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## **Most Common Bundles of Public Assistance Benefits for Low-Income Massachusetts Families: A Technical Research Brief**

Caitlin A. Carey

*University of Massachusetts Boston*, [caitlin.carey001@umb.edu](mailto:caitlin.carey001@umb.edu)

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# **Most Common Bundles of Public Assistance Benefits for Low-Income Massachusetts Families: A Technical Research Brief**

Prepared by Caitlin Carey

Center for Social Policy

McCormack Graduate School of Policy and Global Studies

University of Massachusetts Boston

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**CENTER FOR SOCIAL POLICY**  
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OF POLICY AND GLOBAL STUDIES



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*"Our vision is that Massachusetts families have safe, stable homes in communities of their choice and opportunities for economic mobility and wellness."*

# Most Common Bundles of Public Assistance Benefits for Low-Income Massachusetts Families: A Technical Research Brief

*This report analyzes the most common bundles of public assistance benefits for low-income residents of Massachusetts. The findings can be used to better understand the relative success of these public assistance programs at reaching low-income target populations. Furthermore, the combination of benefits received can help provide insights regarding where families might experience cliff effects; data that can be used to inform policy changes to help ameliorate cliff effects.*

## INTRODUCTION

Low-income families often rely on a mix of earned income and public assistance benefits to help make ends meet. The following public supports help to meet some of the most expensive ongoing basic needs (e.g. housing and health insurance):

- |   |   |                             |
|---|---|-----------------------------|
| 1. <b>Public housing</b> – Federal program that provides low-cost housing to low-income people  | } | <b>Housing Assistance</b>   |
| 2. <b>Rental subsidy</b> – Federal and state programs that subsidize rental costs for low-income people   |   |                             |
| 3. <b>Heat subsidy</b> – Federal program that helps to defray the cost of utilities for low-income people   | } | <b>Energy Subsidies</b>     |
| 4. <b>Supplemental Nutrition Assistance Program (SNAP)</b> , formerly known as food stamps—Federal program that increases access to nutritious food   |   |                             |
| 5. <b>Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)</b> – Federal program that provides nutrition assistance to women who are pregnant and/or have children under the age of five                     | } | <b>Nutrition Assistance</b> |
| 6. <b>Cash Assistance</b> – Monetary support for families from Federal and state programs such as <b>Temporary Assistance for Needy Families (TANF)</b>   |   |                             |
| 7. <b>Supplemental Security Income (SSI)</b> – Federal program that provides monetary support to low-income people and people with disabilities   | } | <b>Cash Transfers</b>       |
| 8. <b>Health Insurance</b> – Federal and state programs that increase access to health insurance for low-income people, including <b>Medicaid</b> as well as the State <b>Children’s Health Insurance Program (CHIP)</b> <sup>1</sup> |   |                             |

Recipients get different bundles of public assistance benefits, depending on their eligibility, which is based on income, assets, and other rules, as well as their ability to access each program. Given that many of these programs serve similar populations, there are opportunities for greater coordination across public assistance benefit programs. Therefore, it is important to know the most common bundles of benefits in order to make informed policy recommendations.

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<sup>1</sup> Medicaid and CHIP were combined into one “Health Insurance” category since many survey respondents do not distinguish between these two programs.

## METHODOLOGY

Benefit programs are administered by a combination of four different Federal and/or four different State agencies,<sup>2</sup> thus administrative data on overall program participation at the individual level are difficult to obtain and aggregate accurately across programs. The data for these tables are derived from the 2017 Current Population Survey Annual Social and Economic Supplement (CPS ASEC), a survey that is administered by the United States Census Bureau.<sup>3</sup> The CPS ASEC is distributed to a nationally representative sample of households annually during the month of March. It includes items on a variety of social and economic characteristics ranging from income in the previous year and employment status to participation in a number of different public assistance programs, including:<sup>45</sup>

