do *not* index them.[42] Similarly, with UI, the states have extensive discretion over eligibility and benefits. And since employers pay taxes to their state to fund UI benefits, they have incentives to seek benefit limits and eligibility restrictions, and a number of states have responded in recent years by shaving benefits or imposing more restrictions. Pierson (1994) said of the Reagan era, "Programs with shared federal and state responsibilities proved most vulnerable. . . . Where policy was already decentralized (UI and, among targeted programs, AFDC), the Reagan administration was able to harness burden-shifting techniques and interstate competition in the service of retrenchment" (101).

SSI illustrates the benefits of full financing but also the political limitations of cash aid. Like TANF, it provides cash assistance primarily to people who are not employed. But unlike TANF and UI, SSI is fully federally financed, except for the state supplemental benefits, and it goes to people who are elderly or who have serious disabilities and thus are not expected to be working. Since its creation in 1974, SSI has performed quite well compared with TANF; its federal benefits are adjusted annually for inflation and have not been cut. At the same time, however, it has performed poorly compared to SNAP, Medicaid, or the EITC and CTC: since SSI's inception in 1974, its asset limits have become more restrictive because they are *not* adjusted for inflation,[43] and its income eligibility limits for people with other income have similarly eroded, since the income disregards that determine whether someone meets SSI's income limits also are not indexed.[44] "The real decline in the income disregards and asset limits over time," Mary Daly and Richard Burkhauser (2003) reported, "has effectively eroded the value of SSI benefits and narrowed the population of potential recipients relative to 1974 levels" (85).[45]

BOX 2

Challenges to the Conventional Wisdom that Universal Programs Greatly Outperform Targeted Programs in Political Strength and Popularity

Various scholars and public opinion researchers have questioned the conventional wisdom about targeted and universal programs. Examples include the following:

> "We have been told repeatedly that the American welfare state has two distinct tiers. The upper tier of social insurance programs is supposed to enjoy numerous advantages, politically and programmatically, over the lower tier of public assistance programs. One has only to contrast Social Security with welfare to appreciate the gulf separating these two tiers. And yet, the more we learn about other social programs, the more suspect the two-tiered model becomes. Important programs such as Medicaid, the Earned Income Tax Credit, unemployment insurance, and workers' compensation do not fit very well in their designated tiers." (Howard 2007, 5)

> "After all that we have read and learned about the vulnerability of means-tested programs, how in the world did the EITC grow faster than any other major U.S. social program between 1980 and 2000? . . . Did its success have anything in common with the equally remarkable expansion of Medicaid during the same period? These questions are not asked very often." (Howard 2007, 6)

> "To the extent that observers of the American welfare state attempt to make sense of policy developments through the lens of a dichotomy of social insurance versus welfare, evidence from a range of programs discussed here will prove confounding. Some means-tested efforts have flourished over the past two decades, while some non-means-tested policies have struggled to keep pace with demands. . . . Conventional wisdom would have it that second-tier, means-tested programs grow more slowly than first-tier contributory policies. However, evidence from the historical tables of the federal budget tells a different story." (Shaw 2009, 629)

> "Analysts have generally failed to investigate the characteristics of individual programs that might affect their durability, beyond restating the widely held view that universal programs will be more durable than means-tested programs. . . . In fact, [this] standard expectation . . . does not withstand close scrutiny. . . . Some means-tested programs have been vulnerable; others have not. The same has been true of universal programs. The durability of programs turns on factors more complex [than whether they are means-tested or universal]." (Pierson 1994, 6)

> "The popularity of universal social programs such as Social Security has led some to conclude that public support for antipoverty efforts can be gained only by 'hiding' such efforts within a framework of a program that provides benefits for all Americans, whether poor or not. The findings in this book strongly challenge that notion." (Gilens 1999, 7–8)

> "The public's real and strong opposition to welfare has been over-generalized, and the stark contrast between public opposition to welfare and public support of Social Security has been misinterpreted." (Gilens 1999, 212)

> "The hypothesis that targeting in social policy reduces political support is a sensible one. Yet the experience of rich countries in recent decades suggests reason to question it." (Kenworthy 2011, 62)

> "Countries that make heavier use of targeting have tended to be as successful at income redistribution as those with less targeting." (Kenworthy 2011, 103)

Programs tend to be stronger if the federal government administers them or at least sets national eligibility and benefit standards that states must meet or exceed, as well as standards to ease administrative burdens

The federal government administers Social Security, Medicare, SSI, and the EITC and the CTC, among other programs. States administer SNAP and Medicaid. For SNAP, the federal government establishes the benefit levels, fully funds the benefits, and sets national eligibility criteria that states must meet but can exceed for some eligibility dimensions. For Medicaid, the federal government sets national eligibility and benefit criteria that states must meet or exceed.

The major SNAP and Medicaid expansions of the past 40 years have largely come from strengthened federal rules, such as stronger federal requirements for children's Medicaid coverage and for Medicaid and CHIP enrollment procedures, and from the federal government's assuming a larger share of the costs for CHIP and the ACA's Medicaid expansion than for the underlying Medicaid program. In SNAP, similarly, when the federal government in 2021 revised and updated the Thrifty Food Plan—which estimates the cost of a healthy but budget-conscious diet and serves as the basis for SNAP's benefit levels—that revision generated a more than 20 percent increase in both SNAP's maximum and average benefits. By contrast, TANF and UI, both of which also are state administered, lack meaningful federal benefit and eligibility standards, which helps to explain why they have done so poorly.[46]

To be sure, UI was expanded greatly in 2020 and 2021 during the pandemic and ensuing recession. But that

occurred only because the federal government fully funded and mandated UI's eligibility and benefit expansions, all of which have now expired. As noted, some UI analysts expect states to resume cutting UI in the years ahead, a process that has already begun (Gwyn 2022).

Of particular note, social programs that operate as highly flexible block grants to states or localities have fared especially poorly. From 2000 to 2017 federal funding for the 13 major federal housing, health, cash assistance, and social service block grants fell by 37 percent, after adjusting for inflation and population growth, with all but one of the 13 block-grant programs suffering funding declines, a 2017 CBPP analysis found (Reich et al. 2017).

The groups that a program serves matter

Programs that serve certain groups of people tend to attract more support than programs that support other groups. Not surprisingly, programs for the elderly receive the most support, followed by programs for children and pregnant women, and programs for people with disabilities; all of these are groups not generally expected to work. At the other end of the spectrum, programs, or parts of programs, for adults who are neither raising children at home nor are elderly or disabled have fared much more poorly, with programs for such adults who are not working faring the worst.

There is no federal cash aid program for poor adults who are not raising children and who are not elderly or disabled. Forty years ago, most states had GA cash programs for such individuals, though their benefits tended to be meager. Starting in the 1980s, however, most states scaled back those programs, often severely. Today, not much cash aid remains for this group. Most states and localities limit GA to people with disabilities, such as those waiting to learn whether they are eligible for SSI, if they have such a program at all (Schott 2020).

In Medicaid, most adults who are neither raising children, nor elderly, nor disabled were ineligible until the ACA, and 12 states still do not extend Medicaid to this group. In SNAP, people aged 18 to 49 who are not raising children and are not employed at least half time or participating in a work or training program at least half time are limited to three months of benefits out of every three years, unless they live in an area for which their state has secured a federal waiver from the time limit due to elevated unemployment or unless they receive one of a limited number of available exemptions from the time limit. In the EITC, benefits for low-wage workers who are not raising children at home are much smaller than benefits for workers in families with children, and those who lack earnings are ineligible altogether.

Those with incomes below *half* the poverty line who do not receive benefits under *any* major targeted program were, with the exception of various categories of immigrants, mainly "single nonelderly adults in households without children, evenly divided between men and women," GAO reported in 2015. This finding, GAO noted, was consistent with other research showing 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" (49).

Programs delivered through the tax code tend to do well

While targeted spending programs that provide cash assistance have not fared well, programs that provide income through the tax code generally have prospered. EITC and CTC expansions have been particularly dramatic (Figure 7). The EITC, CTC, or both have been expanded 14 times since 1984—in tax legislation that was revenue neutral (e.g., in 1986), in legislation that increased revenues and reduced deficits (e.g., in 1990 and 1993), and in legislation that cut taxes (e.g., in 2001, 2003, and 2017).[47] Moreover, neither program has ever suffered a major cut, except for a 2017 measure making undocumented immigrants, who already were ineligible for the EITC, ineligible for the CTC.

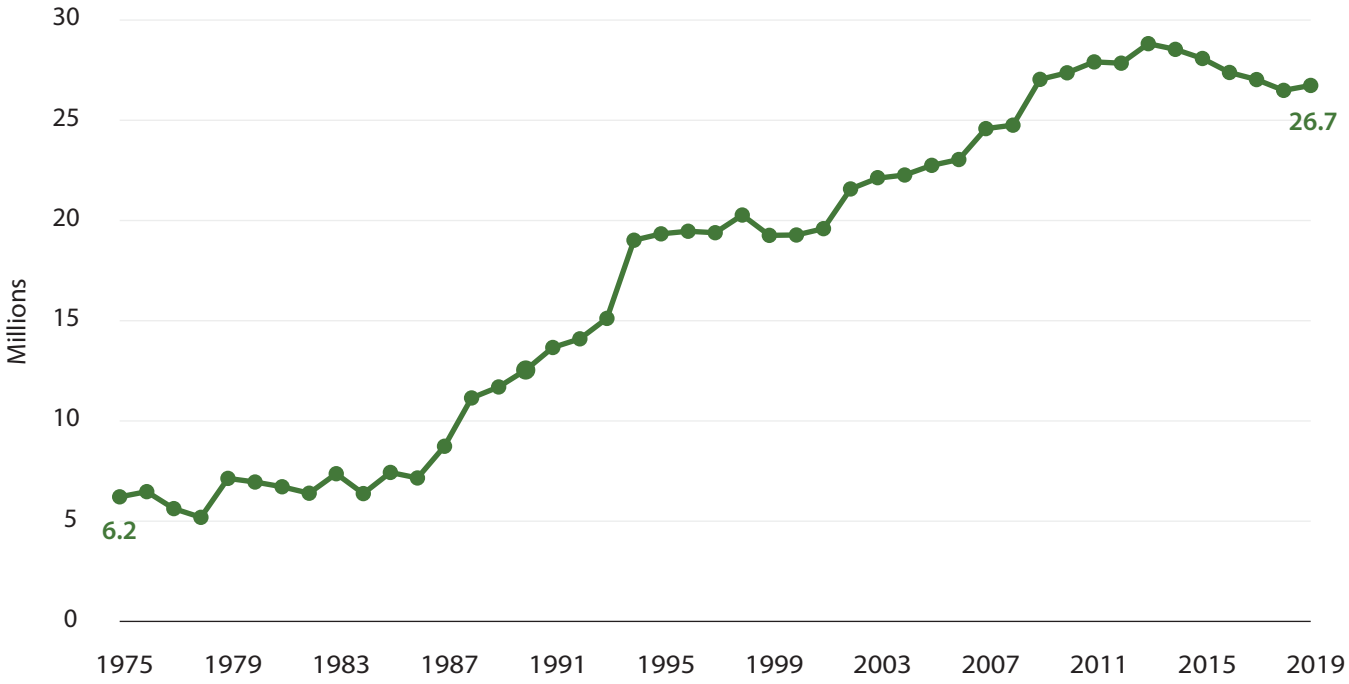
To be sure, eligibility for the EITC and CTC is tied to earnings. But, in their recent book, *The Other Side of the Coin: Public Opinion Toward Social Tax Expenditures*, Christopher Ellis and Christopher Faricy (2021) note, "People who receive aid through the tax code are perceived as more deserving than people who receive otherwise identical aid directly. . . . Our results suggest that the public finds social tax expenditures, all else being equal, more palatable than direct social spending programs" (112–13). Also, at least to some extent, the tax code "can be used to deliver monetary [i.e., cash] benefits to lower-income citizens while priming fewer of the racial stereotypes that often accompany" (12) benefits delivered through direct government spending. The public does not associate tax expenditures with "big government," Ellis and Faricy found, and tax expenditures tend to garner more support from people who distrust government than spending programs do.

Similarly, Joshua McCabe (2021) cites public opinion research that finds a 14- to 18-percentage-point drop in support for the CTC when it is described as cash for families rather than as a tax credit. As for new programs of the past decade, both the ACA's subsidies to make health coverage more affordable for modest-income individuals and the stimulus payments to help people weather COVID-19 and the deep recession it spurred came in the form of refundable tax credits.

Providing income through the tax code also can strengthen a program in another way—through the tradeoffs and logrolling as lawmakers draft tax legislation. The tax law of 2015 provides an example. When lawmakers were drafting legislation that year to extend various business and individual tax breaks that were set to expire—legislation that would require 60 votes in the Senate—key Democrats tied their support for it to whether it would include provisions making permanent the expansions in the CTC, EITC, and a partially refundable tax credit to help cover college costs (the American Opportunity Tax Credit, or AOTC) that originally were enacted as temporary measures under the American Recovery and Reinvestment Act of 2009 (the 2009 Recovery Act). As a result, the CTC, EITC, and AOTC expansions became the only social program expansions from the Recovery Act that policymakers made permanent.

FIGURE 7

Number of Tax Returns with the EITC, 1975–2019



Source: Crandall-Hollick, Falk, and Boyle 2021; IRS 2019.

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Entitlement programs greatly outperform discretionary programs

Entitlements, both targeted and universal, have done far better than discretionary programs, which policymakers fund each year through appropriations bills. Between 1979 and 2019, total federal spending for entitlements and other mandatory programs, including both targeted and universal programs, rose by 154 percent after adjusting for inflation and population and climbed from 49 percent of the federal budget in 1979 to 68 percent in 2019. *Targeted* entitlement and other mandatory programs grew even more—by 280 percent after adjusting for inflation and population (Figure 8;[48] see the budget tables in the interactive tool that accompanies this paper, identified in the References as Kogan 2022).

But nondefense discretionary programs grew a much more modest 10.3 percent over the 1979–2019 period after adjusting for inflation and population, and that already-modest figure is distorted by the massive growth of one program within this category—veterans' health care.[49] Outside of veterans' health care, spending for nondefense discretionary programs grew just 1.8 percent between 1979 and 2019 after adjusting for inflation and population. Spending for nondefense discretionary programs that mainly serve lower-income households or communities also was flat over this period. Indeed, while total mandatory spending rose from 32 percent of the budget, excluding interest payments, in 1969 and 49 percent in 1979 to 68 percent in 2019, discretionary spending, including defense, dropped to less than a third of the budget by 2019. Their discretionary, rather than mandatory, status has particularly affected housing assistance programs for low-income families; although such programs grew somewhat over the decades, they reach only about one in four low-income households that are eligible for them because that is as far as their constrained funding goes.

Moreover, the budget data cited here primarily compare peak years of economic expansions: 1979 and 2019. As a result, they do not show the highly disparate responses of entitlement and discretionary programs to recessions. When the economy contracts and household income falls, entitlement programs like SNAP, UI, Medicaid, and others expand automatically—more people become eligible for them and, as open-ended entitlements, these programs enroll and serve all eligible households or individuals who apply. But discretionary programs do not expand automatically. Unless policymakers boost their funding during recessions, the programs tend to serve smaller fractions of the people eligible for them at those times.

