What to Expect in This Week’s Poverty, Income, and Health Insurance Figures for 2020

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The Census Bureau will release 2020 poverty, income, and health insurance figures on September 14. Here are five things to look for.

1. Government Action Prevented Far Higher Poverty in 2020; Supplemental Poverty Figures Will Show This Best

Census will release data showing how many more people might have fallen below the poverty line in the COVID-19 pandemic without government support. The assistance prevented or reduced financial hardship for many in a time of deep economic crisis. Employment fell by more than 22 million workers in April 2020 alone, and unemployment offices paid a weekly average of 20 million claims in 2020, double previous highs, the Labor Department has said.

For example, the Census data will include the anti-poverty effects of unemployment insurance (UI). Past Census data show that family income from UI kept 3.3 million people from falling below the official poverty line in the economic collapse of 2009, equal to the highest such figure on record (tied with 1983) in data back to 1981. The figure for 2020 is likely to top those records in part because of the temporary expansions in unemployment benefits that broadened the set of workers who qualified for jobless benefits, increased the number of weeks of benefits, and increased benefits markedly. Without these expansions, UI benefits would have done far less to reduce poverty and hardship during 2020.

Census will also release separate figures — from the government’s more comprehensive Supplemental Poverty Measure (SPM) — showing the reduction in poverty in 2020 from a wider set of programs, including non-cash assistance such as stronger food assistance and stimulus payments (known as economic impact payments) delivered through the tax system. The official poverty measure accounts for most sources of families’ cash income but does not show the effect of stimulus payments, the Supplemental Nutrition Assistance Program (SNAP), school lunch subsidies, housing assistance, or tax credits (or taxes paid.) The SPM will do so (with data back to 2009), expanding the picture of how much worse poverty and hardship might have been without strong

government action. (CBPP plans to use detailed SPM data to calculate an estimate of the combined poverty-reducing effect of all cash and non-cash government assistance, with historical comparisons back to 1967.)

2. Medicaid and Affordable Care Act (ACA) Marketplaces Mitigated Health Coverage Declines in 2020

Available data suggest that the share of people without health insurance did not exhibit the large and sustained increases that many analysts feared early in the pandemic. Data from the National Health Interview Survey (NHIS) did not show a statistically significant change in the uninsured rate from 2019 to 2020, a finding in line with other survey data.2

Evidence suggests that the availability of health insurance coverage through Medicaid and the ACA marketplaces, and policies enacted during the pandemic to bolster Medicaid, allowed many to maintain coverage and helped avert a spike in the uninsured rate. For example, the Medicaid “continuous coverage” provision of the Families First Coronavirus Response Act prohibited states that received a temporary increase in federal funds for Medicaid from terminating people’s coverage under the program during the public health emergency. After several years of decline, enrollment in Medicaid and the Children’s Health Insurance Program increased by 12.5 percent (or 8.9 million people) from February through December 2020 as people no longer faced losses in coverage for a host of reasons, including failing to meet paperwork requirements and modest changes in income.3

Evidence also indicates that coverage losses among those with employer-sponsored insurance were smaller than initially expected.4 Job losses were disproportionately concentrated in industries with lower levels of employer coverage, and many establishments reported maintaining benefits for workers who were told not to work as a result of the pandemic.5

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3. Annual Figures Will Smooth Over the Year’s Unusual Turbulence

This week’s figures on annual income, poverty status, and health insurance coverage will not show the weekly ups and downs individuals experienced in 2020.

Record job losses in the early days of the pandemic were followed by unprecedented government aid — such as supplemental unemployment benefits, stimulus payments, and emergency food assistance — although the aid often only arrived after weeks or months of delay and did not reach everyone in need. As a result, many individuals likely received higher-than-usual income for the year as a whole, punctuated by one or more spells of deep income loss or lost health coverage. This week’s figures will focus on the former. In interpreting the figures, it will be important to keep this limitation in mind.

Several previously released findings point to widespread (but sometimes brief) spells of financial strain and hardship during much of the pandemic. Hardship rates were especially high for households with children and many people of color, people with disabilities, and immigrants and their families (many of whom were left out of stimulus payments and other pandemic aid programs). Signs of financial struggle included elevated rates of not having enough food in the last seven days; seeking emergency help with food, rent, or bills; and deepening utility arrearages.

Some annual figures paint a more optimistic picture. Per-capita disposable income, a measure that covers the year as a whole and averages across all people, rose in inflation-adjusted dollars more in 2020 than ever before in data back to 1930. And the Department of Agriculture released figures on September 8 showing that annual food insecurity was flat overall in 2020, although it was up for households with children and Black households.

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The food bank network Feeding America stated that it distributed 6.1 billion charitable meals in 2020, 44 percent more than in 2019; https://www.feedingamerica.org/sites/default/files/2021-09/Charitable%20Food%20Assistance%20Participation%20Rate%202020.pdf.


If Census estimates of annual poverty decline despite such evidence of widespread temporary hardship, rapidly changing household circumstances may help explain the apparent contradiction.

4. The Pandemic Affected Data Collection, Making Data for 2019 and 2020 Less Reliable Than Usual

Adding to the difficulty of interpreting the figures will be the challenges Census faced collecting the data. Safety concerns in the pandemic forced Census to temporarily limit in-person interviews starting in March 2020, and overall survey participation declined, particularly among groups that, on average, have lower incomes, such as renters and those with less education. The declines, which continued into early 2021 (when Census gathered the data for this week’s report), could influence the reliability of the data.¹²

Census previously released a number of analyses suggesting that these pandemic effects had artificially lowered uninsurance estimates for 2019, overstated incomes, and in one initial analysis, understated poverty.¹³

Census canceled its standard release of data from the larger American Community Survey due to similar (but more severe) reliability concerns and will instead release experimental estimates for analysts in October and November.¹⁴

5. Data for 2020 Won’t Reflect Aid in 2021

In 2021, an improving economy and additional government aid may reduce poverty and economic hardship from their 2020 levels. Most notably, temporary improvements in the Child Tax Credit in tax year 2021 could substantially reduce children’s poverty as measured by the SPM by more than 40 percent in 2021.¹⁵ As part of economic recovery legislation, Congress is considering whether to extend the American Rescue Plan’s temporary expansion of the Child Tax Credit, including the provision that makes the full credit available for the lowest-income children.¹⁶

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