- Public Housing – housing provided to people with low incomes; rent to tenant not to exceed 30 percent of their income
- Rental Assistance – including Federal, state, and local rental subsidies
- Federal Low-Income Home Energy Assistance Program (LIHEAP)
- Supplemental Nutrition Assistance Program (SNAP) – formerly known as “food stamps”
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Cash Assistance – including various public assistance programs commonly referred to as “welfare.” (e.g. Temporary Assistance for Needy Families (TANF))
- Supplemental Security Income (SSI)
- Medicaid (commonly referred to as “MassHealth” in Massachusetts) and the State Children’s Health Insurance Program (SCHIP)

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<sup>2</sup> For more details, see: Wright, J., Carey, C., Bingulac, M., & Crandall, S. R. (2018). Reference Guide: Identifying Policy Levers to Improve the Massachusetts System of Public Supports for Low- Income Families. *The Center for Social Policy, University of Massachusetts Boston*. Retrieved from [https://www.umb.edu/editor\\_uploads/images/centers\\_institutes/center\\_social\\_policy/Reference\\_Guide- Identifying Policy Levers to Improve the Massachusetts System of Public Supports for Low-Income Families.pdf](https://www.umb.edu/editor_uploads/images/centers_institutes/center_social_policy/Reference_Guide- Identifying Policy Levers to Improve the Massachusetts System of Public Supports for Low-Income Families.pdf)

<sup>3</sup> Flood, S., King, M., Ruggles, S., & Warren, J. R. (2017). *Integrated Public Use Microdata Series, Current Population Survey: Version 5.0. [dataset]*. Minneapolis: University of Minnesota. Retrieved from <https://doi.org/10.18128/D030.V5.0>

<sup>4</sup> The CPS ASEC also includes information about tax credits (including the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC)), Medicare, and Social Security Disability Insurance (SSDI). Tax credits were excluded from this analysis because they are one-time lump sums of cash that are not as susceptible to significant cliffs. Furthermore, Medicare and SSDI were excluded from this analysis because the target populations for these programs is narrower than just those living in poverty; Medicare is for people over age 65 while SSDI is for people with disabilities. This analysis is interested in public assistance benefit programs that target those living in poverty.

<sup>5</sup> The CPS ASEC does not include information about childcare vouchers or subsidies, so this benefit is excluded from this analysis. Given that childcare represents a significant cost for low-income families, the exclusion of this public assistance benefit is a notable limitation to this analysis.

These eight public assistance benefit programs were selected for analysis because they target those in poverty generally, rather than a program like Medicare, which targets people over age 65, or SSDI, which targets people with disabilities. Furthermore, these public assistance benefit programs are particularly susceptible to *cliff effects*<sup>6</sup> because they have strict income and asset limits that often cause families to lose public assistance benefits when their income increases, frequently leaving them in worse financial situations.

First, categorical dummy variables were created for each of the eight selected public assistance benefits. Then the values for these eight dummy variables were concatenated into a new variable that indicated the bundle of public assistance benefits received by the household of each working-age person (aged 18-65). This new variable was then tabulated to determine the percentage of people who receive each unique benefit bundle.

## RESULTS

The resulting tables depict the most common combinations of public assistance benefits for the following populations:

Table	Geography	Income Level	Percent of Working-Age Massachusetts Population
<b>Table 1</b>	United States v. Massachusetts	All	N/A
<b>Table 2</b>	Massachusetts ONLY	$x \leq 1\text{FPL}$	6.79%
<b>Table 3</b>	Massachusetts ONLY	$1\text{FPL} < x \leq 2\text{FPL}$	10.54%

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<sup>6</sup> For more information about cliff effects, see: Albelda, R. & Carr, M. (2016). Between a Rock and a Hard Place: A Closer Look at Cliff Effects in Massachusetts. *The Center for Social Policy, University of Massachusetts Boston*. Retrieved from [https://www.umb.edu/editor/uploads/images/centers\\_institutes/center\\_social\\_policy/Rock\\_and\\_a\\_Hard\\_Place\\_Sept\\_2\\_016.pdf](https://www.umb.edu/editor/uploads/images/centers_institutes/center_social_policy/Rock_and_a_Hard_Place_Sept_2_016.pdf)

The data reveal that 22.51 percent of the working-age United States population report receiving at least one of the selected public assistance benefits and 25.99 percent of the working-age Massachusetts population report receiving at least one of these benefits.