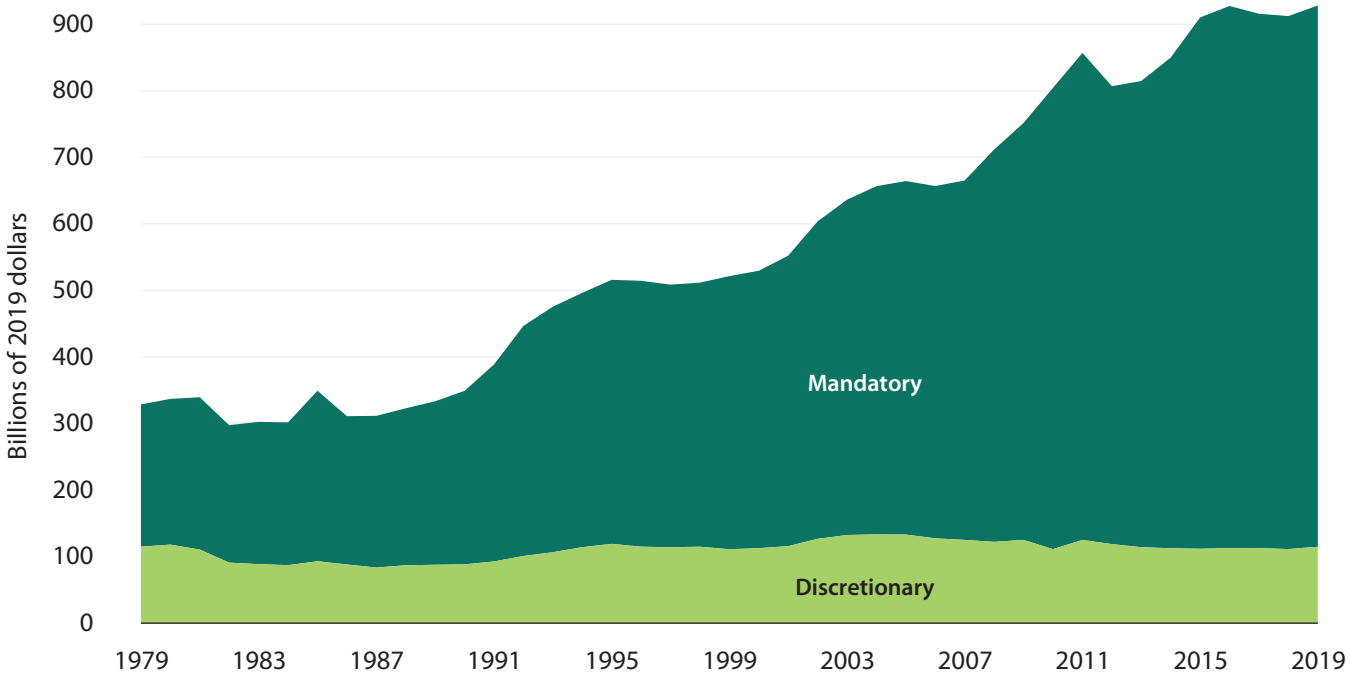
Policymakers' perceptions of effectiveness can affect a program's political prospects

Not surprisingly, programs that policymakers view as highly effective tend to do better, a finding supported by research by Fay Lomax Cook and Edith Barrett (1992).

Food assistance programs are one example. Studies from as far back as the late 1970s found that food stamps

FIGURE 8

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



Source: Kogan 2022.

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and school meals substantially reduced the high levels of child malnutrition and undernutrition that had been a focus of national media coverage in the late 1960s, and that strengthened bipartisan support for these programs.

Similarly, although it is a discretionary program that can serve only as many eligible people as its funding allows, WIC has essentially operated for most of the time since 1997 like an entitlement; it generally has enrolled and provided benefits to all eligible women, infants, and children who apply (Carlson, Neuberger, and Rosenbaum 2017). That has occurred because, for the past quarter-century, both Democratic and Republican presidents and Congresses have provided sufficient funds each year to ensure that all eligible applicants can receive WIC's benefits; it has grown from a $1.8 billion program (in 2019 dollars) serving 1.5 million women, infants, and children in 1979 to a $5.3 billion program serving 6.4 million in 2019. That is highly unusual for a discretionary program, and perceptions of its strong effectiveness have proved pivotal to its success.

In a 1992 report, GAO concluded that WIC substantially reduces the incidence of low-weight births, that providing WIC benefits to pregnant women "more than pays for itself within a year" (2), and that "each federal dollar invested in WIC benefits returns an estimated $3.50 over 18 years in discounted present value" (4). GAO's report followed an influential House Budget Committee hearing (Committee on the Budget 1991), at which the CEOs of five Fortune 500 companies with no financial stake in WIC jointly testified that Congress should fully fund WIC, citing its effectiveness and calling WIC "the health-care equivalent of a Triple-A-rated investment" (42). These developments helped nourish a bipartisan commitment to provide sufficient WIC funding each year so that all eligible people who apply can receive benefits. That WIC serves groups that the public tends to regard favorably—pregnant women, infants, and young children—is fully federally funded, and provides benefits in kind has apparently also helped drive its funding growth.[50]

In short, programs tend to draw more political support when they are not viewed as cash welfare aid; when they provide benefits that are considered to have been "earned" or to be otherwise linked to work; when their constituency includes not only people who are poor but also sizeable numbers of people above them—often significantly above them—on the income scale; when they serve such groups as the elderly or children; when their benefits, if targeted, are provided in kind or through the tax code rather than as straight cash aid through what is regarded as a welfare program; when they are entitlement programs with federally prescribed and funded benefit levels or at least minimum national eligibility standards; and when they are viewed as effective.

TABLE 2

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

Millions of people

Age Category	Social Security	EITC/CTC	SNAP	SSI	Rental Assistance	TANF	UI	All programs and taxes*	Targeted federal programs**
People of all ages	26.9	9.5	6.3	4.3	3.3	0.7	0.6	39.2	21.4
Under 18	1.5	5.1	3	1.1	1	0.4	0.1	8.7	9.5
18 to 64	8	4.3	2.9	2.6	1.6	0.3	0.4	12.7	10.3
Under 65	9.4	9.3	5.9	3.7	2.6	0.7	0.5	21.5	19.8
65 and over	17.4	0.1	0.4	0.6	0.6	0	0	17.7	1.5

Source: CBPP 2021 unpublished data, as provided to the author.

Note: *These data reflect federal income and payroll taxes and state income taxes, which include state EITCs. Taxes, by themselves, not counting the federal EITC and CTC, increase the number of people in poverty. That is why the number of children lifted out of poverty by targeted programs, as shown in the last column, is somewhat larger than the number lifted out by programs and taxes (the next-to-last column). Programs reflected in the "All programs and taxes" column that are not targeted include veterans' disability compensation and workers' compensation, in addition to Social Security and UI.

**The targeted federal programs column reflects the impact of the CTC's refundable component, but not its nonrefundable component. The EITC/CTC column reflects the effects of both the CTC's partially refundable component and its nonrefundable component. If only the refundable component is considered, the numbers for the EITC/CTC column are: 8.6, 4.6, 3.9, 8.5, and 0.1. The programs reflected in the targeted programs column include—in addition to the EITC and CTC, SNAP, SSI, rental assistance, and TANF—free and reduced-price school lunches, WIC, low-income home energy assistance, and needs-based veterans' benefits.

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IV. How Targeted and Universal Programs Do in Reducing Poverty

Both targeted and universal programs help reduce poverty substantially, as shown by the Supplemental Poverty Measure (SPM), which counts noncash benefits other than health insurance as income, makes other improvements in poverty measurement, and is favored by most analysts over the so-called "official poverty measure" (CRS 2021e; Council of Economic Advisers 2014; GAO 2015; National Academies of Sciences, Engineering and Medicine [NASEM] 2019; National Research Council 1995).[51] Universal programs—mainly Social Security—play the dominant role in reducing poverty among people 65 and over, while targeted programs play the dominant role among those under age 65.[52]

In recent decades, as social programs and tax credits have expanded, they have grown far more effective in reducing poverty. Using the SPM and adjusting for the underreporting of benefit receipt in Census data, Danilo Trisi and Matt Saenz (2021) of CBPP found that, in 1970, government benefits and taxes (on net) kept out of poverty about 9 percent of those who would otherwise be poor. By 2017, the latest year for which these data are currently available, benefits and taxes kept out of poverty 47 percent of those who would otherwise be poor, cutting the poverty rate nearly in half (Trisi and Saenz 2021).[53] Similarly, Trisi and Saenz found that among children under age 18, government benefits and taxes did not reduce poverty at all in 1970—benefits lifted some children out of poverty, but taxes pushed more children into poverty—but by 2017, benefits and taxes lifted from poverty 46 percent of children who would otherwise be poor. (The CBPP and CRS analyses cited in this discussion do not reflect the possible impacts on poverty of behavioral responses to various benefits; see Furman 2017 and Ben-Shalom, Moffitt, and Scholz 2011 for a discussion of that issue.[54])

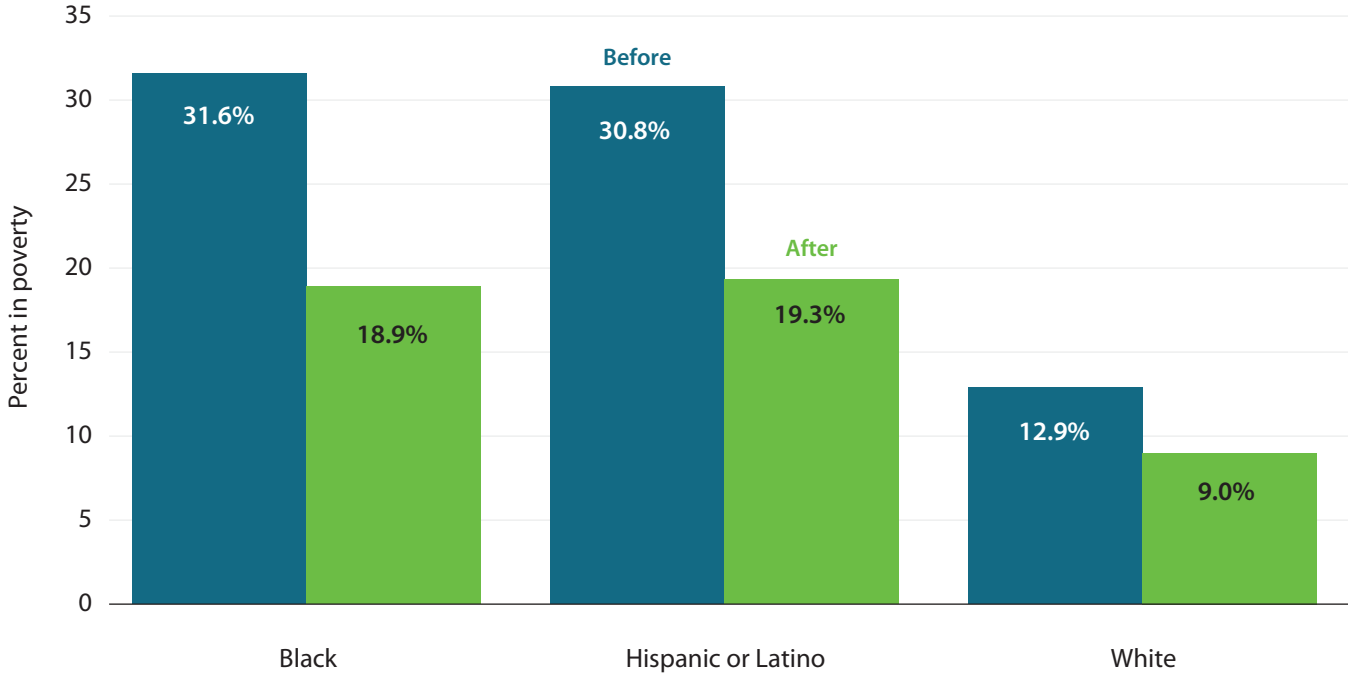
Growth in both targeted programs and Social Security has been the main factor behind this progress. In 2017, Trisi and his CBPP colleagues found, targeted programs as a group kept 21.4 million people out of poverty and reduced the SPM poverty rate by 6.6 percentage points.[55] Refundable tax credits (the EITC and CTC) kept 9.5 million people out of poverty, SNAP kept out 6.3 million, SSI kept out 4.3 million, and rental assistance kept out 3.3 million. Social Security kept a striking 26.9 million people out of poverty and lowered the poverty rate by 8.3 percentage points—more than all targeted programs combined.

The antipoverty impacts of programs differ sharply across age groups, however. Social Security's antipoverty impact is greatest by far among people aged 65 and over. Among those under 65, targeted programs have the greatest antipoverty impact. In 2017, targeted programs kept 9.5 million children under 18 out of poverty, while Social Security kept out 1.5 million. Among all people under age 65, targeted programs kept 19.8 million out of poverty in 2017, while Social Security kept out 9.4 million, or less than half as many. UI, another universal program, kept 500,000 people under age 65 out of poverty in 2017 (see Table 2).

Targeted programs as a whole reduced child poverty in 2017—as it stood after counting the benefits from universal programs—from 25.6 to 12.6 percent, CRS found (2021e, 2021h). Factoring in cash benefits first, SNAP and housing aid next, and the EITC and CTC last, CRS estimated that TANF and SSI lowered child poverty only from 25.6 to 24.6 percent, then noncash benefits like SNAP and rental

FIGURE 9

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



Source: CRS 2021e.

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

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assistance shrank it to 18.4 percent, and the EITC and CTC then reduced it further to 12.6 percent. The figures would be different with a different stacking order.

Government programs, especially targeted programs, significantly reduce disparities in poverty by race, CBPP and CRS also found, although those disparities remain very wide. Starting from where poverty stood after counting universal but not targeted programs, CRS found that targeted programs as a group reduced the rate of poverty among Black people from 31.6 to 18.9 percent in 2017, the rate of poverty among Hispanic or Latino people from 30.8 to 19.3 percent, and the rate of poverty among white people from 12.9 to 9.0 percent.[56] Targeted programs reduced the overall poverty rate from 19.2 to 12.5 percent; see Figure 9.

Similarly, Trisi and Saenz (2021) found that from 1970 to 2017, the SPM poverty rate fell by 8 percentage points among white people of all ages and 10 percentage points among white children, while falling by 27 percentage points among Black people of all ages and 35 percentage points among Black children and by 24 percentage points among Latinos of all ages and 32 percentage points among Latino children. The expansions of refundable tax credits and SNAP over this period played particularly large roles in these poverty declines, they found. Even with these poverty reductions, however, the rates of poverty among Black and Latino people in 2017 were still more than double the rate for white people.[57]

The foregoing data on poverty rates are useful but incomplete, because they do not indicate how poor the people living in poverty are. Poverty rate data do not distinguish between a household with income $100 below the poverty line and one with income $10,000 below it. But data on what is known as the "poverty gap" capture these differences by measuring the total dollar amount by which the incomes of all people who are poor fall below the poverty line. Government benefits and taxes, including those from both targeted and universal programs, reduced the overall poverty gap by 70 percent in 2017, Trisi and Saenz (2021) found. Benefits and taxes reduced the poverty gap by 74 percent among white households, 70 percent among Black households, and 62 percent among Latino households.[58]

Thus, CBPP found, the percentage reduction in the poverty gap from social programs *as a whole* was greatest among white households. The story changes, however, when one examines just targeted programs. In 2017, targeted programs cut the overall poverty gap by 46 percent and the white poverty gap by 38 percent, CRS found, but shrank the Black poverty gap by 57 percent and the Hispanic poverty gap by 51 percent. CRS also found that targeted programs reduced the poverty gap by 66 percent among families with children (see Table 3).

TABLE 3

Reduction in the Poverty Gap (2017)

Percent

	CBPP, all programs (both universal and targeted)	CRS, targeted programs only
All households	70	46
Non-Hispanic White	74	38
Black	70	57
Hispanic	62	51

Source: Trisi and Saenz 2021; CRS 2021e.

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These findings are consistent with the aforementioned finding that Social Security plays the dominant role in reducing poverty among the elderly, a group that includes many white people who are below the poverty line before counting their income from Social Security, while targeted programs play the dominant role in reducing poverty among children and their families. The data by race also highlight the significant role of targeted programs in reducing the depth of poverty among people of color and in reducing racial disparities related to poverty; although, as noted, those disparities remain wide.

