



Re-imagining the Social Safety Net, and How Food Banks Can Help

Hilary Hoynes, University of California Berkeley

Keynote Presentation: CAFB Annual Member Meeting

October 7, 2021

Plan for the talk



1. The COVID crisis and the disadvantaged
2. Recent updates: 2020 food insecurity and poverty
3. Policy Works! - Recap of COVID era policy
4. Next steps for policy: The promise of the expanded Child Tax Credit



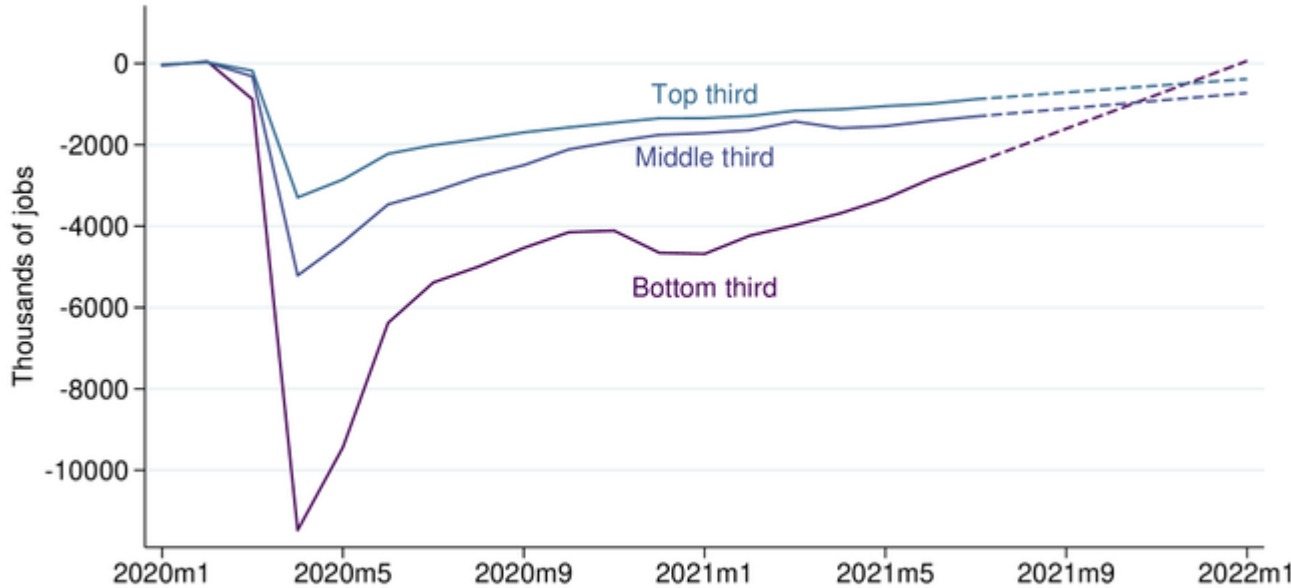
1. The COVID Crisis and the Disadvantaged

COVID Economic Crisis



Employment in low-wage industries could recover by early next year

Actual and projected gap (current 3-month average) relative to pre-pandemic 2020, by hourly wage percentiles



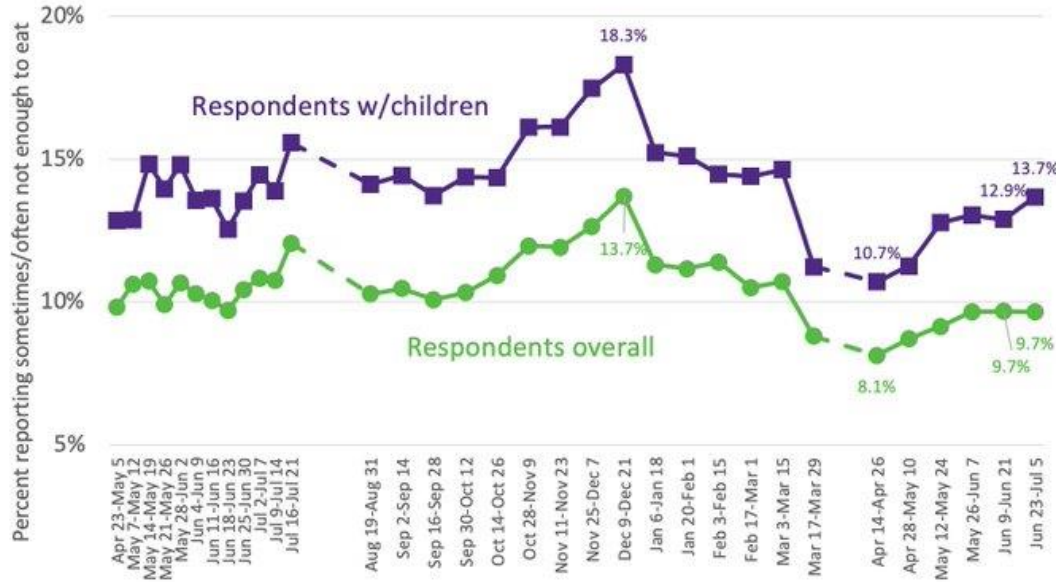
Source: @benzipperer analysis of CES. Wage percentiles from 2019 CES 3-digit NAICS hourly earnings & employment. Projections based on May-July 2021 average job growth.

