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Safety Net More Effective Against Poverty Than Previously Thought Correcting for Underreporting of Benefits Reveals Stronger Reductions in Poverty and Deep Poverty in All States

By Arloc Sherman and Danilo Trisi

Previous analysis of Census data showed that safety net programs cut the poverty rate nearly in half.¹ Data released recently by the Urban Institute, which correct for underreporting of key government benefits in the Census survey, reveal an even stronger impact: the safety net reduced the poverty rate from 29.1 percent to 13.8 percent in 2012 and lifted 48 million people above the poverty line, including 12 million children. (See Figure 1.) Correcting for underreporting reveals that the safety net also did more to reduce *deep* poverty than previously shown, although 11.2 million Americans remained below half the poverty line.

The appendix tables provide state-by-state data showing that the safety net lifted thousands out of poverty and deep poverty in every state, ranging from 61,000 in Wyoming to 4.9 million in California.

Social Security raises more Americans out of poverty than any other program: 27.4 million in 2012. Among programs limited to people with low or modest incomes, SNAP (formerly food stamps) has the greatest poverty-reducing impact, lifting 10.3 million people out of poverty in 2012. SNAP also lifts more Americans out of *deep* poverty (5.2 million) than any other means-tested program.

The refundable tax credits for low-income working families — the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) — have an impact comparable to that for SNAP. Together they, too, lifted 10.3 million people out of poverty in 2012.

What Works to Reduce Poverty

As part of Policy Futures, we examine “what works” when it comes to federal and state policies and programs to reduce poverty and promote opportunity for low-income Americans. We synthesize and amplify the work of poverty researchers around the country on program effectiveness. This effort is designed to inform discussions about new investments in anti-poverty programs as well as reforms of, and funding levels for, existing programs.

¹ Danilo Trisi, “Safety Net Cut Poverty Nearly in Half Last Year, New Census Data Show,” *Off the Charts* blog, October 16, 2014, <http://www.offthechartsblog.org/safety-net-cut-poverty-nearly-in-half-last-year-new-census-data-show/>.

SNAP and the two working-family tax credits are especially important for children. The EITC and CTC lifted 5.3 million children out of poverty in 2012, while SNAP was close behind, lifting 4.9 million children out of poverty. SNAP also lifted more children out of *deep* poverty — raising 2.1 million children above half the poverty line — than any other program.

Correcting for Underreporting Reveals Stronger Safety Net

This analysis uses the Census Bureau’s Supplemental Poverty Measure (SPM), which, unlike the official poverty measure, counts government non-cash benefits such as food assistance and rent subsidies as income and subtracts from income various taxes paid, work expenses, and out-of-pocket medical expenditures. The SPM also makes other adjustments, such as using a poverty line that accounts for differences in living costs across the country.

This study goes beyond the SPM, however, by correcting for the underreporting in Census data of income from key forms of government assistance. Specifically, we use data for six programs from the TRIM microsimulation program designed and maintained by the Urban Institute. TRIM builds on Census data but adjusts it to more closely match actual program participation.²

This analysis focuses on 2012, the most recent year for which these corrections are available. (Because we lack comparable historical SPM data, we do not analyze trends over time.)³

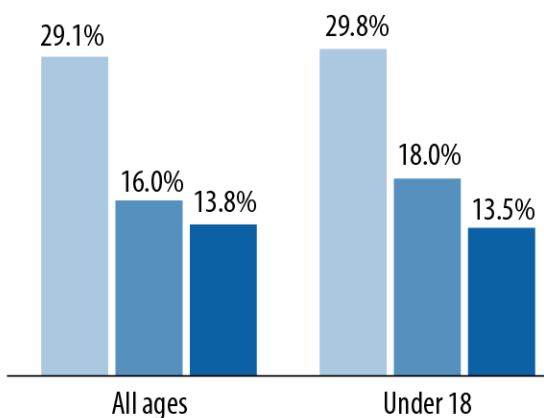
² We correct the well-known problem of income underreporting in the Census data for six government assistance programs: the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), Supplemental Security Income (SSI), housing assistance (such as rental vouchers and public housing), Temporary Assistance for Needy Families (TANF), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the Low Income Home Energy Assistance Program (LIHEAP). The corrections use baseline data from the Transfer Income Model Version III (TRIM III) policy microsimulation model developed and maintained by the Urban Institute under contract with the Department of Health and Human Services’ Office of the Assistant Secretary for Planning and Evaluation. Like the SPM, TRIM starts with data from Census’ Current Population Survey but uses a different method of filling in questions skipped by survey respondents, in order to closely match actual numbers and characteristics of benefit recipients shown in program records.

³ For an analysis of trends from 1995 to 2010 using TRIM corrections and a poverty measure similar to the SPM, see forthcoming paper by Arloc Sherman and Danilo Trisi, “Safety Net for Poorest Weakened After Welfare Law But Regained Strength in Great Recession, at Least Temporarily.”