CRS data also provide further evidence that social programs overall, and targeted programs in particular, do much more for the elderly and families with children than they do for adults who are neither elderly or disabled nor raising children. In 2017 targeted benefits reduced the poverty gap by only 11 percent for households with neither children nor elderly or disabled members.

Aside from poverty reduction, various programs have other positive mid- and long-term effects, especially on low-income children who receive benefits such as SNAP, Medicaid, and refundable tax credits, a growing body of research shows. Those effects include better school performance in childhood and better health and higher incomes in adulthood (see Box 3).

V. Take-Up Rates

Take-up rates in social programs—also sometimes referred to as participation rates—measure the percentage of eligible people who participate in them. Some people assume that universal programs have take-up rates close to 100 percent (i.e., that virtually every eligible person participates), while targeted programs have much lower take-up rates. As with the issue of political support for targeted and universal programs, however, the reality is more complex.

To be sure, Social Security and Medicare Parts A and B have take-up rates close to 100 percent.[59] A somewhat lower percentage of eligible individuals—88 percent—had Medicare Part D coverage or equivalent prescription drug coverage from other insurance in 2019 and 2020, according to the Medicare Payment Advisory Commission (MedPAC).[60] A number of Medicare beneficiaries—those who are fully eligible for both Medicare and Medicaid and have not otherwise selected a Part D coverage plan—are enrolled in Part D *automatically*. The Part D take-up rate is lower than 88 percent among those who must apply to enroll (Baicker, Congdon, and Mullainathan 2012).

Yet some universal programs have low take-up rates. Before the pandemic and accompanying recession, fewer than 30 percent of the unemployed were receiving UI benefits in an average month (US Department of Labor [DOL] n.d.; von Wachter 2019). That is not UI's take-up rate, however, because many unemployed workers are ineligible for UI due to various program restrictions. After reviewing the literature on UI's take-up rate, Kroft (2008) pegged it at between 40 and 70 percent, with the range so wide because different studies produced significantly different estimates. And UI's take-up rate is likely lower today than it was in earlier decades when some of those studies were conducted, given DOL data showing that the overall share of unemployed workers who received UI from 2010 through 2019 was lower than in any prior decade on record, with data going back to the 1950s (Congdon and Vroman 2021; DOL n.d.).

Among targeted programs, the range in take-up rates is even greater. Some 92 percent of CHIP- or Medicaid-eligible children who are not otherwise insured participated in those programs in 2019, a recent Urban Institute study found, and an estimated 84 percent of eligible parents in Medicaid-expansion states participated (Haley et al. 2021).[61] (Some of those who are eligible for Medicaid but not enrolled do enroll subsequently when they face a need for substantial health care, although that leaves them without coverage for preventive care until they enroll.) Medicaid participation is higher among people of color, people in families with low incomes, and people with health-related limitations (CRS 2021b). Similarly, in a study for USDA, Mathematica found that 83.4 percent of eligible SNAP households received benefits in 2018 (USDA 2021b). And the IRS estimates that 82 to 86 percent of EITC-eligible families with children received it in 2016 (CRS 2021a).

Moreover, these estimates can understate a targeted program's performance. People who are eligible only for small benefits tend to participate in these programs at much lower rates. As a result, household or individual participation rates often are significantly lower than benefit-receipt rates, which measure the share of available benefits that eligible people actually obtain. The last Mathematica study that provides an estimate of the program's benefit receipt rate, the study for 2012, estimates that SNAP-eligible households received about 95 percent of the benefits for which they were eligible.

BOX 3

Beyond Poverty Reduction, Positive Impacts on Children

In recent decades, researchers have found growing evidence that, along with reducing poverty, various social programs have positive mid- and long-term effects on low-income children. The evidence is particularly strong for several major targeted programs.

In *A Roadmap to Reducing Child Poverty* (NASEM 2019), a National Academy of Sciences, Engineering, and Medicine panel reported that an extensive research literature shows that "periodic increases in the generosity of the Earned Income Tax Credit Program have improved child educational and health outcomes, the Supplemental Nutrition Assistance Program has improved birth outcomes as well as many important child and adult health outcomes, [and] expansions of public health insurance for pregnant women, infants, and children have led to substantial improvements in child and adult health, education attainment, employment, and earnings." The NASEM panel also found that "many programs that alleviate poverty—either directly, by providing income transfers, or indirectly, by providing food, housing, or medical care—have been shown to improve child well-being" (3).

Similarly, Janet Currie testified before Congress in 2021 that the research literature finds that "expansions of Medicaid coverage to pregnant women and children and the creation of the Child's Health Insurance Program (CHIP) have saved lives, reduced the incidence of chronic conditions and disability, and increased the future employment and earnings of the children who benefited. The Supplemental Nutrition Assistance Program . . . and child nutrition programs have greatly reduced malnutrition and metabolic syndrome, a cluster of conditions including obesity, high blood pressure, and diabetes. They have increased high school graduation rates and reduced future welfare use. . . . Financial support for families has been shown to increase birth weights, improve maternal mental health, and increase children's test scores" (3–4).

Along the same lines, Kristin Butcher (2017, 30–31) wrote, "These transfers improved the long-term outcomes of the childhood recipients. Studies of the long-term effect of cash transfers, food stamp benefits, health insurance coverage and a particular form of housing subsidy [portable rental vouchers] all show remarkably consistent evidence that these transfers improved the long-term outcomes of the childhood recipients. These outcomes include adult health, education, and earnings (and mortality in some cases)."

And, in 2014, the President's Council of Economic Advisers studied research on the impact of programs like SNAP and refundable tax credits and concluded, "Recent evidence suggests that government transfers that ameliorate child poverty by increasing family income have lasting long-run benefits in terms of better child outcomes. . . . Not only do they help to propel struggling families back onto their feet and protect them and their families from hardship, they improve opportunity and the adult outcomes of their children" (36, 37).

In other words, the benefits going to those who participated represented about 95 percent of the benefits that would be provided if *everyone* eligible participated (USDA 2021b).

Some targeted programs, however, have much lower take-up rates. SSI's estimated rate is 61 percent among eligible adults,[62] while that of TANF cash assistance is estimated to be only 24 percent (US Department of Health and Human Services [HHS] 2021; see Figure 10).

Thus, while universal programs in general tend to have higher take-up rates, such rates appear to vary more *among* universal programs and *among* targeted programs than between these program categories. As Janet Currie (2006) noted, "There is almost as much variation in the take-up of . . . non-means-tested programs as there is in that of the means-tested programs," (119) with low take-up rates being a problem in some non-means-tested programs as well as in various means-tested ones.

Measurement issues can distort take-up estimates

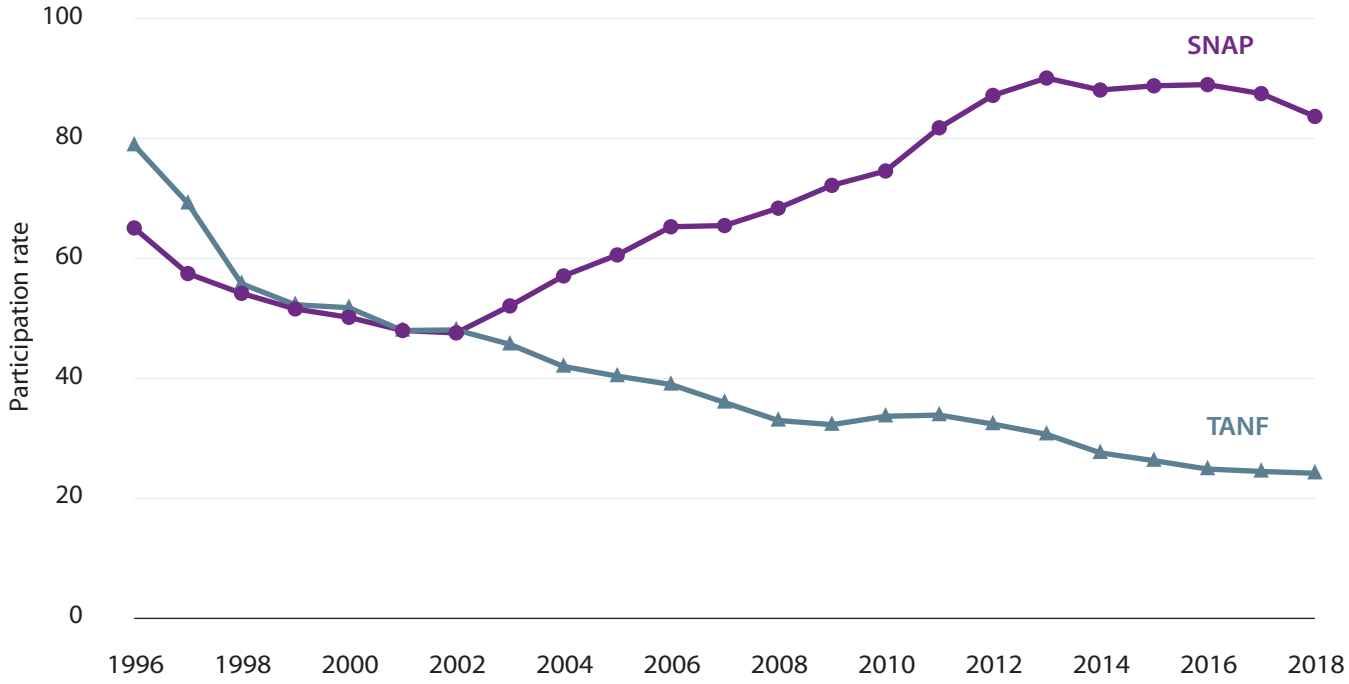
Some analysts who have measured take-up rates have relied on program participation as reported in Census surveys, without using program administrative data to correct for the significant underreporting of benefits in the Census data. That can understate take-up rates significantly. Others have generated estimates by examining what share of people who meet a program's *income* eligibility criteria participate without factoring in other eligibility criteria. That can significantly overstate the eligible pool and hence underestimate take-up rates (Currie 2006; Haider, Jacknowitz, and Schoeni 2003; Meyer and Mittag 2015; Remler, Rachlin, and Glied 2001). "Take-up rates in programs with complex eligibility criteria," Remler and Glied (2003) cautioned, "may not be nearly as low as the rates calculated by researchers using survey data. Survey data may not be sufficiently rich to capture all eligibility features, leading to underestimates of true take-up." They warned that "mismeasurement of eligibility may be an important contributor to poor take-up numbers" (73).

The impact of benefit size

To measure a program's take-up rate, studies look at the share of eligible people who enroll. Data to measure a program's *benefit receipt rate* often are not available. That, however, can limit efforts to assess the performance of targeted programs that phase out their benefits gradually at the top of their income eligibility scales to avoid a benefit cliff—an immediate, rather than gradual, loss of benefits when a household's income exceeds a program's income eligibility threshold. Using a single overall take-up rate to assess the performance of a targeted program that has a phase-out range can make a program appear to be performing less well than it actually is with its main intended beneficiaries.

FIGURE 10

TANF and SNAP Participation Rates, 1996–2018



Source: US Department of Health and Human Services 2021.

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Indeed, a dominant finding of take-up rate studies is that *benefit size matters*—the larger the benefit, the higher the take-up rate (Currie and Gahvari 2008; Remler and Glied 2003). Those who are eligible for only very small benefits from a targeted program—who generally have higher incomes and less need than the program's other beneficiaries—tend to participate at considerably lower rates. The size of the benefit, Remler and Glied (2003) wrote, is "the most consistently important predictor of participation" (73).

Consider SNAP. As noted, although Mathematica's studies of recent years consistently estimate SNAP's take-up rate percentage to be in the 80s, they have found SNAP's benefit receipt rate to be significantly higher, with the last precise estimate being 95.6 percent for 2012. Indeed, for households on the upper end of SNAP's income eligibility scale who are eligible only for SNAP's "minimum benefit" or less, Mathematica estimated the take-up rate at just 27 percent. In 2018 the minimum benefit for one- and two-person households was only $15 a month and, because there is no minimum benefit for larger households, some people at the upper end of the eligibility scale qualify for even less than that.[63]

Similarly, for eligible individuals with income above 130 percent of the poverty line—a group for which SNAP benefits are very modest—the take-up rate was only 18 percent in 2018, while the rate was close to 100 percent for individuals with net household incomes (i.e., income after SNAP's allowable deductions) below the poverty line. Herd and Moynihan (2018) similarly report that, among households eligible for SNAP's maximum benefit, the take-up rate was 99 percent.

In the EITC as well, benefit size significantly affects take-up rates, and household or individual participation rates alone provide an incomplete picture. The EITC's overall take-up rate is estimated at about 80 percent. That 80 percent, however, combines a much lower EITC take-up rate of 65 percent for childless workers, who get only very modest benefits, with a take-up rate of 82 to 86 percent for families with children, which get much larger benefits (CRS 2021a). In 2017 the average EITC benefit for childless workers was only $298, compared to the $3,191 average benefit for families with children (CBPP 2019).

Not surprisingly, the EITC take-up rate is lower for those households, including families with children, who are eligible for only small EITC benefits (Jones 2014; Linos et al. 2020; Plueger 2009; Hoynes 2019). For people eligible for an EITC of less than $100, the take-up rate was below 50 percent (Jones 2014). Moreover, studies that analyze the EITC's benefit receipt rate estimate it to be 85 to 89 percent for the EITC as a whole—including its childless workers' component—which suggests that the benefit receipt rate is close to 90 percent for families with children (GAO 2001; Lipman 2021; Goldin 2018; Treasury Inspector General 2018).[64]

As we thus can see, an overall household or individual participation rate can paint only a partial picture of a program's take-up. It can mask divergent take-up rates for different parts of a program, especially in cases like the EITC when one component of the program—the childless workers' EITC—provides much smaller benefits than the rest of the program. It also can mask substantial differences in take-up rates between those who are eligible only for small

BOX 4

SNAP Participation among the Elderly

SNAP's oft-cited low take-up rate among the elderly helps show why simply looking at a take-up rate without accounting for other factors such as benefit size can provide an incomplete and, at times, even inaccurate picture of how well programs do in reaching their intended beneficiaries.

To be sure, elderly individuals have a very low participation rate in SNAP. Only 48 percent of eligible individuals aged 60 or over received benefits in 2018, Mathematica estimates (USDA 2021b). Administrative burdens and program complexity help to explain why this is so. But other factors also are critical and may be as, or more, important.

As noted, benefit size has a major impact on take-up rates. Elderly people who are eligible for SNAP tend to qualify for considerably smaller benefits than others, for two main reasons: their incomes tend to be higher, and many of them are in one- or two-person households, which qualify for lower benefits than larger households.

A Mathematica study provides the data. Individuals who were eligible for no more than SNAP's minimum benefit ($15 a month in 2018) had only a 27 percent participation rate. The elderly account for a disproportionate share of this group, mainly because their incomes generally are higher than those of other eligible groups. In addition, an earlier Mathematica study of 2010 that focused on SNAP participation among elderly people from 2000 to 2007 found that an average of only 42 percent of SNAP-eligible elderly people had incomes below the poverty line, but 84 percent of the elderly who participated in the program did. This study also found that 37 percent of eligible elderly individuals qualified only for the minimum benefit or less, compared to 17 percent of elderly participants (Cunnyngham 2010).

Moreover, Mathematica's most recent study (USDA 2021b) estimated that, while only 48 percent of eligible elderly individuals participated in 2018, the benefit receipt rate among the elderly was 63 percent. And eligible elderly individuals who live alone received 88 percent of the benefits for which they qualified, even though only 63 percent of the eligible elderly people who live alone participated. Thus, the 37 percent of elderly eligible people living alone who did not participate qualified for only 12 percent of the benefits available to that segment of the elderly population. Both take-up rates and benefit receipt levels were lower among eligible elderly people who lived with others than among those living alone, which may suggest some sharing of income or food among those who live with others that lessens their perceived need for assistance.