Out of the 25.99 percent of Massachusetts residents that reported receiving at least one public assistance benefit:

- 84.59% receive at least **Health Insurance**
- 32.66% receive at least **SNAP**
- 23.45% receive at least some form of **Housing Assistance**<sup>7</sup>
- 10.72% receive at least **SSI**
- 7.37% receive at least **WIC**
- 7.37% receive at least an **Energy Subsidy**
- 2.68% receive as least **Cash Assistance**

The top ten most popular bundles of public assistance benefits for working-age people who reported receiving at least one public assistance benefit are as follows in **Table 1**:

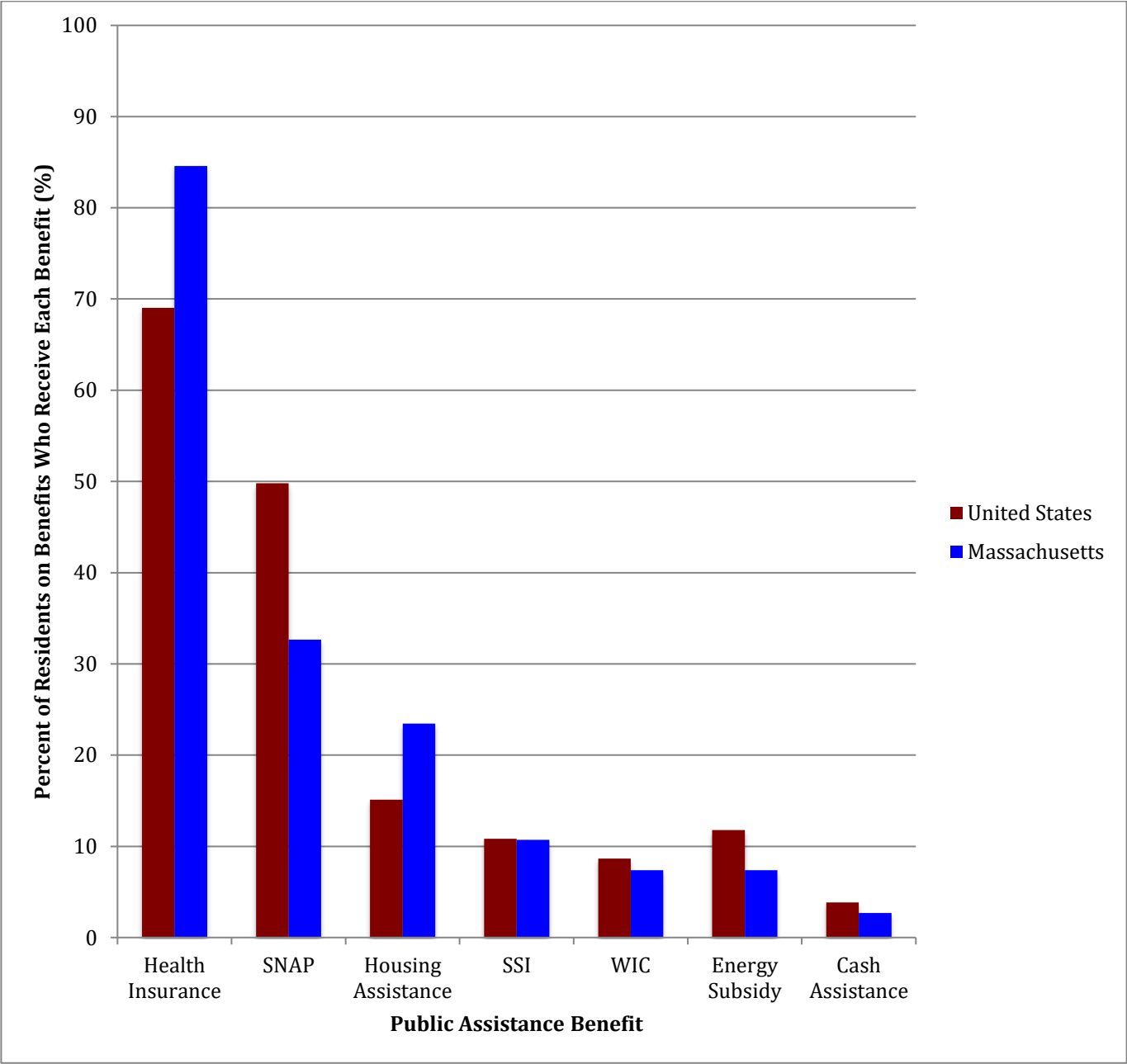
**Table 1: Most Common Combinations of Public Assistance Benefits for Working-Age People**

