

# Transfers and taxes and the low-income population: Policy and research trends

Richard Burkhauser, Robert Moffitt, and John Karl Scholz

Richard Burkhauser is Sarah Gibson Blanding Professor of Policy Analysis and Management at Cornell University; Robert Moffitt is Kreiger-Eisenhower Professor of Economics at Johns Hopkins University and an IRP affiliate; John Karl Scholz is Nellie June Gray Professor of Economics at the University of Wisconsin–Madison and a former IRP director.

The 20th anniversary of the IRP Summer Research Workshop offers a time to reflect on the evolution of policy relating to tax and transfer programs in the United States (and antipoverty policy more generally), the evolution of social science research, and the relationship between them. While there have been a number of papers that have characterized the evolution of antipoverty policy over the last several decades, there have been fewer efforts to study the evolution of antipoverty *scholarship* over a similar period.<sup>1</sup>

In this article, we review the evolution of antipoverty policy over the last few decades. Second, we document the evolution of scholarship on antipoverty policy over the last 20 years in both economic journals and at the IRP Summer Research Workshop. Finally, we suggest future topics for research on the tax and transfer system.

## Evolution of antipoverty policy

We first provide a context for discussing the evolution of scholarship, by summarizing selected developments in antipoverty policy and taxation in recent decades.

### Social insurance and transfer program expenditures

Figure 1 shows the evolution of spending on four programs specifically targeted to nondisabled, non-elderly poor families and individuals: Aid to Families with Dependent Children (AFDC, now Temporary Assistance for Needy Families, or TANF); food stamps (now called the Supple-