Massive loss in employment
Much larger for low wage workers

COVID Food Insecurity Crisis



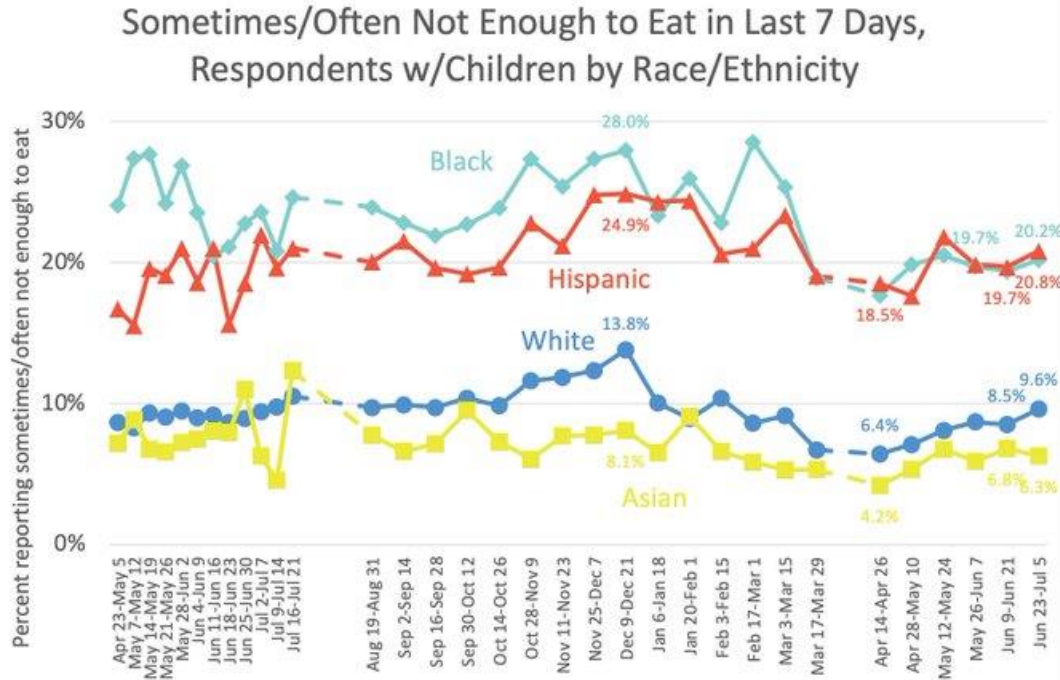
Sometimes/Often Not Enough to Eat,
Last 7 Days



Extremely high
levels of food
insecurity
Especially high for
families with
children

Source: Diane Schanzenbach, Northwestern University, calculations from Census Household Pulse Survey. @dwschanz