Eligible elderly nonparticipants also appear to have less need for SNAP than others, according to several studies. Haider, Jacknowitz, and Schoeni (2003) found that, "despite the relatively low [SNAP] take-up rate of the elderly, they [the elderly] are far less likely to skip meals or medications and more likely to be food sufficient than people in their 50s. . . . The need for food assistance appears to be lower" among this group (1105). April Wu (2009) reported, "Elderly individuals who are eligible for the program but do not participate appear to be less needy than participants . . . objective measures also indicate that they spend more on food consumption and eat more nutritious foods" (4). Low-income elderly people, Wu also observed, are likelier to have liquid assets, houses, and cars than other low-income individuals. See also Finkelstein and Notowidigdo (2019).

In addition, Wu (2009) found many low-income elderly people participate in the federally funded Elderly Nutrition Program and that "appears to crowd out participation in the Food Stamp Program." For the elderly seeking food assistance, she found, "group and home-delivered meals [provided through the Elderly Nutrition Program] largely substitute for, rather than supplement, food stamps" (4).

On a positive note, SNAP's take-up rate will likely rise in the years ahead. In its earlier study focusing on elderly participation, Mathematica concluded that raising SNAP benefit levels would boost the elderly's take-up rate, and in October 2021 a substantial SNAP benefit increase—the first, apart from annual inflation adjustments, in the program's history except during recessions—took effect. As a result, we likely will see further increases in SNAP take-up rates in the years ahead, among both the elderly and the non-elderly.

benefits—especially people at the top of a program's income scale, who generally have less need—and people eligible for full benefits; see Box 4. (With the EITC, however, participation is lower among households at the bottom who qualify only for very small benefits because their earnings are very low and who are not required to file tax returns and generally did not have income tax withheld, due to their very low earnings; see Jones 2014; Plueger 2009.[65] Other research finds that younger workers, Black workers, women, and workers with less education, among others, have higher-than-average EITC take-up rates; see Caputo 2011.)

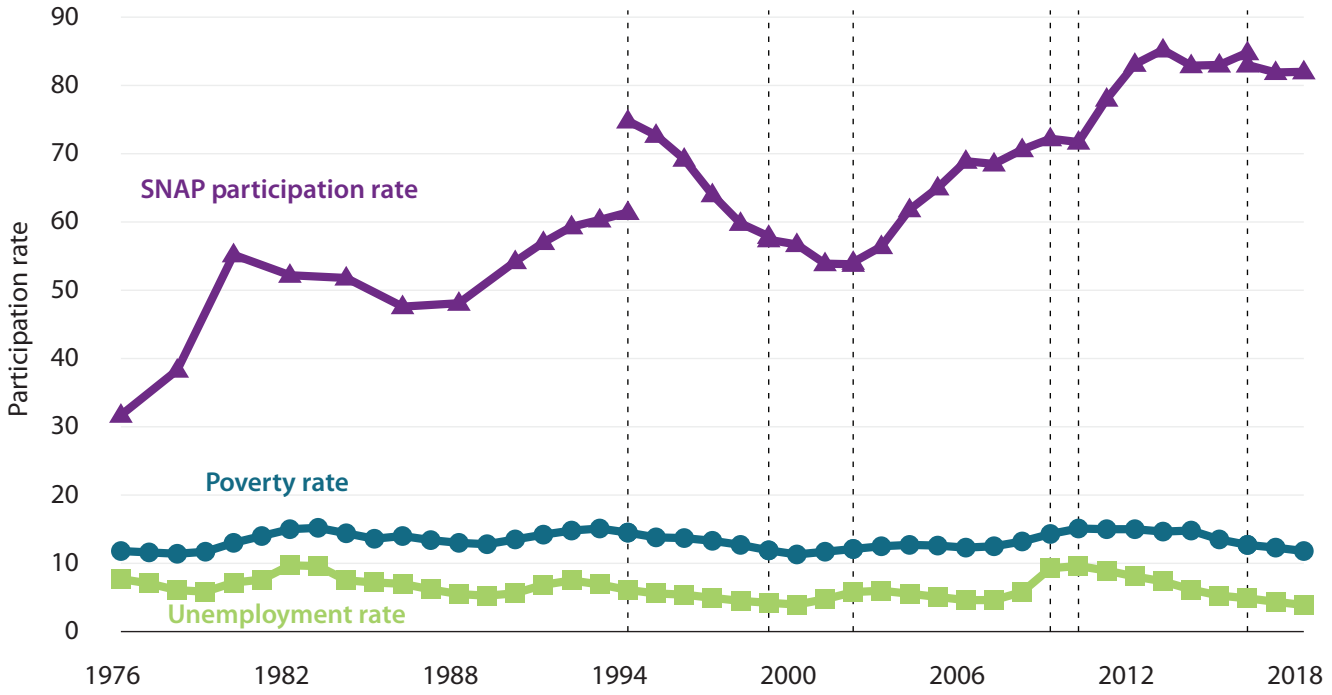
Finally, there is some encouraging news: take-up rates in programs like SNAP and Medicaid have risen markedly in the past two decades, and a considerable body of research shows that steps by policymakers and program administrators to reduce the burdens on families and individuals in applying for and staying enrolled in programs have played major roles in this progress. That suggests we can make significantly more progress in raising take-up rates, especially in targeted programs, which is the subject of part VI of this paper.

VI. Access to Benefit Programs

The ease or difficulty that eligible households face in applying for and remaining enrolled in programs plays an important role in influencing take-up rates. Administrative burdens to participation can reduce take-up rates significantly,

FIGURE 11

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



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

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

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as Pamela Herd and Donald Moynihan show in their book *Administrative Burden* (2018).

Administrative burden affects both targeted and universal programs. In general, universal programs tend to have less burden, although the burdens in UI can be substantial. That is due in part to how universal social-insurance programs, in which eligibility generally is based on one's earnings record, define the eligibility units for their benefits. In Social Security, Medicare, and UI, eligibility is determined on an *individual* basis and is based on one's earnings data—which the administering agency has readily available and does not need to ask an applicant to provide. In most targeted programs, by contrast, eligibility is determined on a *household* or *family* basis, and the agency must determine who is a member of a family or household. That can be complicated, especially in the case of divorced, separated, or extended families, and families whose composition fluctuates. The CTC, for instance, can raise significant issues and complications, especially among divorced or separated families, in determining which adult can receive the credit for a child, particularly when the CTC is provided on a monthly basis as it was in the latter half of 2021 (Smeeding 2021; CRS 2021c). That would be true whether the CTC was universal or not.

Fortunately, we can make substantial progress in improving program access and raising take-up rates. Developments in SNAP and Medicaid over the past two decades bear that out; both programs have experienced impressive increases in take-up rates, and various changes to ease the administrative burdens that eligible people can face played significant roles in producing this progress, an abundant research literature shows. As Herd et al. (2013) put it, "Relatively simple administrative changes can reduce burdens, resulting in positive and substantive increases in enrollment" (577). Similarly, Currie and Gahvari (2008) concluded that "small changes in the rules may have large effects on participation" (377). Fox, Stazyk, and Feng (2020) came to the same conclusion.[66]

In 1978, before policymakers eliminated the requirement that households put up their own money to buy food stamps (at a discount), only 38 percent of eligible individuals and households participated in the program (Figure 11). Take-up rates rose when that requirement was removed in 1979, but then stagnated. In 1999 and 2000 only about 57 percent of eligible individuals and 52 percent of eligible households participated, and the latter received less than 70 percent of the total benefits for which eligible households qualified. For all years from 1997 to 2004, SNAP's take-up rate for households was estimated to be between 48 and 58 percent (USDA 2021b).

SNAP's take-up rates rose impressively after that, however, in tandem with program changes designed to boost access. From 2016 through 2018, the latest years for which we have these data, 83 to 86 percent of eligible households—which included 82 to 83 percent of all eligible individuals—participated in SNAP each year (USDA 2021b). Indeed, Parolin and Brady (2019) reported that increases in SNAP's take-up rate, coupled with improvements in SNAP benefits,

"more than offset the increases in extreme child poverty due to the decline in TANF" (16).

To be sure, the methodology to estimate SNAP take-up rates has been modified several times over the past 40-plus years, so precise historical comparisons are not appropriate. But as Figure 11 (from Mathematica's 2021 study by Lauffer and Vigil) shows, methodological changes account for only a modest share of SNAP's substantial take-up rate increase.

We lack similar year-by-year data for Medicaid and CHIP take-up rates, but the research literature shows they have risen substantially as well. Medicaid and CHIP take-up rates among eligible children who are not otherwise insured rose from 82 percent in 2008 to 92 percent in 2019, Urban Institute studies estimate (Haley et al. 2021; Kenney et al. 2012). Medicaid and CHIP take-up rates vary significantly by state, but Urban's researchers found that take-up rates among children in 2019 topped 90 percent in 34 states and the District of Columbia.

During this period, policymakers and program administrators adopted an array of changes in SNAP and Medicaid that reduced burdens on eligible individuals and households—including in SNAP legislation in 2002 and 2008, CHIP legislation in 2009, and the ACA in 2010. Both SNAP and Medicaid eased or eliminated asset tests, lengthened eligibility periods so participants do not have to reapply or be recertified as frequently, simplified application procedures, and eased application burdens in other ways.

SNAP

Statutory and administrative changes enabled states to largely or entirely eliminate SNAP's austere asset tests, and the large majority of states did. The burden of proving compliance with asset tests deters some people who meet the tests from applying or completing the application process (Herd and Moynihan 2018; Wolfe and Scrivner 2003).

Other statutory and administrative changes, which started taking effect in the late 1990s and expanded during the early 2000s, substantially eased household reporting and reapplication burdens. In the 1990s, most states required SNAP households to file reports every month or calendar quarter on their income or to report all but the smallest changes in their income and other changes in household circumstances each time they occurred. Many states also required substantial numbers of SNAP households, especially those with earnings, to recertify every three months (Ganong and Liebman 2018),[67] which generally forced such households to travel to the food stamp office and produce significant paperwork multiple times a year. Requiring frequent recertification leads to "churn," the research literature shows—with some people who remain eligible not surmounting the administrative burdens soon enough to avoid being cut off from SNAP, and some of the eligible people who are cut experiencing a gap in benefits or not reenrolling at all (Homonoff and Somerville 2021).

Today, those reporting and recertification practices have largely disappeared. In nearly all states, households are certified for at least six months at a time and must report an income change during that period only if it lifts a household's income above 130 percent of the poverty line (and, for adults ages 18 to 49 who are not raising children and do not have serious disabilities, if their work hours fall below 20 a week). Indeed, the majority of states now certify all households for at least 12 months (USDA 2018). "Lengthening the recertification window substantially increases take-up and duration of food stamps," Herd and Moynihan note (2018, 150).

Still other changes eased SNAP's application process, which used to require an average of two trips to the food stamp office and posed particular problems for working households that had trouble taking time off from work. As of 2017, 46 states allowed online application, and 43 states and the District of Columbia had established call centers to provide phone support for applicants (USDA 2018).

Just the reforms of the early 2000s drove about a 10-percentage-point increase in SNAP's take-up rate,[68] Herd and Moynihan (2018) reported, and a bevy of studies document that these and subsequent reforms increased SNAP participation (Danielson, Klerman and Andrews 2011; Dickert-Conlin et al. 2021; Ganong and Lieberman 2018; Kabbani and Wilde 2003; Klerman and Danielson 2016). In their book *Administrative Burden*, Herd and Moynihan note "the relative ease of access to SNAP" (2018, 143).

Medicaid and CHIP

The Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 allowed, and provided financial incentives for, states to make changes to ease access and boost take-up rates, especially among children. These measures encouraged states to provide 12-month continuous eligibility for children, eliminate requirements for in-person interviews as part of the application process, and use "express-lane eligibility"—an expedited process to enroll children by using data and eligibility determinations from other programs. These measures similarly incentivized states to use "presumptive eligibility," under which approved entities such as health-care providers, schools, and community organizations can screen a child for Medicaid eligibility, immediately enroll the child in Medicaid for a provisional period, and forward information on the child to the state Medicaid agency, which then makes a full eligibility determination before the provisional eligibility period ends. States that adopted a specified number of these new options and that met child enrollment targets received additional federal funding in the form of performance bonus payments. Illustrating the impact of the incentives, as of January 2020, 31 states were using presumptive eligibility for children (Brooks et al. 2020; Fox, Stazyk, and Feng 2020; Herd et al. 2013; Kenney et al. 2012).

A year after the CHIPRA, the ACA added further measures to boost Medicaid take-up rates. As noted, the ACA eliminated Medicaid asset tests except for people qualifying under the program's elderly or disabled eligibility pathways. It also (1) simplified how income is counted in determining Medicaid eligibility; (2) required states to let people apply online, or by phone, fax, or mail, as well as in person, and to offer application assistance; and (3) required states to use administrative records to verify eligibility where possible rather than require applicants to provide documents.

The ACA also included reforms, which most states have adopted, to improve Medicaid access for people who are elderly or who have disabilities. It authorized states to institute either or both of two streamlined procedures to enable people enrolled through Medicaid's elderly or disabled eligibility pathways to renew their eligibility more easily and thereby maintain uninterrupted coverage. In 2019, the Kaiser Family

Foundation reported that 47 states had adopted at least one of these streamlined procedures and 31 states had adopted both. Also, at the time of Kaiser's survey, 30 states had adopted, and 5 more were preparing to adopt, pre-populated forms to make it easier for these individuals to renew their Medicaid eligibility (Musumeci, Chidambaram, and Watts 2019).[69]

Policymakers in 2009 also addressed a problem of their own making from a few years earlier: A statutory change in 2006 required Medicaid applicants and those seeking to renew their Medicaid eligibility to verify their citizenship or eligible immigration status by producing documents such as a birth certificate or passport. As a result, substantial numbers of eligible people who could not quickly find their birth certificate and did not have a passport saw their eligibility denied or delayed. Statutory changes in 2009 fixed the problem: they established an alternative process under which states could electronically forward to the Social Security Administration (SSA) basic information on people applying for Medicaid or seeking to renew their eligibility; SSA would then check its databases and verify citizenship or eligible immigrant status virtually immediately in nearly all cases. States quickly adopted the process, with SSA verifying citizenship or eligible immigrant status within a day or two. That ended the delays and denials that had emerged after the problematic change of 2006 (Cohen Ross 2007, 2010; Solomon and Cohen Ross 2009).

In addition, in 2014 the federal government introduced a mechanism by which states implementing the ACA's Medicaid expansion could enroll many newly eligible individuals in Medicaid nearly automatically, by electronically screening their SNAP case records and identifying SNAP enrollees who would qualify for Medicaid under the expansion. States then notified these individuals and enrolled them almost automatically; these individuals did not have to learn on their own about their Medicaid eligibility, start the application process themselves, or produce documents. By early 2016, when HHS stopped tracking enrollment through this mechanism, more than 725,000 people had been enrolled in Medicaid in this manner (Gonzales 2016). This reform and the statutory change in 2009 discussed in the preceding paragraph illustrate a key point that Herd and Moynihan (2018) emphasize—shifting administrative burdens from individuals to the government can improve access and boost take-up rates significantly without hampering program integrity. Note that the Trump administration sought to roll back some actions by prior administrations to improve access or otherwise expand programs like SNAP and Medicaid. That would have increased, rather than reduced, administrative burdens. Most of those Trump efforts, however, were blocked by the courts, did not make it through the regulatory process before the Trump term ended, or were reversed by the Biden administration.