FIGURE 1

Safety Net Cut Poverty Rate in Half in 2012

- Counting no government assistance (before taxes)
- Counting all government assistance (after taxes)
- Counting all government assistance & correcting for underreported benefits



Note: Figures show poverty rates using the federal government’s Supplemental Poverty Measure (SPM). Program participants sometimes underreport their benefits because they forget, are embarrassed to receive benefits, or other reasons. We correct for this for six government programs.

Source: CBPP analysis of 2012 Census Bureau data from the March Current Population Survey, SPM public use file and published Census figures; corrections for underreported benefits from HHS/Urban Institute TRIM model.

The poverty rate using the corrected data is 2.2 percentage points lower for all people, and 4.6 percentage points lower for children, than using the uncorrected SPM data, as Figure 1 shows. Using the corrected data has a particularly strong effect on *deep* poverty. The figures reveal that the safety net reduced the share of persons with family income below half of the poverty line to 3.6 percent, well below the 5.1 percent in the uncorrected data. (See Figure 2.) For children, the reduction is even more notable — to 2.3 percent, about half the 4.7 percent figure in the uncorrected SPM data.⁴

Even after these corrections, however, 11.2 million people remained below half the poverty line in 2012: 1.7 million children, 4.9 million adult women, and 4.6 million adult men. The greatest number by race or ethnicity were non-Hispanic whites (5.8 million), compared with 2.6 million Hispanics and 1.7 million non-Hispanic African Americans, reflecting the large size of the white population overall. Minorities, however, faced a substantially higher likelihood of living in deep poverty: 4.8 percent of Hispanics and 4.5 percent of non-Hispanic African Americans lived below half the poverty line, compared with 3.0 percent of non-Hispanic whites. (See Table 1.)

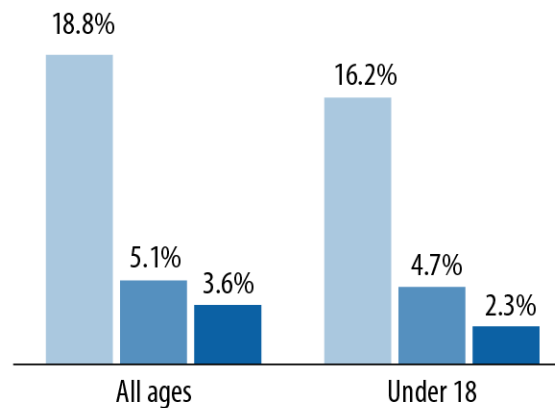
Living below half the SPM's poverty line meant having income after non-cash benefits, taxes, and expenses for items like health care and child care of less than \$12,523 for a family of four (a couple with two children) renting a home in an average-cost community in 2012. A comparison illustrates the difficulty of making ends meet at such a low income level. In 2012, 68 percent of four-person families spent more than that on food and transportation alone, an imbalance that could leave a family living in deep poverty in debt before it begins to pay for shelter, clothing, or other basic needs.

FIGURE 2

Safety Net Reduced 'Deep Poverty' Sharply in 2012

Share of population below half of poverty line

- Counting no government assistance (before taxes)
- Counting all government assistance (after taxes)
- Counting all government assistance & correcting for underreported benefits



Note: Figures show poverty rates using the federal government's Supplemental Poverty Measure (SPM). Program participants sometimes underreport their benefits because they forget, are embarrassed to receive benefits, or other reasons. We correct for this for six government programs.

Source: CBPP analysis of 2012 Census Bureau data from the March Current Population Survey, SPM public use file; corrections for underreported benefits from HHS/Urban Institute TRIM model.

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⁴ In this analysis, "deep poverty" generally means income below 50 percent of the poverty line. An alternative definition — income below 75 percent of the poverty line — is shown in the first table of the appendix.

TABLE 1

Number and Percent of People in Poverty and Deep Poverty by Age, Race and Ethnicity, 2012

		Below 100% of Poverty		Below 50% of Poverty	
		Number	Percent	Number	Percent
All Ages	All	42,800,000	13.8	11,200,000	3.6
	White	18,800,000	9.6	5,800,000	3.0
	Black	7,700,000	20.4	1,700,000	4.5
	Hispanic	12,700,000	23.8	2,600,000	4.8
	Asian	2,400,000	15.0	700,000	4.5
Children Under 18	All	10,000,000	13.5	1,700,000	2.3
	White	2,900,000	7.3	600,000	1.6
	Black	1,900,000	18.9	300,000	2.7
	Hispanic	4,300,000	24.0	700,000	3.7
	Asian	500,000	13.7	100,000	2.8

Note: Figures use the federal government's Supplemental Poverty Measure (SPM) with corrections for underreporting.

Source: CBPP analysis of 2012 Census Bureau data from the March Current Population Survey and SPM public use file; corrections for underreported benefits from HHS/Urban Institute TRIM model.

Which Programs Keep the Most People out of Poverty and Deep Poverty?