United States			Massachusetts	
	Benefit Combination	Percent	Benefit Combination	Percent
1	Health Insurance only	32.52	Health Insurance only	47.74
2	SNAP only	16.70	SNAP and Health Insurance	6.37
3	SNAP and Health Insurance	11.23	SNAP only	6.20
4	SSI and Health Insurance	3.78	SSI and Health Insurance	3.52
5	Public Housing only	3.02	Rental Subsidy, SNAP, and Health Insurance	3.35
6	SNAP, SSI, and Health Insurance	2.68	Public Housing only	3.35
7	Heat Subsidy, SNAP, and Health Insurance	2.51	Public Housing and Health Insurance	3.18
8	WIC only	2.34	Public Housing, SNAP, and Health Insurance	2.85
9	Heat Subsidy and SNAP	1.98	Public Housing, SNAP, SSI, and Health Insurance	2.51
10	Public Housing, SNAP, and Health Insurance	1.54	WIC only	2.01
	Other	21.71	Other	18.93

<sup>7</sup> “Housing Assistance” includes public housing AND rental subsidies, since one person cannot receive both.

Massachusetts residents on benefits receive **Health Insurance, Housing Assistance, and SSI** at higher rates than the national average. However, Massachusetts residents on benefits receive **SNAP, WIC, Energy Subsidies, and Cash Assistance** at lower rates than the nation average. For more details, see **Figure 1**:

**Figure 1: Public Assistance Reciprocity by Program for Working-Age People on Benefits**





The data reveal that 6.79 percent of working-age Massachusetts residents report household incomes at or below FPL<sup>8</sup>, and that 74.36 percent of the working-age Massachusetts population in this income range report receiving at least one of the selected public assistance benefits.

Out of the 74.36 percent of working-age Massachusetts residents with incomes at or below FPL who reported receiving at least one public assistance benefit:

- 90.52% receive at least **Health Insurance**
- 57.76% receive at least **SNAP**
- 54.31% receive at least some form of **Housing Assistance**
- 20.69% receive at least **SSI**
- 11.21% receive at least **WIC**
- 11.21% receive at least an **Energy Subsidy**
- 7.76% receive as least **Cash Assistance**

The top ten most popular bundles of public assistance benefits for working-age Massachusetts residents with household incomes at or below FPL who report receiving at least one public assistance benefit are as follows in **Table 2:**

**Table 2: Most Common Combinations of Public Assistance Benefits for Working-Age Massachusetts Residents with Incomes at or Below FPL**

	<b>Benefit Combination</b>	<b>Percent</b>
1	<b>Health Insurance only</b>	20.69
2	<b>Rental Subsidy, SNAP, and Health Insurance</b>	8.62
3	<b>SNAP and Health Insurance</b>	7.76
4	<b>Public Housing, SNAP, and Health Insurance</b>	7.76
5	<b>Public Housing, SNAP, SSI, and Health Insurance</b>	7.76
6	<b>Public Housing and Health Insurance</b>	6.90
7	<b>Public Housing, SSI, and Health Insurance</b>	4.31
8	<b>Rental Subsidy, Heat Subsidy, SNAP, and Health Insurance</b>	3.45
9	<b>SSI and Health Insurance</b>	2.59
10	<b>SNAP, Health Insurance, and WIC</b>	2.59
	<b>Other</b>	27.59

<sup>8</sup> For more information about the Federal Poverty Level (FPL), see **Appendix**.