The reforms that increased SNAP and Medicaid take-up rates contrast with changes by various states over the years in their UI programs.[70] As noted, UI take-up rates have fallen to troubling levels and, as Congdon and Vroman (2021) observe, some of these state changes may have helped drive the take-up decline. While many targeted programs need to strengthen access or strengthen it further, UI also needs changes to boost participation among eligible individuals. In addition, Medicare would benefit from reforms that make the process of choosing plans and options less daunting.

Where to go from here

The impressive take-up rate increases in SNAP, Medicaid, and such other targeted programs as free and reduced-price school meals show the significant progress that has been made on participation. Nevertheless, we need to make more progress. Too many people still do not participate in programs for which they qualify. That is particularly concerning when they are people of limited means.

As numerous researchers have noted, mounting evidence shows that various changes in application, reporting, and recertification procedures can boost take-up rates. These changes include (1) using government databases to verify an applicant's eligibility to the fullest extent possible, thereby minimizing the need for applicants to produce various types of verifying documents themselves; (2) using information that one targeted program has on file for a family or individual to determine the family or individual's eligibility for another targeted program, and enrolling them as easily and automatically as possible; (3) simplifying and streamlining application forms and procedures, such as by providing pre-populated forms and by allowing and facilitating online application and enrollment and application by phone or fax so that applicants do not have to go to program offices to apply; (4) making application assistance, such as through call centers, available to people applying remotely; (5) allowing qualified third parties to enroll people, such as when hospitals help enroll newborn children in Medicaid; and (6) for those already enrolled in programs, certifying them for longer periods and simplifying their reporting requirements (Currie 2006; Herd et al. 2013; Herd and Moynihan 2018; Moynihan, Herd, and Rigby 2016; Remler and Glied 2003; Smith and Soka 2021).

Auto-enrollment seems particularly important, and continuing advances in information technology (IT) should make it possible to expand its use in the coming years (Blumberg, Holahan, and Levitis 2021). Herd and Moynihan (2018) call auto-enrolling people based on data that an administering agency can access "the most dramatic way by which the state can reduce application compliance burden" (24). Similarly, Remler and Glied (2003) concluded that "making benefit receipt automatic is the most effective means of ensuring high take-up" (67).

As noted, using SNAP casefile data to enroll people nearly automatically in the ACA's Medicaid expansion is a good example of auto-enrollment. Another is using a child's SNAP or Medicaid enrollment to automatically enroll that child in free school meals without requiring parents to submit applications. All state school meal programs already use SNAP data for this purpose, and states increasingly do the same with Medicaid data: some 27 states with 75 percent of schoolchildren nationwide now either use Medicaid data for this purpose or have recently been approved to start doing so, with the number of such states expected to grow in the coming years. Federal policymakers should be able to expand further the use of such procedures by, for instance, investing in IT improvements for federal and state agencies that administer various programs; facilitating auto-enrollment in other ways and requiring it where appropriate; and providing financial incentives to states to adopt such procedures where warranted and avoid procedures that would constrain participation by eligible households. This is one of a number of areas where states can act to strengthen program access for eligible people (Wikle et al. 2022).

Access to the Child Tax Credit: A recent test

The expanded CTC that was in effect in 2021 under the American Rescue Plan (ARP) posed a new test, one that will return if policymakers revive that expansion at some point: To what extent would the expanded CTC reach eligible children?

The families of most eligible children began receiving monthly CTC checks automatically in July 2021, based on their tax returns. As Herd noted, "There is no application, there's no interview, there's no pulling together documentation, there's no recertification . . . It's just income that shows up in your checking account each month" (Herd 2021).

The results of the distribution of the CTC in 2021 are impressive; data suggest that, in the latter months of 2021, the monthly CTC checks reached 90 to 95 percent of the eligible children. Up to 67 million children qualified for the monthly CTC payments, Parolin and colleagues estimated (2021), noting that other estimates range from 65.6 million to 67.6 million. And IRS data show that, in December 2021, 61.2 million children received the monthly checks, and another 1.9 million tax filers with eligible children opted out of receiving monthly payments and chose instead to receive their full CTC benefits when they filed their 2021 tax returns. Even if all of the filers who opted out of the monthly checks had only one child, that would bring the total number of children receiving the credit to slightly more than 63 million, translating to a take-up rate of close to 95 percent. Columbia University's Center on Poverty and Social Policy concluded that the expanded CTC "has reached the overwhelming majority of children" (Curran 2021, 1).

Even so, the take-up rate was lower among children in families that have very low incomes and do not file tax returns,[71] and those are the children that the CTC would benefit most. Accordingly, policymakers should mount stronger efforts to raise CTC take-up rates among children in low-income families, especially if policymakers resurrect at some future point the ARP provisions that provided the full CTC to children in families with no or low earnings. Policymakers could, for example, establish procedures for states to screen their SNAP and Medicaid rolls to identify low-income children and provide the resulting data to the federal government, which would then check its roster of children receiving the CTC, notify the families of children who are not receiving it, and enroll them as automatically as possible. Such an approach would hold promise for raising take-up rates among very poor children without requiring their parents or guardians to learn of their eligibility or initiate the application process on their own. That would be harder to do without full CTC refundability, however, because the IRS would need data on a tax filer's earnings for the year to determine the filer's eligibility for, and amount of, the credit.

Addressing technology barriers

One barrier to using IT to enroll more people is that many federal and state agencies rely on outmoded technology. Herd and Moynihan (2018), among others, call for investments to modernize government IT.

Such investments are needed. Yet by themselves, they would prove inadequate because many low-income households, especially those in rural areas, are outside areas with internet access or cannot afford it if it is available. As a result, investments to modernize and enhance government IT should be accompanied by investments to make internet access available and affordable to virtually all households, particularly those with low incomes. That should strengthen program take-up rates, especially because programs rely increasingly on online interactions.

The bipartisan Infrastructure Investment and Jobs Act of 2021 should facilitate substantial progress in this area. It provides $65 billion for broadband development and expanded internet access, including substantial sums to build connectivity in unserved and underserved areas and to enable low-income families to afford access through a permanent, monthly Affordable Connectivity Benefit designed to ensure that internet access is affordable for lower-income households. The benefit is expected to provide $14 billion of subsidies over the coming decade.

These measures can lay groundwork for further progress. Policymakers should also take other steps to further reduce burdens, strengthen access, and increase take-up rates, especially in targeted programs. To do that, policymakers, including officials in the executive branch, will have to make such progress a higher government-wide priority than it has been in the past.

As a sound next step, President Biden issued an executive order in December 2021 to reduce burdens in applying for and participating in government social programs (White House 2021c), which followed an Office of Management and Budget (OMB) report earlier in 2021 focusing in part on administrative burdens in federal programs (White House 2021a) and an OMB directive to federal agencies to produce plans to reduce those burdens (White House 2021b). Among other measures, the December 2021 executive order (White House 2021c) directs various cabinet secretaries to act to the maximum extent that the law allows to "support coordination between benefit programs to ensure applicants and beneficiaries in one program are automatically enrolled in other programs for which they are eligible . . . support streamlining state enrollment and renewal processes and removing barriers, including by eliminating face-to-face interviews and requiring pre-populated electronic renewal forms (71360) . . . [and] develop a roadmap for a redesigned USA.gov website that aims to serve as a centralized, digital 'Federal Front Door' from which customers may navigate to all government benefits, services, and programs" (71361).

The order also calls for easing restrictions on data-sharing across federal agencies and integrating the use of information in SSA databases into the administration of other programs, which can facilitate more auto-enrollment and other burden-reducing steps. Moynihan and Herd (2021) call the executive order "a landmark" and "huge seachange" that should lead to higher participation in social programs. The White House followed the executive order with a detailed directive to federal agencies in April 2022 to guide their work in identifying and reducing administrative burdens in social programs (White House 2022).

All told, access and take-up rates have improved substantially in various programs, especially in some core targeted programs, but significant challenges remain. Too many people who need assistance, particularly from UI and certain targeted programs, still face various obstacles and do not get the aid for which they qualify. The Biden

executive order suggests that policymakers are now paying more attention to these issues. To achieve the fullest achievable gains in take-up rates, policymakers will need to undertake a focused, multi-year effort and provide the necessary resources to implement it effectively.

VII. Implications for Strengthening Social Programs

Despite marked progress over the past half century in reducing poverty, expanding health coverage, and the like, the United States still has unusually high levels of poverty for a Western, industrialized nation. Most other such nations do more than we do to reduce poverty and improve living standards. That prompts a question: How can we pursue policies that would make substantial further progress, and do it in ways that reflect political realities so the proposed policy improvements have much better chances of becoming law and actually helping people? Doing that will entail some trade-offs between policies that are the soundest on a pure policy basis and those that are significantly more viable politically and hence much more likely to become law.

One question involves whether, and if so to what degree, we should seek to expand targeted programs, or whether we should concentrate instead on expanding universal programs and converting targeted programs to universal ones. As we have seen, targeted programs have fared considerably better politically than policymakers and advocates often recognize. In addition, they now often achieve respectable take-up rates, and reforms to strengthen access to programs and reduce administrative burdens could yield further progress. Nevertheless, if universal programs tend to have stronger political support, even if that has been substantially overstated, and if universal programs generally have higher take-up rates, even if that has been overstated as well, why should policymakers not establish virtually all important programs on a universal basis?

The primary answer is that universal programs cost considerably more than targeted programs, and strong political opposition to raising taxes makes it extremely difficult to generate the federal taxes needed to support a mostly or fully universal strategy. As a result, were policymakers to pursue a largely or entirely universal approach to social programs, they could risk squeezing the funding available for people in greater need, as well as funding for other essential government endeavors outside of benefit programs (e.g., addressing climate change and expanding the stock of affordable housing).

Proposals to create a Universal Basic Income (UBI) help illustrate some of these trade-offs. Economists Hilary Hoynes and Jesse Rothstein (2019) note that a "truly universal UBI would be enormously expensive," with the most-discussed kinds of UBIs costing "nearly double current total spending on the 'big three' programs (Social Security, Medicare, and Medicaid)" (2). A CRS analysis of two prominent UBI proposals found they would cost $2 trillion to $3 trillion a year, or $20 trillion to $30 trillion over a decade (CRS 2018),[72] representing roughly half of all current federal noninterest spending. Nor would taxing UBI benefits reduce the cost to manageable levels; according to the Tax Policy Center (2022), in 2019 nearly three-quarters (72 percent) of Americans were in the 0 percent, 10 percent, or 12 percent income tax brackets, so taxing UBI payments would lower UBI's cost only modestly. Hoynes and Rothstein also note that "replacing existing anti-poverty programs with a UBI would be highly regressive unless substantial additional funds were put in (24), because policymakers would be redistributing—to higher-income households—some income and other benefits that social programs now provide to people with low or modest incomes.

Some UBI proponents and others who favor a largely or entirely universal approach to social programs may respond that policymakers should not worry about the much higher costs, reflecting a view that the economy can tolerate considerably higher deficits and debt than previously thought, largely because real interest rates have been significantly lower in recent years than economists had projected. But policymakers cannot ignore cost considerations—and interest rates now are rising as the Federal Reserve moves to lower inflation.

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

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

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

Consider the wide gap between the United States and Western European nations in government revenue from national and subnational government levels combined as a percentage of gross domestic product (GDP). In 2019 Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, and Sweden all raised tax revenue equal to between 38 and 47 percent of their GDP. The figure was 33 percent in the United Kingdom and 34 percent in Canada. By contrast, the combined US figure was 25 percent for federal, state, and local taxes (Organisation for Economic

Co-operation and Development [OECD n.d.]). Every country with a more generous universal program landscape raises far more in tax revenue than the United States. Without substantially more revenue, US policymakers face limits on how far they can go in a universal program direction.

Moreover, US policymakers will face the challenge in coming years of addressing the approaching insolvency of Social Security and Medicare. Can policymakers avert Social Security and Medicare benefit reductions that could lower living standards for tens of millions of people who are not affluent, and can they address gaps in the Social Security benefit structure, in part by raising Social Security and Medicare payroll-tax rates, including on middle-class households? At present, the answer is unclear. Should we assume that *on top of* such payroll tax increases, policymakers will enact substantial further tax increases on middle-class as well as wealthy households to support much more universality generally? For the foreseeable future, that does not seem likely. Christopher Howard (forthcoming) notes that congressional Democrats have shied away from using payroll taxes to finance a universal paid-leave program, as many Western European countries do, because that would raise taxes on the middle class.[73]

Some have suggested moderating the costs of a largely or fully universal strategy by coupling that move with measures to tax the universal benefits as income, as the federal government does with UI[74] and, to a significant extent, Social Security. That may be promising in some program areas. But it is not a panacea; the costs of providing benefits to those with the highest incomes would still be substantial. Even after taxing benefits at the current top individual income tax rate of 37 percent, or the previous top rate of 39.6 percent, more than 60 percent of the cost of providing the benefits to very affluent people would remain. In addition, many moderate-income households would see their benefits diluted somewhat due to the taxes on them, and research shows that taxing UI benefits has reduced UI take-up rates. (See Anderson and Meyer 1997 and Remler and Glied 2003).

Yet if, due to the costs of universal programs and the opposition to raising taxes to Western European levels, we cannot rely almost entirely on universal programs, we also cannot rely too heavily on targeted programs. Targeted programs phase down benefits as incomes rise above specified levels, raising effective marginal tax rates on earnings in the phase-down ranges. To be sure, as many analysts have noted, if some second earners in a family respond to these higher marginal tax rates by spending less time working outside the home and more time raising their children, that may not be a problematic outcome. Moreover, now that a number of targeted programs serve people with incomes well above the poverty line, different programs phase down over somewhat different income ranges, which can help keep combined marginal tax rates from climbing too high. Nor do higher marginal tax rates invariably reduce hours worked; for many people, they make little or no difference, and others may increase their work hours in response to lower take-home pay. In addition, if federal policymakers could raise considerably more in taxes to finance more universality, those increased taxes could themselves mean higher marginal tax rates on some households in other ways. Nevertheless, marginal tax rates remain an issue with targeted programs and are another reason why we need a *mix* of universal and targeted programs, rather than relying too heavily on one or the other.

Addressing Gaps in Social Support

Can policymakers find ways to strengthen *both* targeted *and* universal programs to address some of the most significant gaps in the current social-support system—particularly the gaps in cash assistance for poor families with children and for unemployed workers? While in-kind benefits enjoy more political support than cash benefits and play a vital role in our social-support system, they go only so far; cash gives struggling individuals and families more leeway to allocate their money to meet their most pressing needs.

Addressing such gaps will not be easy politically. The debate over the BBB legislation showcased the obstacles to addressing inadequate cash assistance for struggling families with children by reforming the CTC so poor children receive it in full. The CTC currently provides no credit or only a partial credit to an estimated 23 million to 27 million children in families with little or no earnings. ARP addressed this gap by providing an expanded credit that went in full to children in families with low or no earnings—but only for 2021. The House-passed BBB legislation would have made permanent the extension of the full CTC to low-income children, but that provision was not included in the final legislation (the Inflation Reduction Act approved in August 2022). With ARP's CTC provisions now expired, more than one in three children, about half of Black and Hispanic children, and 70 percent of children in families headed by a single female parent receive no credit or only a partial credit because their families lack earnings or their earnings are too low (Collyer, Harris, and Wimer 2019; Goldin and Michelmore 2021; Marr et al. 2021).