Social Security lifts more Americans out of poverty than any other program.⁵ Using the corrected SPM, Social Security lifted 27.4 million Americans above the poverty line in 2012. This total includes 17.5 million seniors, who rely heavily on Social Security income in their retirement years. It also includes 1.6 million children, who may benefit from Social Security either directly (for example, by receiving the program's survivor payments if a working parent has died) or indirectly (if a family member receives retirement, disability, or survivor benefits).

⁵ In this analysis, the number of people lifted out of poverty by a program is the difference between the number who would be poor *before* income from that program is counted (that is, counting income from all sources except that program) and the number poor *after* it is counted (that is, the actual number poor). For the safety net as a whole, poverty reduction is shown net of the effect of taxes (including federal payroll and state and federal income taxes), which can push income below the poverty line.

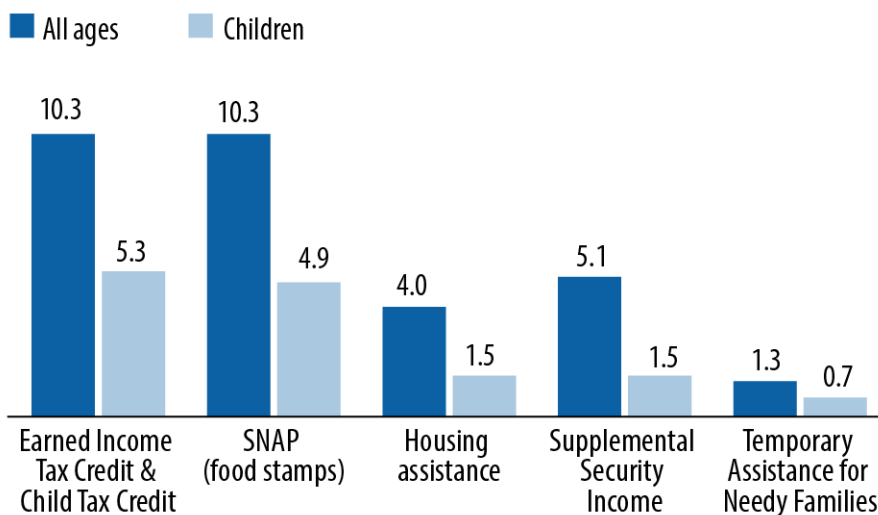
After Social Security, SNAP (the Supplemental Nutrition Assistance Program) and refundable tax credits for working families had the largest poverty-reducing impacts. SNAP lifted 10.3 million Americans above the poverty line in 2012, including 4.9 million children.⁶ Similarly, the two refundable credits for low-income working families, the Earned Income Tax Credit and the Child Tax Credit, together lifted 10.3 million Americans — including 5.3 million children — above the poverty line.⁷ (See Figure 3.)

When “means-tested” income-support programs — those that limit assistance to people with low or modest incomes — are considered as a group, they lifted more than 27 million low-income Americans above the poverty line in 2012. These programs include SNAP, housing assistance, Supplemental Security Income (SSI) for low-income seniors and people with disabilities, cash assistance funded by Temporary Assistance for Needy Families (TANF), and the EITC and the low-income (or refundable) component of the Child Tax Credit.⁸

FIGURE 3

Major Tax Credits and Means-Tested Programs Lifted Millions Out of Poverty in 2012

Millions of people lifted above the poverty line



Note: Figures show the number of people lifted above the poverty line using the federal government’s Supplemental Poverty Measure (SPM) with corrections for underreporting.

Source: CBPP analysis of 2012 Census Bureau data from the March Current Population Survey, SPM public use file; corrections for underreported benefits from HHS/Urban Institute TRIM model.

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⁶ These figures will differ from estimates based on other sources. For example, Census estimates using the SPM but not TRIM’s corrections for underreporting, show that SNAP reduced the poverty rate by 1.6 percentage points in 2012, or about 5 million people. With the corrections, our figures show SNAP reduced poverty by more than 10 million people. The difference chiefly reflects the importance of underreported SNAP in the Census data. TRIM counts \$71 billion in SNAP payments for calendar year 2012, compared with \$41 billion in the uncorrected Census data. (The TRIM total is similar to the actual benefit payments of \$75 billion in U.S. Department of Agriculture records.) In addition, some SNAP families have income from SSI, TANF, and housing assistance that shows up in the TRIM data but not in the uncorrected Census data, which means they are less poor — and hence are more easily lifted the rest of the way above poverty by SNAP.

⁷ By itself, the EITC lifted 6.7 million people (including 3.4 million children) above the poverty line in 2012 by our measure, while the CTC lifted 2.7 million people (including 1.4 million children) above the poverty line. The impact of the two tax credits together is slightly larger than the sum of their separate effects because it includes non-poor people who would be poor if one disregarded income from both credits (but not either credit separately).