COVID Food Insecurity Crisis



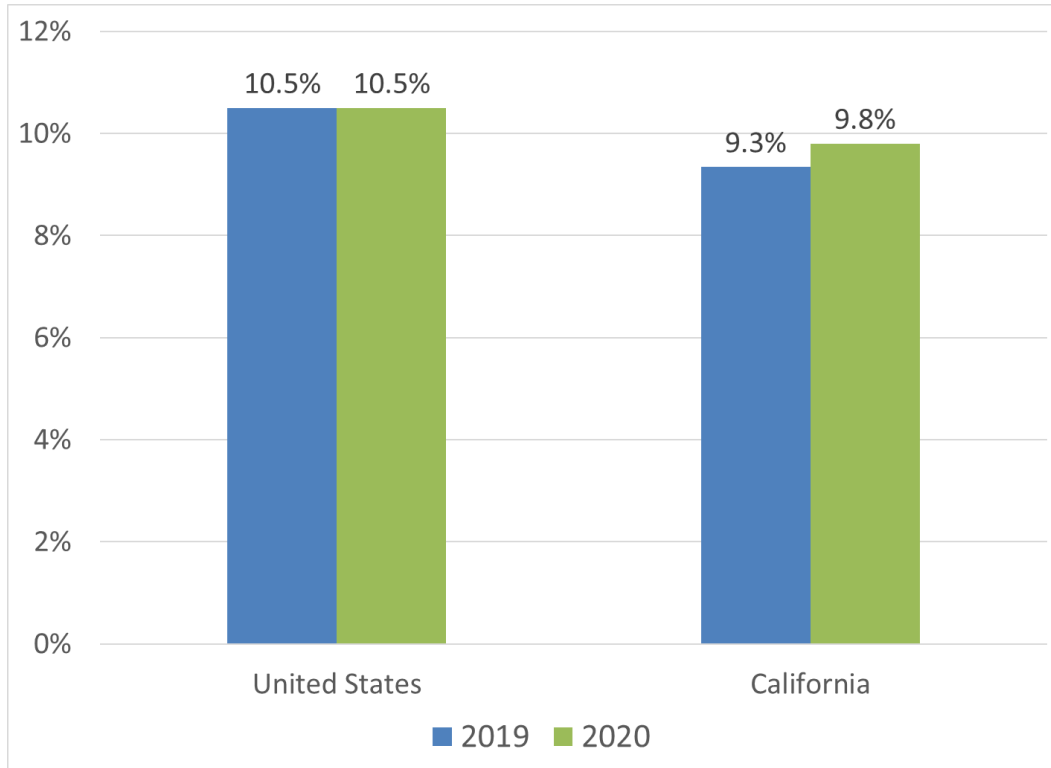
Much higher rates for black and Hispanic children

Source: Diane Schanzenbach, Northwestern University, calculations from Census Household Pulse Survey. @dwschanz



2. Recent updates: 2020 food insecurity and poverty

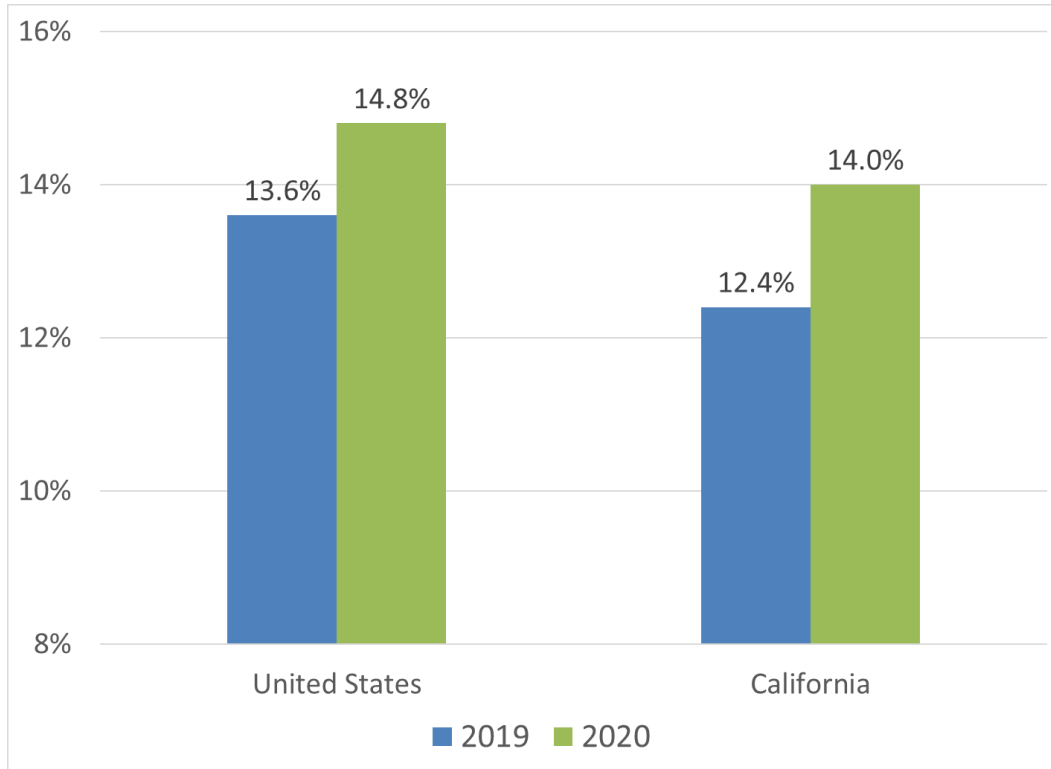
Changes in Food Insecurity, All Households