The data show that 10.54 percent of working-age Massachusetts residents report household incomes between one and two times FPL, and that 69.01 percent of the working-age Massachusetts population in this income range report receiving at least one of the selected public assistance benefits.

Out of the 69.01 percent of the working-age Massachusetts population with incomes between one and two times FPL who report receiving at least one public assistance benefit:

- 82.04% receive at least **Health Insurance**
- 42.51% receive at least **SNAP**
- 30.54% receive at least some form of **Housing Assistance**
- 16.77% receive at least an **Energy Subsidy**
- 11.98% receive at least **SSI**
- 9.58% receive at least **WIC**
- 2.40% receive as least **Cash Assistance**

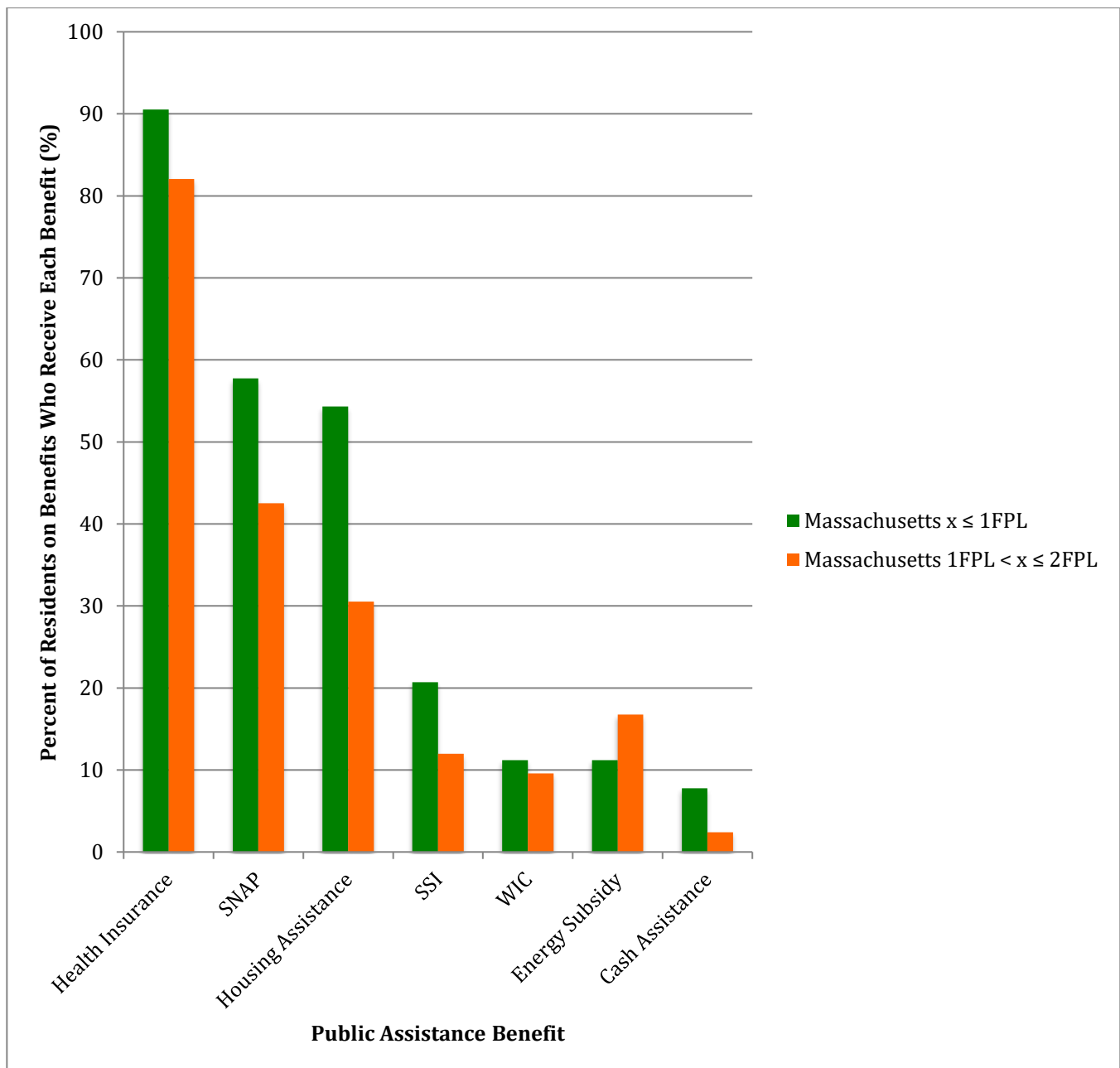
The top ten most popular bundles of public assistance benefits for working-age Massachusetts residents with household incomes between one and two FPL who report receiving at least one public assistance benefit are as follows in **Table 3**:

**Table 3: Most Common Combinations of Public Assistance Benefits for Working-Age Massachusetts Residents with Incomes Between One and Two FPL**

	Benefit Combination	Percent
1	Health Insurance only	30.54
2	SNAP and Health Insurance	8.98
3	Heat Subsidy, SNAP, and Health Insurance	5.99
4	Public Housing only	5.39
5	Public Housing and Health Insurance	5.39
6	Public Housing, SNAP, and Health Insurance	4.79
7	SNAP only	4.19
8	Heat Subsidy and Health Insurance	3.59
9	Public Housing, SNAP, SSI, and Health Insurance	3.59
10	Health Insurance and WIC	2.40
	Other	25.25

Massachusetts residents with household incomes at or below FPL who report receiving benefits receive **Health Insurance, SNAP, Housing Assistance, SSI, WIC, and Cash Assistance** at higher rates than Massachusetts residents with household incomes between one and two times FPL who report receiving benefits. However, Massachusetts residents with household incomes between one and two FPL who are on benefits report receiving **Energy Subsidies** at a higher rate than Massachusetts residents with household incomes at or below FPL who report receiving benefits. For more details, see **Figure 2**:

**Figure 2: Public Assistance Reciprocity by Program for Working-Age Massachusetts Residents on Benefits at Different Income Levels**



## LIMITATIONS

The research methodology is limited by the fact that it is based on self-reported data via the CPS ASEC, which could be susceptible to under- or over-counting relative to real population data, or under- or over-reporting of benefits. However, there are no identified reasons to suspect *systematic* under- or over-reporting of receipt of one public assistance benefit relative to another. Further, due to the fact the benefits are often reported at the household level and employment status is reported at the individual level, it is challenging to correlate benefit bundles to employment status using this dataset. Another limitation is that the sample sizes for the most restricted analytical populations (e.g. Massachusetts residents with household incomes at or below FPL that report receiving at least one public assistance benefit) are relatively small ( $n=271$  in the case of the aforementioned analytic population). Thus, these results should be considered a useful starting point for understanding benefit bundles, and they should be validated against administrative data in the future. Lastly, this analysis is limited to the public assistance benefits that are included in the CPS ASEC; the most notable exclusion is childcare vouchers and subsidies.

## FUTURE RESEARCH

Although small sample sizes for specific analytic populations make it impossible to draw reliable conclusions about benefit bundles for particular family types (e.g. single parent with two children) at the state level, this is an area to be explored in future research, likely at the national level. Additionally, future research that examines benefit bundles based on employment status is needed. One other notable area for future research involves investigating benefit bundles via different datasets (such as the Survey of Income and Program Participation (SIPP)) to include benefits like childcare vouchers in the analysis.

## Appendix: 2017 Federal Poverty Level Income Guidelines

	Number of People in Household							
	1	2	3	4	5	6	7	8
<b>1x FPL</b>	\$12,060	\$16,240	\$20,420	\$24,600	\$28,780	\$32,960	\$37,140	\$41,320
<b>2x FPL</b>	\$24,120	\$32,480	\$40,840	\$49,200	\$57,560	\$65,920	\$74,280	\$82,640
<b>3x FPL</b>	\$36,180	\$48,720	\$61,260	\$73,800	\$86,340	\$98,880	\$111,420	\$123,960