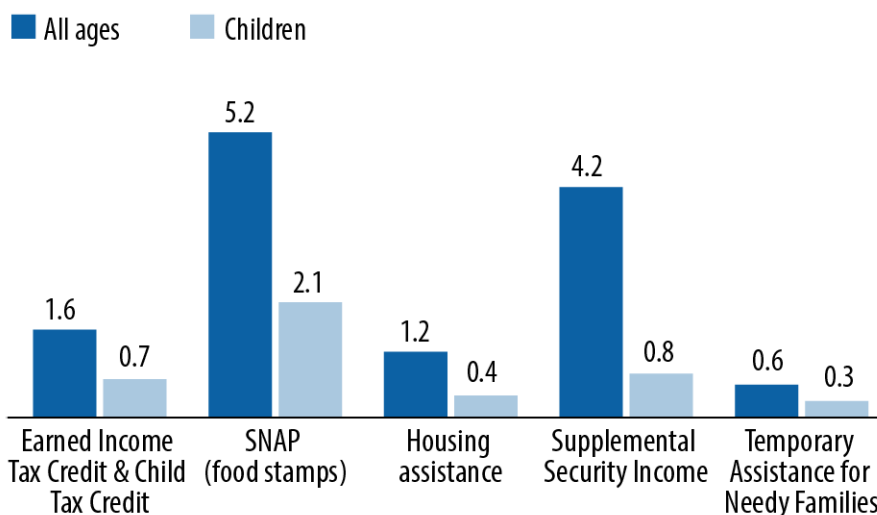
⁸ Other means-tested programs included in this total are WIC, LIHEAP, means-tested veterans’ benefits, free and reduced-price school lunch, Pell and other government higher education grants, and state General Assistance programs.

Housing programs reach relatively few eligible households due to limited funding but have strong antipoverty effects for those they do reach. In 2010, about 10 million Americans in 5 million low-income households received housing assistance,⁹ well below the number that received other major programs means-tested programs like SNAP or the EITC.¹⁰ Yet, housing assistance lifted out of poverty a larger share of those it assisted: 37 percent of housing assistance recipients would be considered poor without this assistance but were above the poverty line because of it.

FIGURE 4

Major Tax Credits and Means-Tested Programs Lifted Millions Out of ‘Deep Poverty’ in 2012

Millions of people lifted above half the poverty line



Note: Figures show the number of people lifted above the poverty line using the federal government’s Supplemental Poverty Measure (SPM) with corrections for underreporting.

Source: CBPP analysis of 2012 Census Bureau data from the March Current Population Survey, SPM public use file; corrections for underreported benefits from HHS/Urban Institute TRIM model.

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Unemployment insurance (UI) lifted 2.7 million Americans above the poverty line in 2012. UI’s poverty-reducing effects rise in times of high unemployment, particularly when Congress provides additional UI benefits through emergency legislation. In 2009, a year in which unemployment soared and Congress provided additional UI benefits, unemployment benefits lifted more than 5 million Americans above the poverty line, almost twice as many as in 2012.

The safety net also plays a crucial role in easing *deep* poverty, particularly for families with children. In 2012, public tax and benefit policies overall reduced the number of children living below *half* the poverty line by 86 percent, or 10 million.¹¹ They reduced the number of children living below three-quarters of the poverty line by 75 percent, or nearly 13 million.

(Other means-tested programs, such as Medicaid or child care subsidies, are not included because they are not considered income assistance or are not available from the Census data.)

⁹ See “Policy Basics: Federal Rental Assistance,” Center on Budget and Policy Priorities, January 25, 2013, <http://www.cbpp.org/research/policy-basics-federal-rental-assistance>.

¹⁰ In our data, about 62 million people in 2010 lived in families that received SNAP during the year. About 81 million lived in families with EITC income.

¹¹ In our analysis, figures for people in deep poverty (below 50 percent of the poverty line) exclude people in families with negative incomes (i.e., incomes below zero). Some of these families likely have substantial resources but report temporary business losses that take their income for the year into negative territory. The number of people in families

Social Security does more than any other single program to protect Americans from deep poverty, keeping 24.5 million people above half the poverty line in 2012, most of them elderly retirees. SNAP kept 5.2 million people above half the poverty line, including 2.1 million children under 18. As noted, SNAP also kept more *children* out of deep poverty than any other program in 2012. After Social Security and SNAP, SSI kept the most people of all ages out of deep poverty (4.2 million) in 2012. (See Figure 4.) UI lifted 1.3 million people, including 300,000 children above half the poverty line in 2012.

State-by-State Figures

The tax and benefit system lifted thousands of people above the poverty line in every state, ranging from 61,000 in Wyoming to 4.9 million in California. Not surprisingly, states with large overall populations had the largest numbers of people lifted out of poverty. (See the appendix tables for state-by-state data.)

The government tax and benefit system reduced poverty by more than half in 41 states. In West Virginia, for example, the poverty rate was 31.1 percent before taxes and benefits are counted, but 10.0 percent — less than one-third as much — once taxes and benefits are taken into account.