No to little change
in food insecurity
between 2019
and 2020?

Source: USDA, "Household Food Security in the United States," 2019 and 2020.

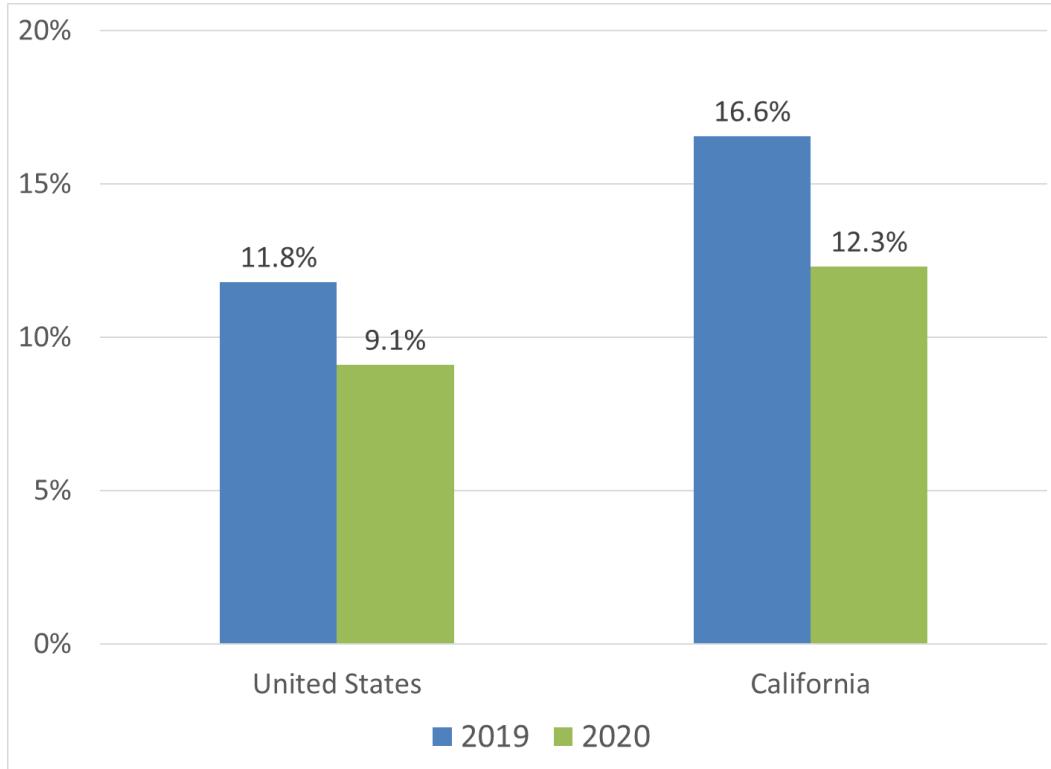
Changes in Food Insecurity, Households with Children



Not so simple:
Food insecurity rates
rose (more) for
households with
children
Also rose more for
people of color.

Source: USDA, "Household Food Security in the United States," 2019 and 2020.