Yet, despite BBB's setbacks, the CTC still likely will offer the best opportunity, in terms of political viability, to secure more-adequate cash assistance for low-income families with children and to make major progress in reducing child poverty. When policymakers established the credit in 1997, most families that did not earn enough to owe federal income tax were entirely ineligible for the credit. By 2001 policymakers had created a partially refundable component of the CTC, with the credit beginning to phase in when a family's earnings for the year surpassed $10,000. In subsequent years, policymakers lowered the $10,000 threshold to $2,500 in several steps, before ARP made the credit fully refundable (available in full to families with no or low earnings) for 2021. The history of repeated CTC expansions to cover more low-income families suggests that policymakers may find it possible in future years to continue this progress in broadening the CTC's refundable component and ultimately make the credit fully refundable on a permanent basis, though that may take some time.[75]

Historically, as we have discussed, providing adequate cash assistance to families without earnings has faced considerable political opposition. At the same time, the CTC—unlike other cash assistance—has a number of attributes that historically have made for program strength: it is delivered through the tax code; its beneficiaries include tens of millions of middle-income children alongside those with lower incomes; it is fully federally financed with national eligibility rules and benefit levels that states cannot—and have no incentive to—scale back; and it is increasingly viewed as highly effective not only in reducing child poverty in the near term but also in improving children's prospects over the long term.

UI is another cash program that needs substantial strengthening but faces formidable political obstacles. Its financing, through state and federal taxes on employers, pits employers against workers, giving employers incentives to press their states to keep benefits low and limit access to benefits and to file challenges to worker UI claims. Although policymakers expanded UI greatly during the recent pandemic and ensuing recession, those expansions expired in 2021, and even the early, $3.5 trillion, draft House version of BBB did not include provisions to strengthen UI on an ongoing basis (Gwyn 2021). Indeed, some UI analysts expect further UI cuts at the state level in the years ahead, and such cuts are already surfacing in state legislatures (Golshan and Delaney 2021; Gwyn 2021, 2022; Stone 2021).

The UI expansions that were in effect for most of 2020 and much of 2021 came about only because they were fully federally financed and mandated. That suggests that reforming and strengthening UI so it more adequately supports unemployed workers will likely necessitate a much greater federal role, both in UI financing and in setting UI program rules.[76] That, however, would entail substantial federal budget costs and likely face serious opposition from some stakeholders, making such reforms politically quite difficult to achieve, at least in the near term.

In strengthening targeted programs, how high up the income scale must they extend to be politically durable? The answer is likely different for different programs. Most of the targeted programs that have expanded significantly in recent decades have broadened their income eligibility criteria and hence their constituencies, but still phase out their benefits below the median family income level ($86,372 in 2020) and concentrate their benefits mainly on those in the bottom fifth of the income scale. At the same time, given the political opposition to cash assistance programs for people who are neither employed nor elderly or disabled, a fully refundable CTC likely will need to extend higher up the income scale, encompassing more of the population, to bolster its support.

Even so, the CTC's current income thresholds—which give married filers a full credit for each child until their income reaches $400,000, and a partial credit for another $40,000 in income above the $400,000 level for each child they have[77]—seem higher than necessary. For two decades (1997 to 2017), the credit began phasing out at $110,000 for married filers and ended entirely at $150,000 for married filers with two children, and those thresholds generated no noticeable political opposition. Policymakers continued to expand the credit during those years, especially its partially refundable component for lower-income families. This suggests that the thresholds in the main Democratic CTC expansion bill before ARP—the 2019 American Family Act, which was cosponsored by most House and Senate Democrats and would have phased out the credit for married filers at income around $200,000—are likely high enough to maintain the CTC's political strength.

The history of recent decades also suggests that, in efforts to strengthen both targeted and universal programs, policymakers should aim for strong federal financing and federal eligibility, benefit, and access standards. The programs that have fared most poorly such as TANF and UI not only provide cash assistance mainly to people who are not currently employed, but they also are highly decentralized programs in their funding and program rules. Meanwhile, increased federal funding and stronger federal rules have played crucial roles in expanding programs such as Medicaid and CHIP, while SNAP, the EITC, and the CTC all are fully federally funded.

Whatever the precise mix of targeted and universal programs, policymakers should seek to improve program performance in reaching and serving eligible families and individuals by reducing administrative burdens, streamlining and improving access, and raising take-up rates. Too many people in need continue not to receive aid for which they qualify. Fortunately, the program-access reforms of recent decades, continuing advances in IT, and growing interest in these matters among policymakers—as reflected most recently in President Biden's December 2021 executive order—indicate there is strong potential to make considerable further progress on this front (Moynihan and Herd 2021).

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

The efforts that emerged at various points in recent decades to cut various social programs also highlight the critical role that strong federal financing and strong federal eligibility, benefit, and access rules can play in protecting programs. When programs such as SNAP, with large federal financing and rule-setting roles, have experienced eligibility or benefit cuts, policymakers generally have later reversed the cuts or adopted other expansions in these programs. But when policymakers seriously diminish the federal role—and, in particular, when they convert federal programs to block grants to states with extensive state flexibility—retrenchment generally has become a permanent feature of those programs and even intensified over time.

Appendix I: The data used in this analysis

*Richard Kogan**

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

1. Original source: spending by budget account, posted by the Office of Management and Budget (OMB)

Accompanying each presidential budget is a public database[78] showing the nominal dollar level of spending for each budget account for each fiscal year from 1962 on.[79] Budget accounts have unique names and numerical account codes. An account may encompass a single program or a set of related programs that the administration and Congress desire to treat as a single account for funding and administrative purposes. For example, the Job Corps program has existed as a single budget account since 2009. In contrast, the budget account for the Health Resources and Services Administration encompasses many programs, including health centers and free clinics; the Ryan White HIV/AIDS program; health workforce development; rural health; and family planning.[80]

OMB's spending database for the 2022 budget is reproduced as the "data" tab in the posted table.[81] The database does not divide an account among the multiple programs that it may encompass nor between regular and emergency funding. However, the database does divide accounts between mandatory and discretionary amounts[82] and between grants to states (or other jurisdictions) and non-grant amounts.

2. Categories of spending used in this analysis

This analysis focuses on two categories of spending: A) key mandatory programs (or groups of programs) with benefits explicitly targeted to beneficiaries based on their income (and in some cases, on their assets as well); and B) three programs that are broadly universal. These are the first two categories shown on the green tabs of the posted table.[83]

Key targeted programs or program groups:

- Medicaid and the Children's Health Insurance Program (CHIP);
- the Supplemental Security Income program (SSI);
- the Temporary Assistance for Needy Families program (TANF) and its predecessor, the Aid to Families with Dependent Children program (AFDC);[84]
- the Supplemental Nutrition Assistance Program (SNAP);[85]
- the refundable component of the Earned Income Tax Credit (EITC)
- the refundable component of the Child Tax Credit (CTC);
- the refundable component of the Affordable Care Act's premium tax credit;[86]
- the Child Nutrition programs;
- the Child Care Entitlement to States;
- Pell Grants;[87] and
- Medicare's Low-Income Subsidy (LIS), which helps low-income people who are elderly or have disabilities afford Medicare prescription drug coverage (see box).

Three universal programs or program groups:

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

In 2019 these key targeted programs constituted 23.3 percent, and these three universal programs constituted 49.5 percent, of total federal budget expenditures other than for national defense or net interest. While the budget contains 130 accounts that we view as encompassing targeted programs, in 2019 the key accounts listed above accounted for 97 percent of all targeted mandatory spending (and 85 percent of all targeted spending, whether mandatory or discretionary). The names and account codes of all 130 targeted programs are shown on the "List" tab of our posted table and in Appendix II.

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BOX I-1

Medicare's prescription drug low-income subsidy

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

3a. Adjustments to make the data more meaningful: smoothing the data[88]

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

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

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

We also remove outlays for the 2008 TARP legislation and for legislation responding to the savings and loan crisis of the 1989-91 period, which were substantial but temporary, given our goal of showing underlying trends in expenditures for targeted and universal mandatory programs, including the shares of overall mandatory spending that those expenditures account for.[89] Here, too, the "nominal" tab in the interactive table enables readers to add back these outlays if they wish. In any event, as with the ARRA expenditures, whatever approach one takes on the TARP and savings and loan costs barely affects the data in this paper's analysis comparing expenditures levels for various programs and program categories between 1979 and 2019.

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

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

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

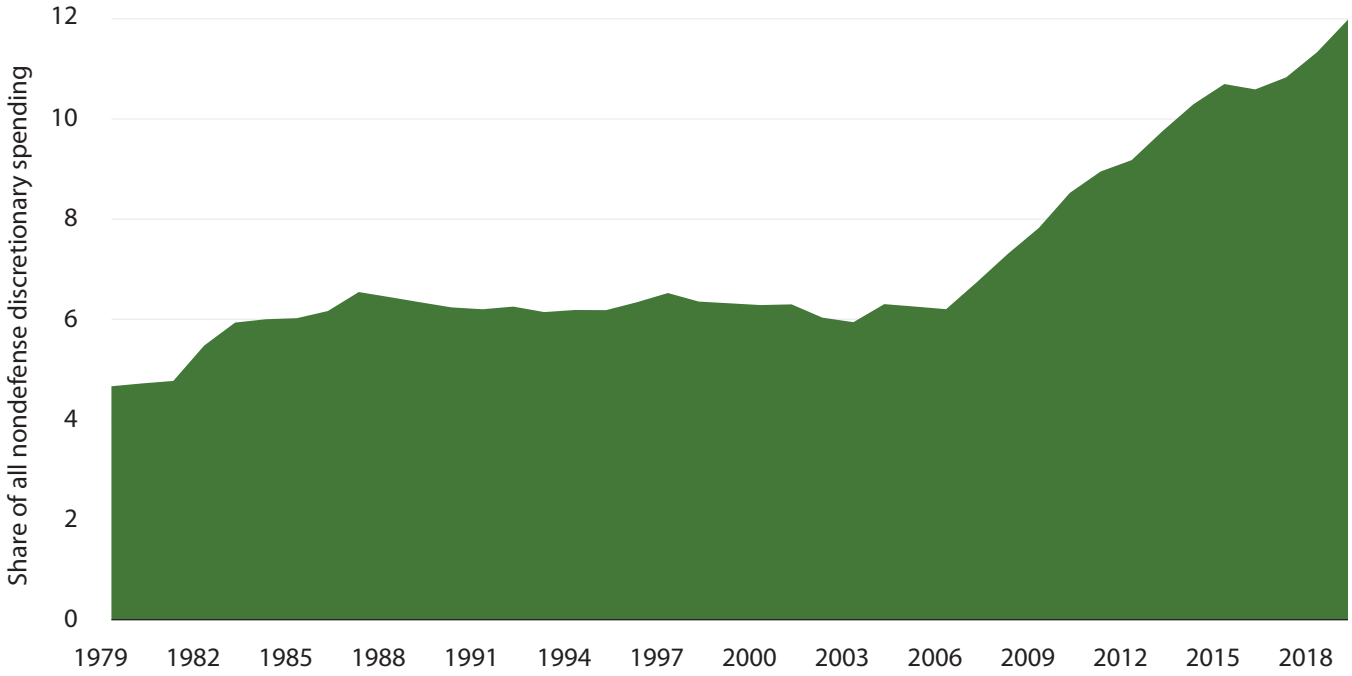
- the 11 key targeted mandatory accounts;
- the three universal mandatory accounts**;
- totals for all discretionary accounts (both defense and non-defense, whether or not targeted);
- totals for all non-defense discretionary (NDD) accounts, split between veterans' medical care and all other** (see Box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

Finally, the table's green "nominal" tab—the leftmost tab on the table—shows the year-by-year nominal dollar amounts from the "nominal.raw" tab but with modifications to reflect each of the four adjustments: 1) removing the tim- ing anomalies when there are 11 or 13 "monthly" payments per year in order to obtains results with 12 monthly

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

FIGURE I-1

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



Source: Kogan 2022.

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pay- ments each year, 2) removing ARRA spending, 3) removing TARP spending, and 4) removing the spending from the 1989 savings and loan legislation.

3b. Adjustments to make the data more meaningful: Accounting for the effect of growing prices and population and a growing economy

In 1962 —

- the nation's population was 195 million, 59 percent of its 2019 level.[90]
- the federal minimum wage was $1.15 per hour, 16 percent of its 2019 level;[91] and
- the nation's economy totaled $586 billion, three percent of the 2019 level.[92]

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

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

In the next tab, the "PP" tab, we adjust nominal dollar amounts for both growing prices and a growing population. The method is the same; we index the fiscal year population to 1.000 in 2019, producing lower values in prior years, and we then multiply the CPI-U index value for a given fiscal year by the population index for that year. The 2019 "price and population" index is still 1.000, of course, while the 1962 "price and population" index is 0.080, for example. (Recall that the population in 1962 was only 59 percent as large as in 2019. Multiplying the 1962 CPI-U index value of 0.136 by 59 percent gives 0.080.) As noted, nominal spending for non-defense discretionary programs totaled $19.5 billion in 1962. Dividing that figure by the 1962 index value of .080 produces $245.4 billion, the value of all non-defense

discretionary spending in 1962 adjusted for both growing prices and a growing population.[93]

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

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

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

Appendix II: Targeted Mandatory programs

Richard Kogan

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

This list displays the formal account name used in OMB's database, the two-digit Treasury code representing the federal agency that administers the account, the four-digit number that identifies the account within that agency,[94] and the three-digit number that identifies the budget subfunction. In combination, these three sets of numbers allow each budget account in OMB's database to be uniquify identified. For example, the Supplemental Nutrition Assistance program (SNAP) has a Treasury code of 12, referring to the Department of Agriculture, a four-digit account number of 3505, and a subfunction code of 605; that subfunction is called "food and nutrition assistance" and is within the overall budget function 600, called "income security." Other than the key accounts, we sort the accounts first by subfunction and, within a subfunction, by the account number.

TABLE II-1

List of Targeted Mandatory Programs

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

Source: Kogan 2022.

Note: *This account includes all payments under the former Aid to Families with Dependent Children (AFDC) program. **This account includes the Nutrition Assistance for Puerto Rico grant program. ***We treat all of the Pell Grant program as mandatory; see endnote 87.