These state figures average together data for four years (2009-2012) for increased reliability. Unlike the nationwide figures, the state estimates use Census data instead of TRIM data for the Low Income Home Energy Assistance Program (LIHEAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) because TRIM data for those two programs are not consistently available before 2012.

Conclusion

The safety net protects millions of Americans from poverty and especially from deep poverty, with the numbers lifted out of poverty seen to be even larger after correcting for underreported income. Nonetheless, 42.8 million people remained below the SPM poverty line in 2012 even after the corrections, including 11.2 million people living below half the poverty line.

with negative cash income is small compared with the U.S. population (about 178,000 such people in 2012, or 0.06 percent of the population) and has little effect on our estimates of people protected from poverty and deep poverty.

APPENDIX TABLE 1

Number of Persons in Poverty and Deep Poverty (i.e., Below Half the Poverty Line), By Age and State

Using the Supplemental Poverty Measure after corrections for underreported income; average of 2009-2012

State	Number Poor		Below 50% of Poverty Line		Below 75% of Poverty Line	
	All ages	Under 18	All ages	Under 18	All ages	Under 18
U.S. Total	42,422,000	10,294,000	11,317,000	1,943,000	22,034,000	4,689,000
Alabama	542,000	132,000	124,000	24,000	272,000	60,000
Alaska	69,000	18,000	25,000	7,000	42,000	11,000
Arizona	1,141,000	319,000	323,000	75,000	648,000	183,000
Arkansas	403,000	96,000	119,000	18,000	210,000	44,000
California	7,736,000	2,069,000	1,850,000	324,000	3,996,000	922,000
Colorado	622,000	147,000	203,000	28,000	338,000	63,000
Connecticut	381,000	83,000	107,000	17,000	201,000	39,000
Delaware	105,000	23,000	28,000	4,000	53,000	9,000
Dist of Columbia	119,000	21,000	36,000	5,000	67,000	10,000
Florida	3,336,000	742,000	914,000	159,000	1,816,000	371,000
Georgia	1,574,000	416,000	435,000	80,000	806,000	175,000
Hawaii	171,000	31,000	41,000	4,000	86,000	11,000
Idaho	150,000	38,000	45,000	10,000	77,000	19,000
Illinois	1,721,000	433,000	439,000	88,000	856,000	200,000
Indiana	784,000	216,000	194,000	30,000	359,000	77,000
Iowa	211,000	38,000	57,000	9,000	111,000	19,000
Kansas	268,000	73,000	77,000	14,000	135,000	33,000
Kentucky	483,000	103,000	144,000	21,000	255,000	49,000
Louisiana	644,000	159,000	173,000	31,000	315,000	65,000
Maine	112,000	19,000	32,000	3,000	56,000	7,000
Maryland	709,000	154,000	200,000	27,000	372,000	64,000
Massachusetts	813,000	164,000	191,000	27,000	413,000	78,000
Michigan	1,096,000	261,000	307,000	51,000	576,000	126,000
Minnesota	459,000	100,000	143,000	24,000	254,000	50,000
Mississippi	428,000	106,000	119,000	16,000	212,000	42,000
Missouri	637,000	144,000	171,000	22,000	339,000	57,000
Montana	100,000	19,000	34,000	5,000	55,000	10,000
Nebraska	152,000	34,000	53,000	9,000	81,000	16,000
Nevada	465,000	128,000	137,000	31,000	260,000	63,000
New Hampshire	121,000	21,000	38,000	4,000	69,000	10,000

New Jersey	1,138,000	266,000	321,000	63,000	623,000	128,000
New Mexico	268,000	61,000	82,000	11,000	141,000	29,000
New York	2,907,000	659,000	770,000	130,000	1,522,000	336,000
North Carolina	1,192,000	291,000	270,000	44,000	578,000	121,000
North Dakota	51,000	9,000	13,000	1,000	30,000	4,000
Ohio	1,208,000	252,000	335,000	50,000	601,000	109,000
Oklahoma	387,000	96,000	107,000	19,000	204,000	48,000
Oregon	480,000	94,000	134,000	15,000	245,000	40,000
Pennsylvania	1,347,000	260,000	358,000	40,000	687,000	110,000
Rhode Island	119,000	25,000	26,000	3,000	58,000	11,000
South Carolina	580,000	125,000	174,000	30,000	319,000	62,000
South Dakota	71,000	14,000	23,000	3,000	40,000	6,000
Tennessee	828,000	165,000	215,000	28,000	419,000	70,000
Texas	3,638,000	1,065,000	976,000	221,000	1,871,000	481,000
Utah	269,000	82,000	75,000	14,000	133,000	32,000
Vermont	51,000	9,000	13,000	1,000	23,000	3,000
Virginia	905,000	212,000	256,000	49,000	460,000	89,000
Washington	687,000	143,000	189,000	19,000	371,000	59,000
West Virginia	181,000	36,000	55,000	6,000	86,000	12,000
Wisconsin	517,000	115,000	152,000	24,000	268,000	51,000
Wyoming	46,000	7,000	15,000	2,000	25,000	4,000

Source: CBPP analysis of U.S. Census Bureau's March 2010-2013 Current Population Survey; Supplemental Poverty Measure public use files; and HHS/Urban Institute TRIM baseline microdata files.