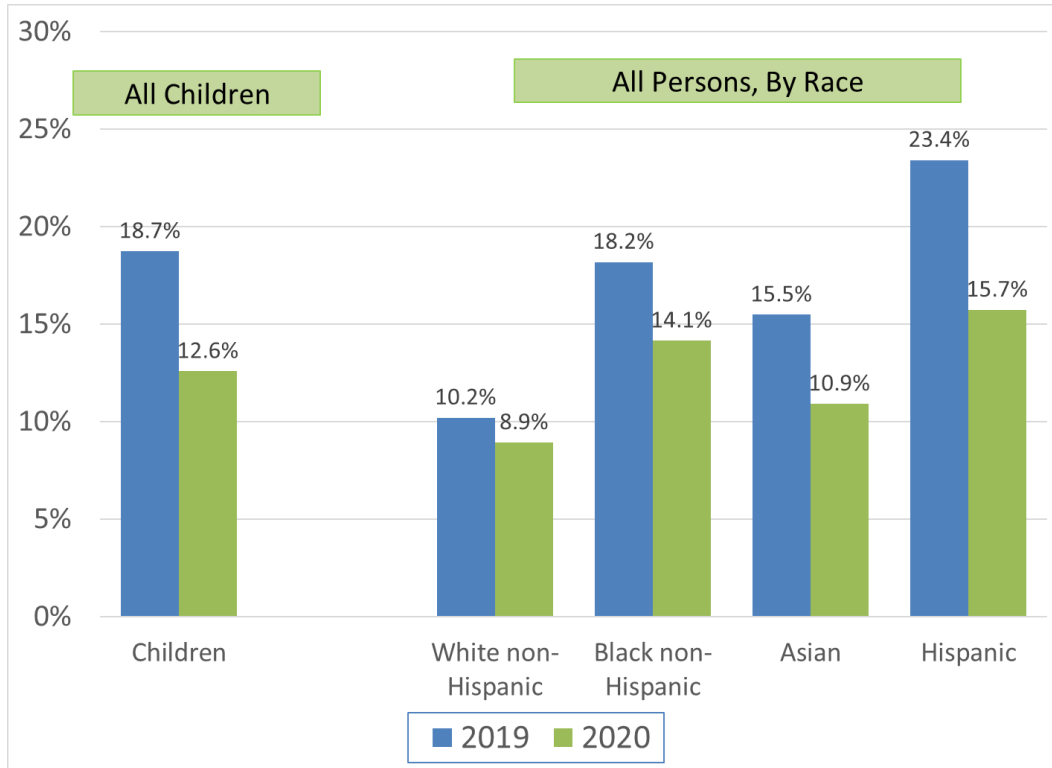
Changes in Poverty, All Persons



**The poverty rate
went down in
2020?**

Source: Census, "Supplemental Poverty Measure," 2019 and 2020.

Changes in Poverty, California



The poverty rate went down in 2020?

Source: Census, "Supplemental Poverty Measure," 2019 and 2020.



3. Policy Works! [Recap of COVID era policy]

COVID policies – social safety net



- *Unemployment Insurance* – expansion of coverage (PUA), expansion in number of weeks of benefits, AND top-up of \$600/week (through July 2021) and \$300/week (through Sept 2021)
- *Pandemic Relief Payments* – Three rounds of stimulus in April 2020, January 2021 and March 2021. *Also California two rounds of relief payments plus one directed at undocumented.*
- *SNAP / CalFresh* – 15 percent increase in benefits plus top to maximum benefit level for all (expired Sept 30)
- *Pandemic-EBT* - converted loss of school meals to direct payment to families

Importantly, **these policies do not reach all Americans**: this is due lack of eligibility (e.g. undocumented) and administrative burdens slowing/lowering take-up.

Additional changes to food and nutrition programs

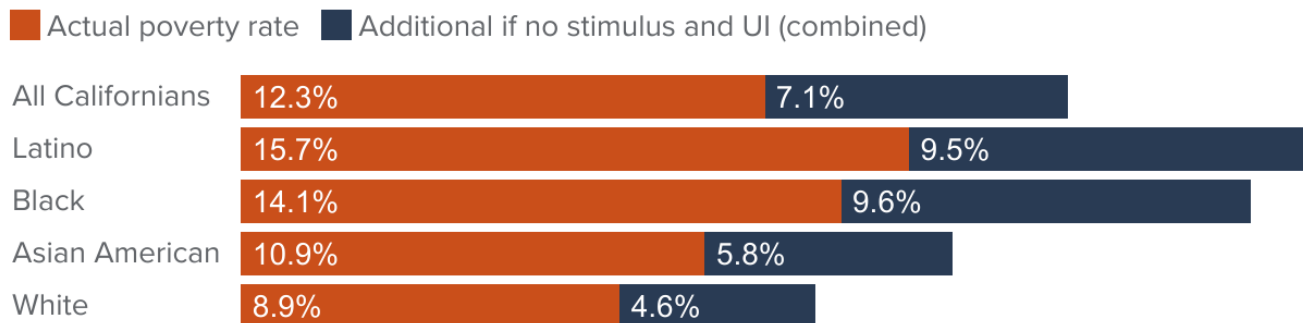


- USDA announces increase in SNAP/CalFresh benefits through updating Thrifty Food Plan.
- SB 364, Free School Meals for All, was included in the 2021-22 state budget, making California the first state to provide two free meals a day to all public K-12 students.