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Notes

1. This paper does not provide a comprehensive assessment of all issues related to targeted and universal programs. For example, it does not examine issues related to marriage and marriage penalties. For a brief discussion of those issues, see AEI/Brookings (2022).
2. Mandatory programs are entitlements or other programs whose funding is provided by other statutes, as distinguished from discretionary programs, whose annual funding is set through the congressional appropriations process. Most major social programs are mandatory programs.
3. The targeted mandatory program category consists primarily of 11 programs that in 2019 accounted for 97 percent of total targeted mandatory spending. See endnote 6 for a list of the 11 programs; see Appendix II for a list of all targeted mandatory programs. Programs other than Social Security, Medicare, UI, and the targeted mandatory programs are referred to here as other mandatory programs. The largest of the other mandatory programs consist primarily of programs for former federal employees and veterans and include veterans' disability compensation, civil service retirement and disability payments, military retirement, veterans' readjustment benefits, government annuitants' health benefits, the US Department of Defense's Medicare-eligible retiree health-care program, and the Commodity Credit Corporation.
4. In 2020 the median family income was $86,372 (in 2020 dollars). Median *household* income, which (unlike median family income) includes single-person households, was $67,521. The Census Bureau (n.d.) defines a family as "a group of two people or more . . . related by birth, marriage, or adoption and residing together." Census defines a household as "all the people who occupy a housing unit," clarifying that "a household includes the related family members and all the unrelated people, if any . . . who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit . . . is also counted as a household."
5. In assessing whether the value of government goods and services has increased or decreased over time, and to what extent, adjusting for both inflation and a growing population produces more meaningful results than adjusting for inflation alone, especially for an analysis like this that covers a period of forty years during which the US population grew substantially.
6. The targeted mandatory programs consist primarily of 11 major programs that, in 2019, accounted for 97 percent of total targeted mandatory spending. The 11 programs are Medicaid and CHIP; SSI; the TANF block grant (and its predecessor, Aid to Families with Dependent Children); SNAP; the refundable component of the EITC; the refundable component of the Child Tax Credit; the refundable component of the Affordable Care Act's premium tax credit; the child nutrition programs; the Child Care Entitlement to States; Pell Grants; and the Low-Income Subsidy to help low-income elderly and disabled people afford the premiums for Medicare drug coverage. Here and elsewhere in this analysis, data on spending for targeted mandatory programs includes all such programs, and not just the 11 major programs listed above in this footnote. (I follow the practice of the CBPP and CBO reports in including the Low-Income Subsidy as a targeted program. If it is instead classified as part of universal Medicare, the average annual rate of growth for the three universal programs over the 1979–2019 period would be 2.41 percent instead of 2.36 percent, and the average rate of growth for the targeted programs would be 3.30 percent instead of 3.39 percent.) See endnote 87 for a discussion of the treatment of Pell Grants in this analysis. A list of all targeted mandatory programs is in Appendix II. Here and elsewhere in this paper data on federal spending for the targeted mandatory programs includes all such programs, not just the 11 principal programs listed above.
7. In adjusting spending levels for years before 2019 for inflation, CBPP's Richard Kogan, who provided the historical budget tables that accompany this paper, indexed the historical values of the R-CPI-U-RS to the fiscal year 2019 value of the CPI-U. The R-CPI-U-RS is a series the Bureau of Labor Statistics (2021) created to apply recent improvements in inflation measurement to earlier years; see Appendix I.
8. Student loans are not included here as a universal program because they were means-tested from 1979 to 1993 (except for a brief period around 1980) and because the loan program's subsidies remain means-tested, with subsidized loans available only to undergraduate students with unmet financial needs. If student loans were included as a universal program, little would change. The main universal benefit programs' annual average rate of growth over the 1979–2019 period, after adjusting for inflation and population, would be 2.38 percent instead of 2.36 percent, and the universal programs would account for 61.4 percent of overall mandatory spending in 1979 and 61.9 percent in 2019, rather than 61.0 percent in both years.
9. The budget data that Richard Kogan (2022) compiled, which can be accessed through the interactive budget tool that accompanies this paper, cover all years from 1962 to 2019 in nominal terms, real terms, and after adjusting for both inflation and a growing population. The data also include program spending as a percent of gross domestic product (GDP), which shows whether the nation is devoting a growing or declining share of national income to these programs. That is a different question, however, from whether the programs have become more or less generous over time; a program can expand and become more generous while simultaneously eroding as a percent of GDP, if GDP grows at a faster rate than the program. For example, total federal spending on nondefense discretionary programs grew 160 percent between 1962 and 2019, after adjusting for inflation and population growth (with virtually all of the spending growth coming between 1962 and 1979) but edged *down* as a share of GDP—from 3.3 percent of GDP in 1962 to 3.0 percent in 2019.
10. The population adjustment used here reflects changes in the size of the overall population; the rates of growth for Medicaid and Medicare would be somewhat lower if the adjustment were for increases in the size of just the elderly population. If the Low-Income Subsidy to help low-income elderly and disabled individuals afford the premiums for Medicare Part D's prescription drug benefit is classified as part of Medicare, then the average annual rate of growth for Medicare over the 1979–

2019 period would be 4.24 percent instead of 4.12 percent.

11. National health expenditures outside of Medicare and Medicaid grew at an average annual rate of 2.75 percent during this period, after adjusting for inflation and population growth, as Medicare and Medicaid grew to cover more of the population. The population adjustment used here reflects changes in the size of the overall US population; the rates of growth for Medicare and Medicaid would be somewhat lower (but still substantial) if the adjustment were for increases in the size of just the elderly population.
12. The "other mandatory programs" category grew modestly over the 1979–2019 period, increasing by 26.1 percent after adjusting for inflation and population, but declined from 19.3 percent of total mandatory spending in 1979 to 9.6 percent in 2019.
13. If the Low-Income Subsidy to help low-income elderly and disabled individuals afford the premiums for Medicare Part D's prescription drug benefit is classified as part of universal Medicare rather than as a targeted program, the three main universal programs would constitute 62.1 percent of total mandatory spending in 2019 rather than 61.0 percent—still largely unchanged from their 61.0 percent share in 1979. For targeted programs, their share of total mandatory spending, which stood at 19.7 percent in 1979, would climb to 28.4 percent in 2019 instead of 29.4 percent.
14. Both 1979 and 2019 were peak years of an economy recovery. The average unemployment rate in 1979 was 5.8 percent, compared with 3.7 percent in 2019, while the unemployment rate in 1969—3.5 percent—was very similar to that in 2019. The unemployment rate in 1965 was 4.5 percent.
15. Veterans' health care is a discretionary program, unlike veterans' pensions and veterans' disability compensation, which are mandatory programs.
16. These data, like those for mandatory programs, come from the budget tables and interactive budget tool that Richard Kogan (2022) developed.
17. The data provided in this paper reflect EITC outlays—that is, the refundable portion of the EITC (the amount that exceeds filers' federal income liabilities). The *non*refundable part of the EITC, which lowers or eliminates a household's federal income tax liability, is small—$2.7 billion in fiscal year 2019. For consistency with the rest of this analysis, the outlay and revenue figures for tax credits that are used in this paper are for fiscal years rather than tax years.
18. The 78 percent decline in real dollars substantially exceeds the decline in federal TANF funding over this period, reflecting the fact that states have shifted the bulk of TANF funds from cash assistance to other uses.
19. Between 1989 and 2020, the number of state GA programs fell from 38 to 25, and only 11 states now provide any benefits to childless adults who do not have a disability. Between the late 1980s and late 1990s, 12 states eliminated GA for people without a disability, and three other states eliminated their state GA programs altogether. Between 1998 and 2010 five more states eliminated their GA programs, and at least 10 others cut theirs. From 2011 to 2020, four more states ended their statewide programs, and several others cut their funding or narrowed their eligibility criteria. Furthermore, GA benefit levels, which already were far below the poverty line, have fallen in real dollars in nearly every state that still operates a GA program (Schott 2020).
20. The data on reconciliation bills enacted into law and reconciliation laws with Medicare-savings provisions come from a table provided by Richard Kogan (2022) of the CBPP. One reconciliation bill enacted before 1981 and three enacted since 1993 also contained Medicare savings measures.
21. Eligibility for immigrant children lawfully residing in the Unites States had been partially restored in 1997, when it was reinstated for lawfully present immigrants who had entered the United States before August 22, 1996, the date the 1996 Welfare Law was signed.
22. Asset tests place limits on the amount or value of various assets that an eligible household may possess.
23. Howard (forthcoming) notes that, in September 2005, Bush spoke publicly of having made it easier for people to receive food stamps and Medicaid.
24. The 2009 law established procedures under which the Social Security Administration (SSA) now verifies citizenship and immigration status electronically for nearly all Medicaid applicants and recipients who are subject to this requirement, rather than requiring them to produce these documents themselves (Cohen Ross 2007, 2010; Solomon and Cohen Ross 2009).
25. The ties to TANF that the SNAP program retains are to TANF broadly, including to TANF services that go to families above the poverty line, rather than just to recipients of TANF cash assistance.
26. The 1983 legislation also imposed a tax on a portion of the Social Security benefits that more affluent beneficiaries receive.
27. Legislation enacted in 1977 also made modest trims to Social Security benefits, although its main provisions increased Social Security payroll taxes (CRS 2021j).
28. As Ziliak (2011) noted, "Little has changed in terms of [Social Security's] retirement benefit structure since the Greenspan Commission of 1983" (5). In other words, the benefit structure is largely unchanged from where it stood after the cuts of the early 1980s, the most significant of which were drawn from the National Commission on Social Security Reform, commonly known as the Greenspan Commission after its chairman, Alan Greenspan.
29. If sequestration is triggered under the Statutory PAYGO Act, payments to Medicare providers are cut; these cuts cannot exceed 4 percent in a year if the across-the-board cut percentage under that year's sequestration order is higher than 4 percent. In addition, a special sequestration that was triggered by the failure of the deficit-reduction negotiations of the Joint Select Committee on Deficit Reduction that the 2011 Budget Control Act established resulted in a 2 percent cut in Medicare provider payments that subsequently was extended and now applies in every year through 2031. (If a sequestration also occurs under the Statutory PAYGO Act, it triggers a cut of up to 4 percent in Medicare provider payments on top of the ongoing 2 percent cut already in place.) For student loans, a sequestration cut is implemented by raising the origination fee for new loans by the full across-the-board sequestration-cut percentage. In UI, regular, state-financed UI benefits are exempt, but federal UI benefits—which generally are provided when unemployment is significantly elevated and supplement regular state UI benefits—are subject to sequestration. While benefits in programs that are exempt from sequestration are not cut, sequestration does apply to administrative funds for otherwise exempt programs, such as SNAP.

30. A recent CRS (2021d) report describes the main social insurance programs as programs that "primarily base eligibility for their benefits on past work and an event (e.g., old age, unemployed) that interrupts or ends working careers" (1). In the case of Social Security spousal and survivor benefits, to qualify an individual must be the spouse or surviving child of an individual with a qualifying work record.
31. SNAP is not a form of guaranteed income due to two gaps in its eligibility criteria: (1) it limits benefits for people aged 18 to 49 who are not disabled or raising children to three months out of every three years (if they are not employed or in a work or training program at least half time); and (2) it bars eligibility for certain categories of legally authorized immigrants during their first five years in the United States.
32. Six of the seven surveys that Howard and his colleagues reviewed were conducted by Pew. The first survey they reviewed, conducted in 1994, was by Times-Mirror.
33. Median *household* income, which unlike median *family* income includes single-parent households, is lower. It was $67,521 in 2020.
34. A majority of states have raised the gross income limit for SNAP to 185 percent or 200 percent of the poverty line for most or all households.
35. Some states, including California and New York, are considering eliminating asset tests for Medicaid's elderly and disabled eligibility categories as well.
36. As of July 2021, 36 states, the District of Columbia, Guam, and the US Virgin Islands had entirely eliminated the asset test in SNAP, and 5 additional states had raised the asset limits, expanded exclusions from the limit, or both (CRS 2021f). See also Gehr 2018 and USDA n. d.
37. The sharp decline in the share of SNAP's caseload that receives cash public assistance reflects both SNAP expansions and the shrinkage of cash welfare programs.
38. The eight programs were Medicaid/CHIP, SNAP, the additional CTC (i.e., the CTC's refundable component); the EITC; low-income housing assistance; SSI; TANF; and the Child Care Development Block Grant (CRS 2021d).
39. An earlier GAO study (2015) produced similar results.
40. These developments also prompted the *Wall Street Journal* editorial page to complain in 2021, "Medicaid was once a safety-net program but now covers 37% of Californians. Food Stamps and nutrition programs started as help for the poor but now cover millions of Americans" (Wall Street Journal 2021).
41. In a related vein, a 2019 Kaiser Family Foundation poll found that 75 percent of Americans had a favorable view of Medicaid. See KFF (2020) and Grogan and Park (2018b).
42. Federal TANF funding is frozen from year to year, which makes it more difficult for states to index the benefits if they should otherwise want to do so.
43. The 1972 legislation that created SSI set the program's asset limits at $1,500 for an individual and $2,250 for a couple. Were these levels adjusted annually for inflation, they would today be $9,457 and $14,320, respectively (CBPP 2022b). Instead, these limits have been frozen since 1974 except for an adjustment in the 1980s. Today, SSI's asset limits are $2,000 for an individual and $3,000 for a couple—the same nominal levels since 1989 and far below their real value when the program started.
44. The income disregards mentioned here exclude certain forms of income from the income that is counted in determining whether an individual meets the SSI income eligibility criteria. For example, SSI generally disregards the first $20 a month in income that an individual receives, such as income from Social Security, as well as the first $65 a month in earned income, and 50 percent of earned income beyond that.
45. The decline in SSI's asset limits and income disregards is even greater today than when Daly and Burkhauser (2003) wrote their analysis, due to no inflation adjustment in the asset limits and income disregards since 2003.
46. In the words of a 2021 study, TANF and UI are "highly decentralized" (Chang, Romich, and Ybarra 2021, 245).
47. The EITC, CTC, or both, were expanded in 1984, 1986, 1990, 1993, 1997, 2001, 2003, 2008, 2009, 2010, 2012, 2015, 2017, and 2021. Some of these measures accelerated previously enacted expansions that were phasing in over a number of years or extended expansions that were initially enacted on a temporary basis.
48. See endnote 6. If the Low-Income Subsidy program, which helps low-income Medicare beneficiaries afford to enroll in Medicare Part D, is not included as a targeted program, the increase from 1979 to 2019 in expenditures for targeted mandatory programs is 261 percent rather than 280 percent, after adjusting for inflation and population.
49. Veterans' health care is provided through a set of discretionary programs, unlike veterans' disability compensation and veterans' pensions, which are mandatory programs.
50. The use of competitive bidding to lower the price of infant formula provided through WIC has also been an important factor in enabling the program to have sufficient resources to serve all eligible individuals who apply.
51. The analysis in part IV of this paper on the poverty-reducing impacts of targeted and universal programs includes the effects of low-income rental assistance, low-income home energy assistance, and WIC, which are targeted discretionary programs.
52. In earlier decades, some commentators and analysts questioned whether targeted programs had much poverty-reducing impact (Skocpol 1990) because they were relying on the official poverty measure, which was the only poverty measure then in broad use and which counts only pre-tax cash income and ignores the income from SNAP, rental assistance, refundable tax credits, and other such programs. In assessing the antipoverty impact of social programs today, analysts now primarily use the SPM, which is based on the recommendations of a 1995 panel of the National Academies of Sciences, Engineering, and Medicine and the National Research Council (National Research Council 1995) and which counts rather than ignores the income that these programs provide.
53. Trisi and Saenz's (2021) study uses the SPM and adjusts the Census data to correct for the underreporting of various benefits. Their study focuses on 2017 because that was the latest year for which data that are adjusted for benefit underreporting are available. They correct for the underreporting of SNAP, SSI, and TANF benefits using data from the HHS/Urban Institute's Transfer Income Model (TRIM). The historical comparisons in their study use the 2019 SPM poverty thresholds, as adjusted for inflation for other years; that is, the study uses an SPM anchored to 2019. The programs included in the study are Social Security, UI, veterans' benefits, workers' compensation, TANF, SSI, SNAP, rental assistance, free and reduced-price

school lunches, the EITC and CTC, low-income home energy assistance, and state GA. The taxes included are federal income and payroll taxes, and state income taxes, which include state EITCs. (Public health insurance programs are not included; they are not counted as income in the SPM.) The 9 percent figure for 1970 and 47 percent figure for 2017 are net figures of the effects of these government benefits and taxes. (Taxes, by themselves, push some households into poverty.) For a more detailed discussion of the study's methodology, see Trisi and Saenz (2021). Erosion in real wages likely contributed modestly to the increased antipoverty effectiveness of targeted programs that are indexed for inflation by making somewhat more people eligible for some programs or eligible for somewhat higher benefits.