APPENDIX TABLE 2

Effects of the Tax and Benefit System on Poverty By State

Using the Supplemental Poverty Measure after corrections for underreported income; average of 2009-2012

State	All Ages			Under 18		
	Number Lifted Above SPM Poverty Line	Percent in Poverty		Number Lifted Above SPM Poverty Line	Percent in Poverty	
		Before Counting Taxes and Benefits	After Counting Taxes and Benefits		Before Counting Taxes and Benefits	After Counting Taxes and Benefits
U.S. TOTAL	46,364,000	28.9	13.8	11,924,000	29.8	13.8
Alabama	935,000	31.2	11.5	222,000	31.2	11.7
Alaska	79,000	21.1	9.8	25,000	22.9	9.7
Arizona	998,000	32.4	17.3	290,000	36.0	18.8
Arkansas	601,000	34.8	14.0	138,000	33.0	13.6
California	4,851,000	33.6	20.7	1,443,000	37.3	22.0
Colorado	568,000	23.6	12.3	157,000	24.2	11.7
Connecticut	415,000	22.7	10.9	84,000	20.7	10.3
Delaware	145,000	28.0	11.8	38,000	29.1	11.1
Dist of Columbia	82,000	32.8	19.3	32,000	47.0	18.8
Florida	2,892,000	33.2	17.8	582,000	32.9	18.5
Georgia	1,401,000	30.6	16.2	414,000	32.4	16.3
Hawaii	224,000	30.3	13.1	72,000	33.9	10.3
Idaho	283,000	27.9	9.6	81,000	28.0	9.0
Illinois	1,745,000	27.1	13.5	474,000	29.2	13.9
Indiana	1,060,000	29.0	12.3	260,000	29.5	13.4
Iowa	413,000	20.8	7.0	93,000	18.1	5.2
Kansas	435,000	25.2	9.6	116,000	26.4	10.2
Kentucky	809,000	30.0	11.2	199,000	29.9	10.2
Louisiana	792,000	32.2	14.4	221,000	33.0	13.8
Maine	236,000	26.5	8.6	42,000	23.0	7.3
Maryland	535,000	21.5	12.3	137,000	21.5	11.4
Massachusetts	918,000	26.3	12.3	199,000	25.3	11.4
Michigan	1,756,000	29.2	11.2	371,000	27.4	11.3
Minnesota	670,000	21.5	8.7	160,000	20.4	7.8
Mississippi	593,000	35.2	14.7	163,000	35.0	13.8
Missouri	1,054,000	28.4	10.7	245,000	27.5	10.2
Montana	172,000	27.7	10.2	36,000	25.3	8.8

Nebraska	227,000	20.9	8.4	57,000	19.9	7.5
Nevada	345,000	30.3	17.4	92,000	32.9	19.1
New Hampshire	137,000	19.7	9.3	22,000	15.5	7.5
New Jersey	1,036,000	25.0	13.1	244,000	25.0	13.0
New Mexico	377,000	31.9	13.2	112,000	33.5	11.9
New York	3,062,000	31.0	15.1	839,000	34.4	15.1
North Carolina	1,676,000	30.4	12.6	427,000	30.8	12.5
North Dakota	73,000	18.7	7.7	15,000	15.9	5.8
Ohio	1,969,000	27.9	10.6	461,000	26.6	9.4
Oklahoma	620,000	27.3	10.5	172,000	28.5	10.2
Oregon	641,000	29.2	12.5	156,000	29.1	10.9
Pennsylvania	2,012,000	26.7	10.7	375,000	23.1	9.4
Rhode Island	176,000	28.4	11.5	43,000	30.3	11.1
South Carolina	854,000	31.3	12.7	204,000	30.3	11.5
South Dakota	122,000	23.8	8.7	30,000	22.1	6.9
Tennessee	1,176,000	31.6	13.1	293,000	30.9	11.1
Texas	3,691,000	28.9	14.3	1,246,000	33.0	15.2
Utah	314,000	20.6	9.5	94,000	19.8	9.2
Vermont	96,000	23.7	8.2	18,000	21.6	7.2
Virginia	781,000	21.4	11.5	190,000	21.2	11.2
Washington	1,038,000	25.4	10.1	280,000	26.4	8.9
West Virginia	383,000	31.1	10.0	70,000	26.9	9.1
Wisconsin	833,000	24.0	9.2	180,000	22.4	8.7
Wyoming	61,000	19.3	8.2	13,000	14.9	5.5

Government benefits are Social Security, unemployment insurance benefits, workers compensation, veterans benefits, TANF, SSI, SNAP, school lunch, WIC, rent subsidies, higher education grants, general assistance, and home energy assistance. The tax system is federal and state income and payroll tax owed, net of federal or state tax credits received such as the Earned Income Tax Credit (EITC) or Child Tax Credit.