Impact of COVID policies on poverty - California



Federal stimulus payments and unemployment insurance kept millions out of poverty



Equitable
policies
reduce
poverty!

SOURCE: Poverty calculated using the Supplemental Poverty Measure (SPM) framework. Author calculations from the California samples of the 2021 and 2020 CPS-ASEC.

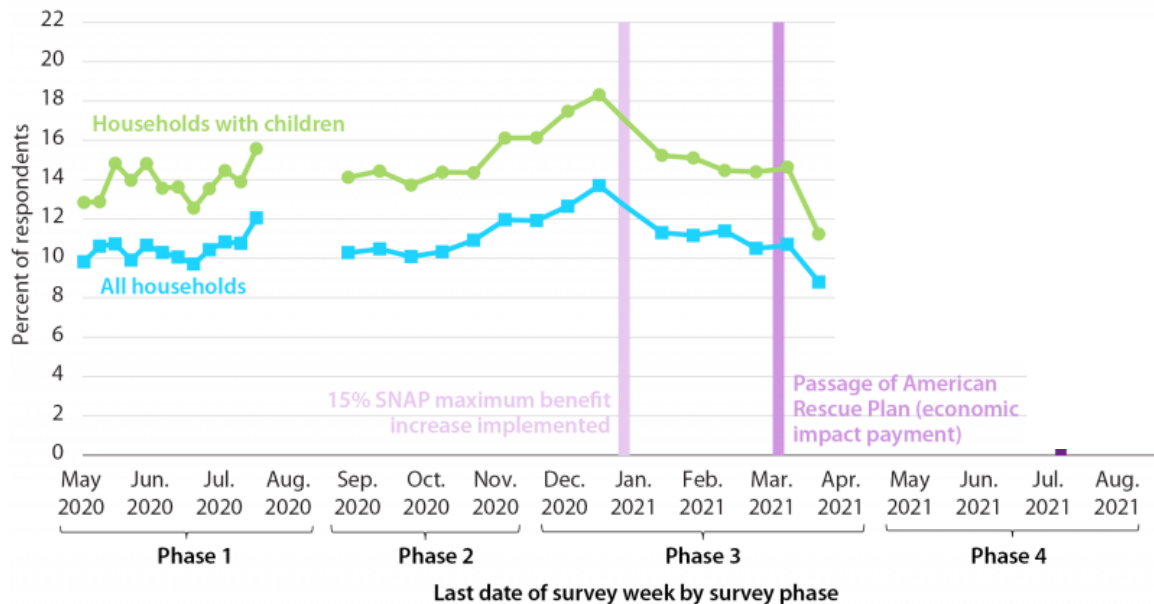
NOTES: Due to small sample sizes, Native Hawaiians, Pacific Islanders, and multiracial individuals are included in the total but are not shown separately.

FROM: PPIC Blog, September 2021.

Equitable Policies Reduce Food Insecurity



FIGURE 1.
Rates of Food Insufficiency in the Last Seven Days, May 2020 to August 2021



Two biggest reductions in food insecurity coincide with COVID policies (stimulus, SNAP benefit increases)

Source: Census Household Pulse Survey 2020–21; authors’ calculations.

Note: The HPS asks respondents whether, in the past seven days, its household was able to consume the quantity and types of food it wanted; enough, but not of the type of food it wanted; sometimes was not able to eat enough; or often was not able to eat enough. We examine whether a household reports it was sometimes or often not able to get enough to eat in the previous seven days.



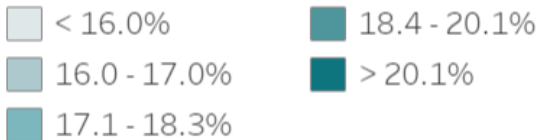


4. Next steps for policy: The promise of the expanded Child Tax Credit

Are the pre-COVID levels of hardship and disparities acceptable?