54. Behavioral responses could both decrease and increase the antipoverty impacts of various programs. If programs reduce work effort, their antipoverty impact as measured in the studies cited here may be overstated; if they increase work effort (as, for example, various studies indicate the EITC does), their antipoverty impact may be understated. There also is evidence that the receipt of various benefits in childhood may increase mobility and potentially reduce poverty over the long term; see box 3.
55. These and the other figures in Table 2 are unpublished figures provided by Trisi and Saenz, using data from their 2021 analysis. These data measure the poverty-reducing effect of individual programs by examining how much the poverty rate rises if a particular program (or category of programs) is removed. The sum of the number of people kept out of poverty by targeted programs *individually* is somewhat greater than the overall number of people kept out of poverty by targeted programs *as a group*, because some individuals may be counted as being kept out of poverty by more than one program. These data reflect the impact of the following targeted programs: SNAP, SSI, rental assistance, TANF, the EITC, the CTC, low-income home energy assistance, WIC, needs-based veterans' benefits, and free and reduced-price school lunches. The 21.4 million figure for targeted programs reflects the poverty-reducing effects of only the CTC's refundable component. If the nonrefundable component also is counted, the figure rises to 22.4 million.
56. Like CBPP, CRS used the SPM and adjusted for the underreporting of benefits in Census data. CRS examined poverty after universal programs are counted and studied the additional impact of targeted programs. The targeted programs that CRS included in its analysis are similar to, but not identical to, those that Trisi and Saenz (2021) included: SNAP, SSI, refundable tax credits, rental assistance, child-care subsidies, TANF, WIC, low-income home energy assistance, and free and reduced-price school lunches. CRS also counted the increase in the full CTC from $1,000 to $2,000 per child, which was enacted in 2017 but did not take effect until 2018, as though it were in effect in 2017 in order to better reflect the contours of the credit right before the pandemic and ensuing recession. That should not have a large poverty-reduction effect, as most poor children could not qualify for the full $2,000 per child, except in 2021 under the American Rescue Plan (ARP). CRS used the 2017 SPM poverty thresholds.
57. Trisi and Saenz (2021) found that benefits and taxes overall—including those from both targeted and universal programs—reduced the child poverty rate in 2017 from 25.5 percent *before* counting benefits or taxes to 13.6 percent *after* counting them. The "before" and "after" child poverty rates in 2017 were 15.7 and 8.3 percent for white children, 41.7 and 21.3 percent for Black children, and 36.5 and 20.3 percent for Latino children. Put another way, in 2017 the poverty rates for Black and Latino children were 26 and 21 percentage points higher, respectively, than they were for White children *before* counting government benefits, and 13 and 12 percentage points higher, respectively, *after* counting those benefits.
58. The CBPP figures cited here on the poverty gap use the 2017 SPM poverty thresholds in order to be consistent with CRS's methodology. These are unpublished figures from Trisi and Saenz (2021), using data from their 2021 analysis.
59. Estimated take-up rates in Medicare Parts A and B are 99 percent and 96 percent, respectively (Baicker, Congdon, and Mullainathan 2012; Remler and Glied 2003).
60. MedPAC reports that the approximately 12 percent of eligible individuals who have neither Part D nor equivalent coverage from another source include both people with no prescription drug coverage and those with skimpier coverage than Part D provides (MedPAC 2020, table 14-2; MedPAC 2021, table 13-1).
61. Due to data limitations, the Urban Institute study could not estimate the take-up rate for parents in non-Medicaid-expansion states.
62. Estimates are not available for the take-up rate of children eligible for SSI.
63. SNAP's minimum benefit in fiscal year 2022 is $20.
64. Further supporting these findings, a GAO study estimated the EITC's benefit receipt rate to be 14 percentage points higher than its household take-up rate (GAO 2001).
65. Jones (2014) notes, "The lowest [EITC] participation rate occurs where the credit is extremely low and the earner is in the phase-in region" (19).
66. Fox, Stazyk, and Feng (2020) noted, "Seemingly minor variations in enrollment and renewal policies, such as 12-month continuous coverage, simplified asset verification, no face-to-face interview requirement, joint applications for programs with the same information verification, and presumptive or express-lane eligibility procedures, can vastly simplify program enrollment and renewal processes, easing the administrative burden experienced by citizens" (105).
67. Ganong and Lieberman (2018) note that in 2001 25 states limited SNAP certification periods to three months or less for many households with earnings but by 2007 no state did.
68. Ganong and Lieberman (2018) similarly note that, between 2000 and 2007, "SNAP enrollment rose substantially even though unemployment was approximately constant. This was the period in which states were most aggressively adopting SNAP policies to expand take-up" (165).
69. States have now also implemented, or are in the process of implementing, procedures to ease asset verification burdens for those who qualify for Medicaid through its eligibility pathways for people who are elderly or have disabilities (Erzouki and Wagner 2021).
70. These reforms also stand in contrast to developments in WIC, which has been slow to ease procedures requiring in-person office visits, due in part to the view of WIC agencies that program services like nutrition education are more effective in person; and which has relatively low take-up rates, especially among children over the age of twelve months, for whom WIC's benefit package is considerably smaller than it is for infants

and pregnant women. ARP provided several hundred million dollars to help address this problem by modernizing WIC in various ways, supporting innovative models for delivering WIC services, and increasing WIC outreach (Rosenbaum et al. 2021).

71. A survey of very-low-income families with children that are enrolled in SNAP and use a particular app to manage their benefits found that about one in five children in these families was not receiving the monthly CTC checks (Pilkauskas and Michelmore 2021). The survey universe consisted of SNAP households that use the Providers app, of which there are about 5 million nationally. If such households are better connected to benefits than other SNAP households or low-income households generally, the one-in-five estimate for the share of low-income children not reached with monthly CTC payments in 2021 could be an underestimate.
72. CRS estimated the annual costs at $1.8 trillion to $2.8 trillion in 2017 dollars, roughly equal to $2 trillion to $3 trillion in today's dollars.
73. Policymakers could seek to restore long-term Social Security and Medicare solvency (and possibly to increase benefits) entirely through taxes on those at the top of the income scale, but that would be quite difficult to enact (all Social Security legislation requires 60 votes in the Senate). Moreover, if such a measure were to be enacted, that would likely mean that moving other programs to universal status would become even more difficult politically: such a move would have to be financed in significant part by middle-class households since there likely would not be sufficient political room left to raise taxes substantially further on those at the top.
74. UI benefits were exempt from taxation for a temporary period during the recent pandemic and accompanying economic downturn.
75. *New York Times* columnist Ezra Klein (2022) makes a similar point about how the CTC's evolution and growth offer hope that it may be made fully refundable and enlarged in the future on a permanent basis. Klein writes that CTC reforms of this nature "now sit firmly in the realm of the politically possible."
76. In a recent paper (2022), O'Leary, Spriggs, and Wandner call for "improved federal regulations for application and eligibility procedures and incentives to states for reducing administrative barriers" (91).
77. Thus, for a married filer with two children, the CTC does not phase out entirely until the filer's income reaches $480,000.
78. The database of federal spending accompanying the fiscal year 2022 budget is available at https://www.whitehouse.gov/wp-content/uploads/2021/05/outlays_fy22.xlsx. OMB also posts a database of funding ("budget authority") at https://www.whitehouse.gov/wp-content/uploads/2021/05/budauth_fy22.xlsx, covering each fiscal year from 1976 on. Funding is recorded in the year it is first legally available for obligation, while spending is recorded when the funding is dispersed, e.g., to beneficiaries, states, contractors, federal employees, etc.
79. Between calendar years 1843 and 1976, the federal fiscal year started on July 1st, six months before the start of the corresponding calendar year. Since calendar year 1977, the federal fiscal year has started on October 1st, three months before the start of the corresponding calendar year. As a result, there is a three-month *transition quarter* between fiscal years 1976 and 1977 that is not part of either fiscal year. OMB databases also show budget amounts for that transition quarter.
80. Job Corps is the program authorized by Subtitle C of Title I of the Workforce Innovation and Opportunity Act. In contrast, the budget account for the Health Resources and Services Administration encompasses some or all of the programs authorized by Titles II, III, IV, VII, VIII, X, XI, XII, XIX, and XXVI of the Public Health Service Act; Title V and sections 711, 1128E, 1820, and 1921 of the Social Security Act; the Health Care Quality Improvement Act; the Stem Cell Therapeutic and Research Act; and the Federal Coal Mine Health and Safety Act.
81. To make it easier for us to extract figures from OMB's spending database, on the "data" tab but to the left of OMB's database we have inserted four columns with codes of our own.
82. The definitions of *mandatory* and *discretionary* appear in section 250(c) of the Balanced Budget and Emergency Deficit Control Act. Mandatory funding (which the Act terms *direct spending*) is any funding provided directly by congressional committees other than the House and Senate Appropriations Committees, plus any funding provided by the Appropriations Committees for an entitlement program (not otherwise funded by those other committees), and funding for the Supplemental Nutrition Assistance Program (SNAP, formerly called the Food Stamp program). Discretionary funding is that which remains — funding provided by the Appropriations Committees that is not for entitlements or SNAP. The term *discretionary* therefore means that the funding is within the legal discretion of the Appropriations Committees; it does not imply that such funding is less important than mandatory funding.
83. In these analyses, we do not include the discretionary portions of the following programs when discussing the key targeted or three universal programs: SSI, SNAP, Child Nutrition, Social Security, and Medicare. The discretionary portions go for expenditures other than benefits, such as federal administrative costs.
84. The Child Support Enforcement (CSE) program was formerly intermingled with the AFDC program; the OMB database does not separate AFDC and CSE spending. Therefore, this program group reflects the combined costs of AFDC, CSE, and TANF in all years.
85. Formerly the Food Stamp program. The amounts include the fixed-dollar block grant for Puerto Rico for the years after the Food Stamp program was ended in Puerto Rico in the early 1980s and replaced by the Puerto Rico nutrition assistance block grant.
86. "Refundable" tax credits, such as the ACA's premium tax credit, the EITC, and the CTC, are available in whole or in part to beneficiaries even if the credits bring the tax liability of a tax filer below zero. By convention, the amount of the federal payment that reduces a tax filer's liability towards but not below zero is recorded as a reduction in revenues while the remainder of the tax credit, if any, is recorded as an outlay. The figures in the OMB database and this analysis show only the outlay portions of these tax credits.
87. The amounts we show as Pell Grants are for the entire Student Financial Assistance account, since it is not possible to separate the account's spending among Pell Grants, Supplemental Educational Opportunity Grants (SEOG), and the federal work-study program. In 2019, Pell Grants accounted for 94 percent of the account's funding. While Pell Grant spending is officially recorded in the budget as partly mandatory and partly

discretionary, in effect the program is completely mandatory: as page 116 of President Trump's Analytical Perspectives for 2021 explains, "The Pell Grant program acts like an entitlement program, such as the Supplemental Nutrition Assistance Program or Supplemental Security Income, in which everyone who meets specific eligibility requirements and applies for the program receives a benefit. Specifically, Pell Grant costs in a given year are determined by the maximum award set in statute, the number of eligible applicants, and the award for which those applicants are eligible based on their needs and costs of attendance." This explanation of Pell Grants being essentially an entitlement, or mandatory, program has been included in this manner by every OMB Analytical Perspectives document since 2010. Indeed, starting with 2006, this aspect of Pell Grants has also been reflected in a special congressional rule: the Budget Committees score appropriations bills as if they had provided CBO's estimate of the Pell Grant program's funding needs, regardless of the dollar amount stated in an appropriations bill — a practice that mirrors congressional scoring of open-ended "appropriated entitlements" such as SNAP and SSI. See New America (n.d.). For these reasons, we treat the entire Student Financial Assistance account as mandatory; we recode the "data" tab of our table accordingly.

88. While we focus on key selected targeted and three universal budget accounts, our posted table also shows totals for all discretionary and mandatory programs in the budget, excluding net interest. For consistency, the adjustments discussed here are applied to all budgetary amounts (not just amounts in the accounts we focus on).

89. We do not exclude spending from stimulus legislation enacted in 2002 or 2008 because we do not have the account-level data to do so; in the case of the 2008 legislation, different estimates of its costs are highly inconsistent; and perhaps most importantly, spending from the 2002 and 2008 stimulus legislation was small. Specifically, after adjusting for growing prices and population (see Section 3b of this appendix), we see that ARRA spending peaked at about $270 billion in 2010, TARP spending peaked at about $190 billion in 2009, and spending from the savings and loan legislation peaked at about $155 billion in 1991. By contrast, and also as adjusted for growing prices and population, the 2008 stimulus spending probably peaked at less than $30 billion and the 2002 stimulus spending probably peaked at less than $15 billion, both far below ARRA's $270 billion peak. (The 2002, 2008, and ARRA legislation included tax cuts; in the case of the 2002 and 2008 legislation, the tax cuts noticeably exceeded the spending increases.)

90. https://www.ssa.gov/OACT/HistEst/PopHome.html

91. https://www.infoplease.com/business/labor/annual-federal-minimum-wage-rates-1955-2021

92. https://www.whitehouse.gov/wp-content/uploads/2021/05/hist10z1_fy22.xlsx

93. Also note that a chart showing *per person* spending in real 2019 dollars would have precisely the same shape as a chart showing that spending adjusted for growing prices and a growing population.

94. Entries with six-digit rather than four-digit account numbers are accounts that consist of "offsetting collections" — non-tax payments from the public to the government — which are recorded as negative outlays.

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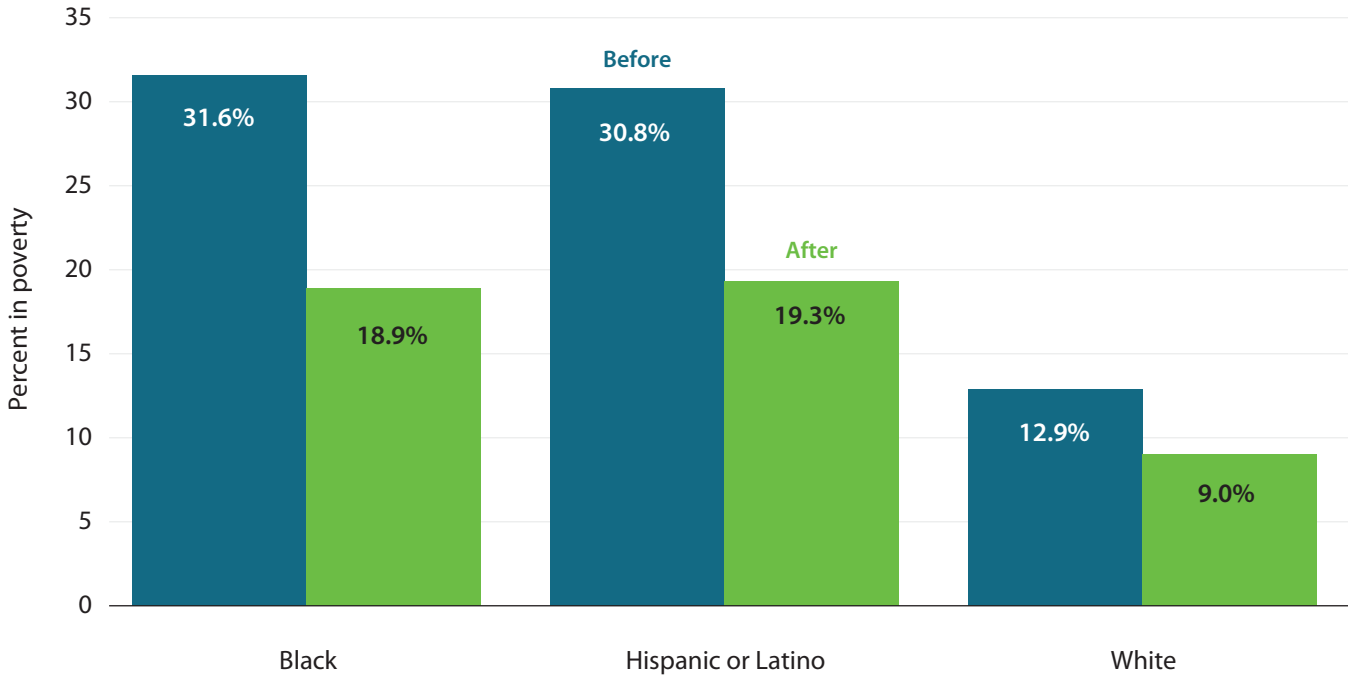
A longstanding narrative holds that social programs targeted by income fare poorly politically and tend to be cut or eliminated over time, while universal programs (available to people at all income levels) do far better. The experience of recent decades casts doubt on this narrative. Between 1979 and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

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

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

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



Source: CRS 2021d.

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

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