Source: CBPP analysis of U.S. Census Bureau's March 2010-2013 Current Population Survey; Supplemental Poverty Measure public use files; and HHS/Urban Institute TRIM baseline microdata files.

Effects of the Tax and Benefit System on Deep Poverty (i.e., Income Below 50 Percent of SPM Poverty Line) By State

Using the Supplemental Poverty Measure after corrections for underreported income; average of 2009-2012

State	All Ages			Under 18		
	Number Lifted Above SPM Poverty Line	Percent Below 50% of Poverty Line		Number Lifted Above SPM Poverty Line	Percent Below 50% of Poverty Line	
		Before Counting Taxes and Benefits	After Counting Taxes and Benefits		Before Counting Taxes and Benefits	After Counting Taxes and Benefits
U.S. TOTAL	45,806,000	18.6	3.7	10,155,000	16.2	2.6
Alabama	916,000	22.0	2.6	194,000	19.2	2.1
Alaska	65,000	13.0	3.6	16,000	11.9	3.5
Arizona	984,000	19.8	4.9	239,000	18.6	4.5
Arkansas	571,000	23.9	4.1	112,000	18.5	2.6
California	5,441,000	19.5	4.9	1,463,000	19.0	3.4
Colorado	524,000	14.4	4.0	117,000	11.6	2.2
Connecticut	423,000	15.1	3.0	77,000	11.5	2.1
Delaware	122,000	16.8	3.2	28,000	14.8	1.7
Dist of Columbia	103,000	22.6	5.9	31,000	31.9	4.0
Florida	3,229,000	22.1	4.9	591,000	18.6	4.0
Georgia	1,457,000	19.5	4.5	369,000	17.6	3.1
Hawaii	174,000	16.6	3.2	40,000	14.7	1.3
Idaho	205,000	16.1	2.9	42,000	12.3	2.4
Illinois	1,695,000	16.7	3.4	370,000	14.7	2.8
Indiana	1,079,000	20.0	3.1	264,000	18.3	1.9
Iowa	334,000	13.0	1.9	47,000	7.8	1.3
Kansas	389,000	16.7	2.8	95,000	15.2	1.9
Kentucky	750,000	20.7	3.3	156,000	17.4	2.1
Louisiana	795,000	21.7	3.9	190,000	19.3	2.7
Maine	218,000	19.1	2.5	33,000	13.5	1.1
Maryland	585,000	13.6	3.5	117,000	10.7	2.0
Massachusetts	950,000	17.3	2.9	166,000	13.5	1.9
Michigan	1,697,000	20.5	3.1	346,000	17.2	2.2
Minnesota	637,000	14.8	2.7	125,000	11.7	1.9
Mississippi	600,000	24.8	4.1	148,000	21.4	2.1

Missouri	997,000	19.6	2.9	200,000	15.7	1.5
Montana	152,000	18.9	3.5	25,000	13.8	2.5
Nebraska	188,000	13.3	2.9	37,000	10.0	2.0
Nevada	369,000	18.9	5.1	87,000	17.7	4.6
New Hampshire	146,000	14.0	2.9	19,000	8.5	1.5
New Jersey	1,063,000	15.9	3.7	212,000	13.4	3.1
New Mexico	330,000	20.3	4.0	85,000	18.7	2.2
New York	3,105,000	20.1	4.0	739,000	19.9	3.0
North Carolina	1,625,000	20.1	2.9	350,000	16.9	1.9
North Dakota	70,000	12.6	2.0	12,000	8.8	0.6
Ohio	1,811,000	18.8	2.9	372,000	15.8	1.9
Oklahoma	558,000	18.0	2.9	120,000	14.9	2.0
Oregon	593,000	19.0	3.5	120,000	15.7	1.7
Pennsylvania	1,966,000	18.5	2.8	329,000	13.4	1.5
Rhode Island	180,000	19.8	2.5	39,000	18.9	1.4
South Carolina	829,000	21.9	3.8	161,000	17.6	2.8
South Dakota	101,000	15.4	2.9	19,000	11.1	1.5
Tennessee	1,164,000	21.8	3.4	224,000	17.0	1.9
Texas	3,416,000	17.3	3.8	987,000	17.2	3.2
Utah	268,000	12.1	2.6	70,000	9.5	1.6
Vermont	84,000	15.6	2.1	12,000	10.6	1.1
Virginia	819,000	13.6	3.2	165,000	11.3	2.6
Washington	867,000	15.6	2.8	190,000	13.0	1.2
West Virginia	372,000	23.6	3.1	64,000	17.8	1.4
Wisconsin	732,000	15.7	2.7	130,000	11.7	1.8
Wyoming	57,000	13.0	2.7	9,000	8.0	1.4

Government benefits are Social Security, unemployment insurance benefits, workers compensation, veterans benefits, TANF, SSI, SNAP, school lunch, WIC, rent subsidies, higher education grants, general assistance, and home energy assistance. The tax system is federal and state income and payroll tax owed, net of federal or state tax credits received such as the Earned Income Tax Credit (EITC) or Child Tax Credit.