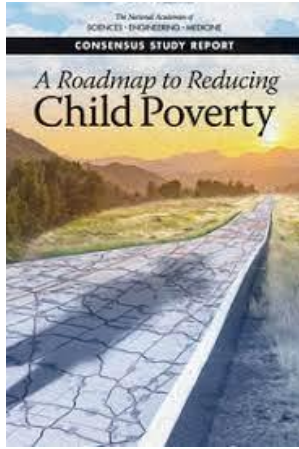
CPM child poverty rate



17.2 percent of Californians were poor pre-COVID

- High levels of inequality
- Income volatility
- Food and housing insecurity
- Persistent inequalities across race and ethnicity group

The promise of an expanded child tax credit



I was a member of the **National Academy of Sciences** committee tasked with proposing policies to reduce child poverty by half in 10 years.

Our central recommendation was a child tax credit very similar to what ended up in the **American Rescue Plan**



Rep. Barbara Lee
@RepBarbaraLee

Thank you [@HilaryHoynes](#) for joining us to share your research on how we can cut the child poverty rate in half in 10 years. Your work at the National Academy of Sciences has been critical to helping us chart a path forward.



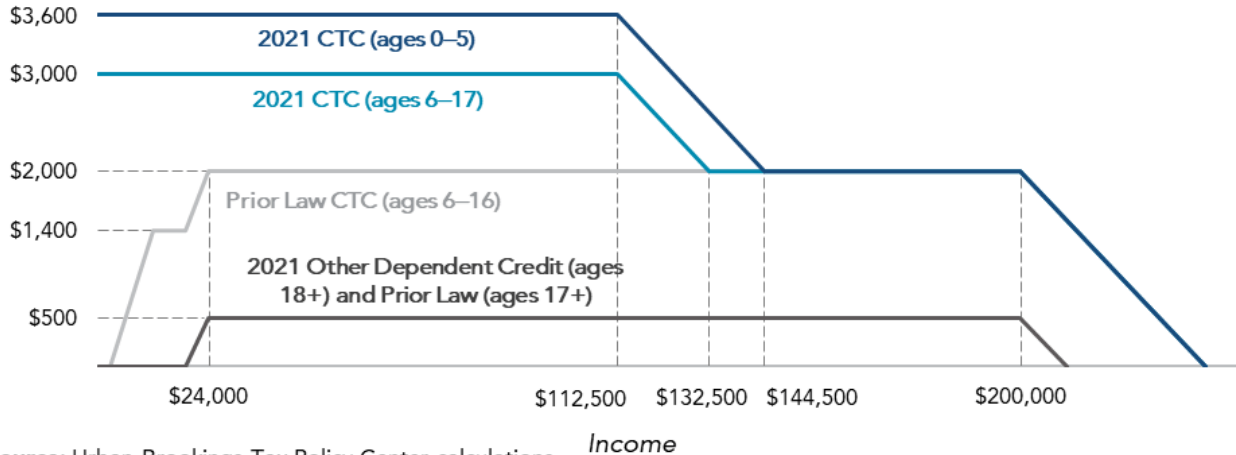
CALIFORNIA
ASSOCIATION OF
FOOD BANKS



FIGURE 1

American Rescue Plan Act Expands 2021 Child Tax Credit

Credit



Source: Urban-Brookings Tax Policy Center calculations.

Note: CTC = Child Tax Credit. Proposal makes credit fully refundable; prior law limited the refundable portion to \$1,400. Illustration assumes all income comes from earnings, taxpayer is head of household, and child meets all tests to be a CTC-qualifying dependent. Credit for married couples begins first phase out at \$150,000 of income until credit reaches pre-2021 level; begins second phase out at \$400,000 of income. Under prior law, credit for other dependents applied to dependents ages 17 and up.



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This policy is predicted to reduce child poverty by over 40 percent, more for children of color

If made permanent this would be the most important policy to reduce child poverty in US history.

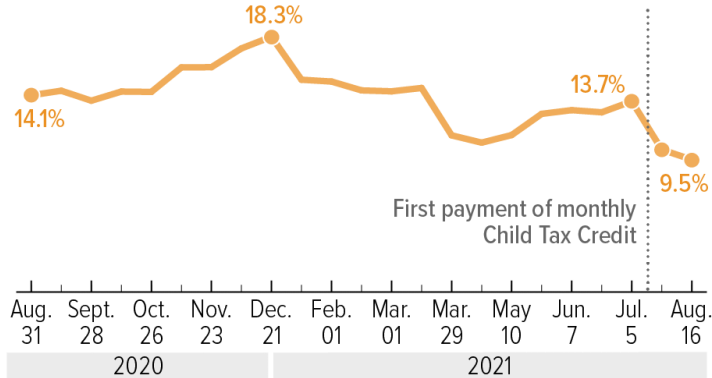
Note – illustrated here for a single filer. Phase out for married filers starts at \$150,000.