Source: CBPP analysis of U.S. Census Bureau's March 2010-2013 Current Population Survey; Supplemental Poverty Measure public use files; and HHS/Urban Institute TRIM baseline microdata files.

APPENDIX TABLE 4

Effects of the Supplemental Nutrition Assistance Program (SNAP) on Poverty By State

Using the Supplemental Poverty Measure after corrections for underreported income; average of 2009-2012

State	All Ages			Under 18		
	Number Lifted Above SPM Poverty Line	Percent in Poverty		Number Lifted Above SPM Poverty Line	Percent in Poverty	
		Before Counting SNAP	After Counting SNAP		Before Counting SNAP	After Counting SNAP
U.S. TOTAL	9,288,000	16.8	13.8	4,376,000	19.7	13.8
Alabama	195,000	15.6	11.5	86,000	19.3	11.7
Alaska	21,000	12.8	9.8	11,000	15.4	9.7
Arizona	225,000	20.7	17.3	118,000	25.8	18.8
Arkansas	111,000	17.8	14.0	55,000	21.3	13.6
California	806,000	22.8	20.7	417,000	26.4	22.0
Colorado	117,000	14.6	12.3	55,000	16.0	11.7
Connecticut	70,000	12.9	10.9	28,000	13.7	10.3
Delaware	29,000	15.0	11.8	15,000	18.3	11.1
Dist of Columbia	28,000	23.9	19.3	15,000	32.0	18.8
Florida	513,000	20.5	17.8	230,000	24.2	18.5
Georgia	340,000	19.7	16.2	163,000	22.6	16.3
Hawaii	74,000	18.8	13.1	33,000	21.1	10.3
Idaho	54,000	13.1	9.6	23,000	14.5	9.0
Illinois	379,000	16.4	13.5	187,000	19.9	13.9
Indiana	224,000	15.9	12.3	111,000	20.3	13.4
Iowa	68,000	9.3	7.0	31,000	9.5	5.2
Kansas	73,000	12.2	9.6	38,000	15.5	10.2
Kentucky	164,000	15.0	11.2	73,000	17.5	10.2
Louisiana	207,000	19.1	14.4	100,000	22.5	13.8
Maine	47,000	12.1	8.6	16,000	13.3	7.3
Maryland	104,000	14.1	12.3	47,000	14.9	11.4
Massachusetts	141,000	14.5	12.3	57,000	15.4	11.4
Michigan	326,000	14.6	11.2	141,000	17.4	11.3
Minnesota	111,000	10.8	8.7	59,000	12.5	7.8
Mississippi	136,000	19.4	14.7	64,000	22.0	13.8
Missouri	221,000	14.4	10.7	109,000	17.9	10.2
Montana	27,000	12.9	10.2	11,000	13.9	8.8
Nebraska	34,000	10.3	8.4	16,000	10.9	7.5

Nevada	58,000	19.6	17.4	27,000	23.1	19.1
New Hampshire	16,000	10.5	9.3	7,000	10.2	7.5
New Jersey	155,000	14.9	13.1	77,000	16.8	13.0
New Mexico	76,000	17.0	13.2	36,000	18.9	11.9
New York	714,000	18.8	15.1	321,000	22.5	15.1
North Carolina	338,000	16.2	12.6	150,000	18.9	12.5
North Dakota	14,000	9.8	7.7	6,000	9.9	5.8
Ohio	419,000	14.3	10.6	187,000	16.4	9.4
Oklahoma	140,000	14.3	10.5	70,000	17.7	10.2
Oregon	119,000	15.6	12.5	54,000	17.2	10.9
Pennsylvania	342,000	13.4	10.7	138,000	14.5	9.4
Rhode Island	37,000	15.1	11.5	16,000	18.4	11.1
South Carolina	169,000	16.4	12.7	81,000	19.0	11.5
South Dakota	27,000	12.0	8.7	11,000	12.6	6.9
Tennessee	262,000	17.2	13.1	116,000	19.0	11.1
Texas	913,000	17.9	14.3	479,000	22.0	15.2
Utah	53,000	11.4	9.5	29,000	12.4	9.2
Vermont	16,000	10.8	8.2	5,000	11.6	7.2
Virginia	158,000	13.5	11.5	79,000	15.4	11.2
Washington	208,000	13.2	10.1	96,000	14.9	8.9
West Virginia	74,000	14.0	10.0	24,000	15.2	9.1
Wisconsin	125,000	11.4	9.2	54,000	12.8	8.7
Wyoming	9,000	9.9	8.2	--	8.6	5.5

Source: CBPP analysis of U.S. Census Bureau's March 2010-2013 Current Population Survey; Supplemental Poverty Measure public use files; and HHS/Urban Institute TRIM baseline microdata files.