Early evidence shows that the expanded CTC reduces food insecurity



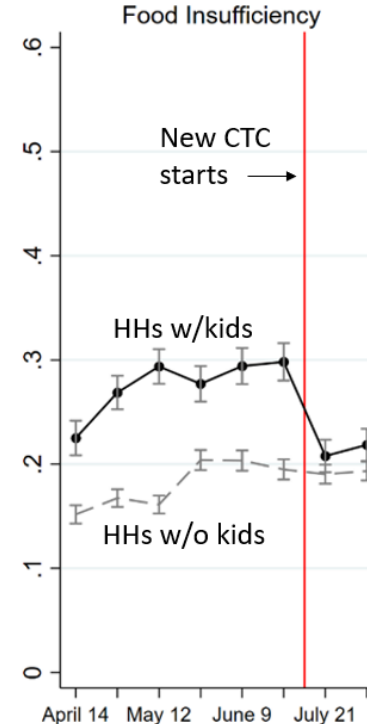
Fewer Families With Children Didn't Get Enough to Eat

Share of adults with children reporting that their household sometimes or often did not have enough to eat in last 7 days



Note: Dates shown are the last day of each Household Pulse Survey 13-day data collection period. Data collection was paused between December 21, 2020 and January 6, 2021, between March 29 and April 14, 2021, and between July 5 and July 21, 2021. Percentages exclude individuals who did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey tables



Furthermore research shows that the social safety net is an investment



Sources of Causal Evidence:

Earned Income Tax Credit

SNAP / Food Stamps

Early cash assistance programs (early 20th c.)

Other income interventions

Short Run Effects:

Infant health (at birth)

Child health

Food Insecurity

Human capital

Long Run Effects:

Education, Earnings and income, Crime

Adult health

Mortality

Poverty impacts children in the long term. When we provide more resources to families, children have better life outcomes

Closing: How can Food Banks Help?



- Continue the critical work you are already engaged in: food distribution

Through the pandemic, more than **10% of Californians accessed free food/meals** in the past 7 days; **6% cite using food banks.**

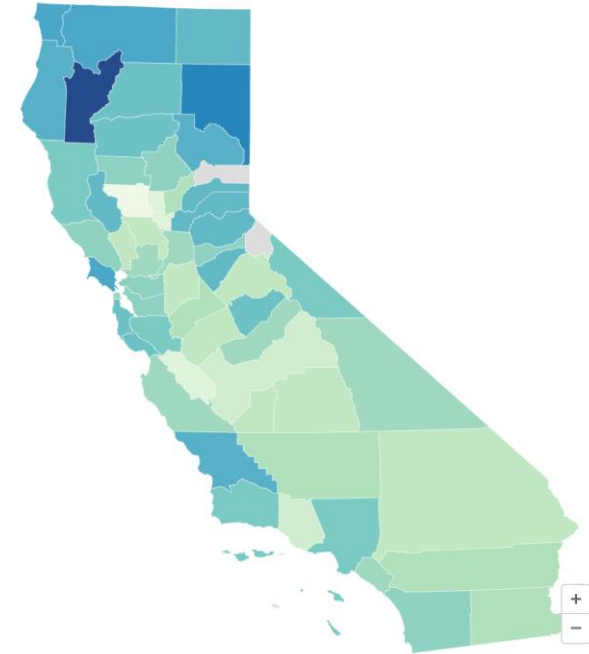
Source: Census Household Pulse Survey

\$850 Million in additional funding for states through The Emergency Food Assistance Program (nationally).

Closing: How can Food Banks Help?



Children in safety-net at risk of not receiving the Child Tax Credit
By County



% of children in safety net at risk
21.00% 43.00%

- Continue the critical work you are already engaged in: food distribution
- YOUR ASSET: you are a trusted source, close to the community
- Help engage in outreach around the child tax credit and other tax and transfer programs
- Take-up of the child tax credit (and other programs) is far from complete: and it appears to be the most disadvantaged families that may be falling through the cracks