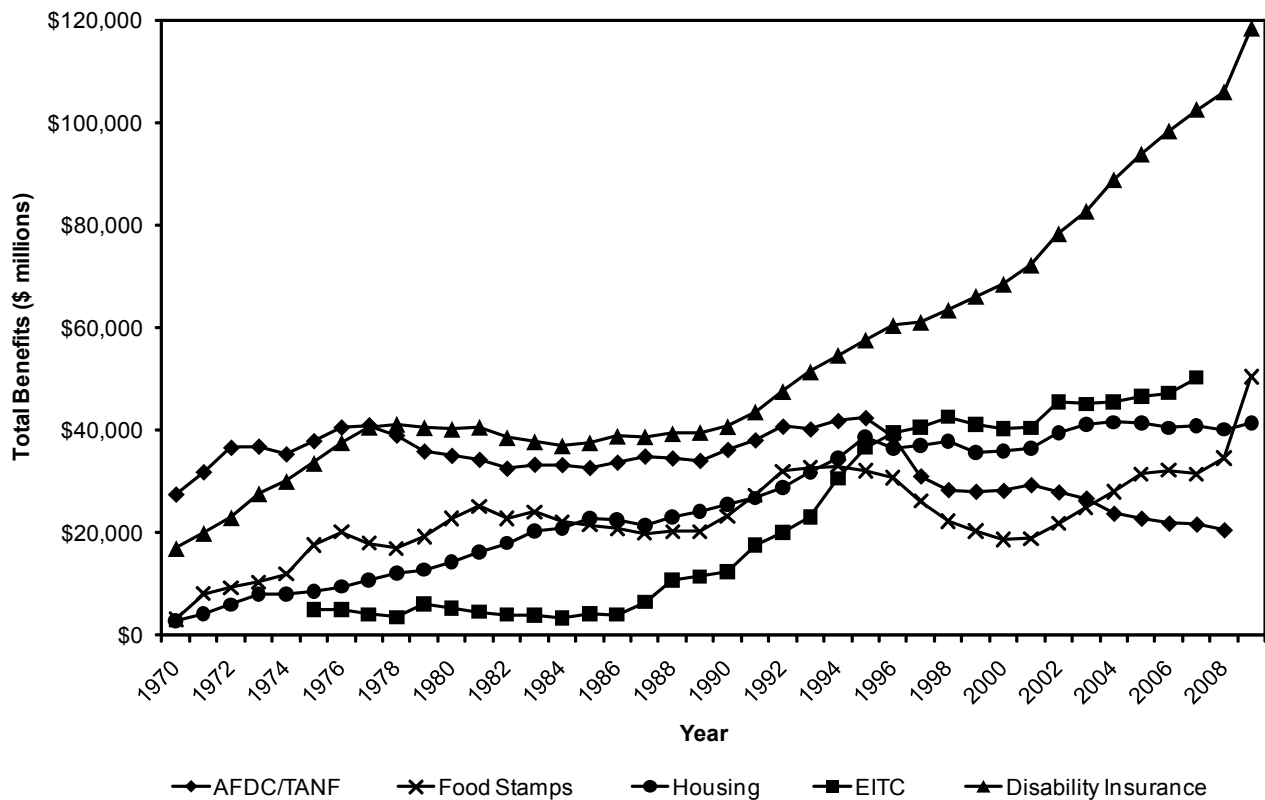


Figure 1: Total AFDC/TANF, Food Stamp, Housing, EITC, and Disability Insurance benefits, 1970–2009 (constant 2009 dollars).

Source notes can be found in J. K. Scholz, R. Moffitt, and B. Cowan, “Trends in Income Support,” Table 8 A.1, in *Changing Poverty, Changing Policies*, eds. M. Cancian and S. Danziger (New York: Russell Sage Foundation, 2009).

mental Nutrition Assistance Program, or SNAP); housing assistance; and the Earned Income Tax Credit (EITC); as well as Disability Insurance, which is funded through the social security system. In general, transfer program expenditures rose from 1984 to 2004, but the increase was spread unevenly across different demographic groups and income classes. Several major developments in the time-series patterns of antipoverty spending are evident:

- *AFDC/TANF spending and reciprocity have been sharply reduced.* Aid to Dependent Children (the precursor to AFDC) began in 1935 as part of the Social Security Act. The program was designed to provide cash support for children living in poor, generally single-parent households. In 1996, AFDC was replaced by TANF, which mandates work and lifetime time limits on federal assistance, and provides block grants to states with few restrictions. A combination of changes in AFDC and TANF, the longest economic expansion in history, sharp increases in the EITC, and other factors contributed to a 52 percent decline in welfare caseloads between January 1993 and December 1999. After the recession in 2001, TANF caseloads did not increase substantially from their historic lows. Real spending on TANF fell by 3.9 percent a year from 2000 to 2008, despite the weakest economy since the Depression.
- *Food stamps (SNAP) experienced highly variable spending.* Between 1994 and 2000, real food stamp expenditures fell to \$19 billion from \$33 billion, even though only modest changes to food stamp program rules were made by the 1996 welfare reform (primarily affecting immigrant households). The General Accounting Office concluded that participation fell “faster than related economic indicators would predict” and speculated that some former cash welfare recipients thought they were also no longer eligible for food stamps.<sup>2</sup> Food stamp (SNAP) spending has increased sharply since 2000.
- *Tax expenditures targeting low- and moderate-income families have increased substantially.* This increase was driven primarily by EITC expansion. The EITC, which began in 1975, subsidizes earnings up to a point, after which it phases out. It has been expanded in Republican administrations (in 1986 and 1990) and in Democratic ones (in 1996). In contrast to TANF, the EITC is designed to encourage low-skilled workers to enter the labor market, since nonearners do not receive the credit and the EITC amount rises with earnings up to about the poverty line.
- *Disability Insurance spending has grown.* Disability Insurance is a social insurance program administered as part of the social security system. Rules for eligibility are stringent and recipients must have substantial work experience. Less than 40 percent of all applications are granted benefits. Around 9.7 million people (including children) receive disability benefits, which cost \$118 billion in 2009. Most recipients are pre-tax-and-transfer

poor. Concerns over rapidly escalating costs have given rise to periodic “continuing eligibility reviews” that attempt to reduce disability rolls by moving those able to work back into paid employment. In practice, it may be difficult to determine how particular health conditions affect ability to work, and this correlation may also change over time for some health conditions.

- *Medicaid expanded rapidly.* Figure 2 shows outlays on Medicaid, which provides subsidized medical care for families with low income and assets or to families with a disabled member. At over \$300 billion, Medicaid outlays greatly exceed expenditures on other safety net programs. The largest share of Medicaid expenditures pay for nursing homes of the low-income, low-asset elderly.

We make several general observations in reviewing all program expenditure trends. First, the U.S. population is aging, particularly as the baby boom generation reaches retirement. The elderly also have high voting rates relative to other demographic groups. There is considerable political pressure to support and even expand programs that provide benefits to the elderly. Figure 2 shows that Old Age and Survivors Insurance (commonly called Social Security), and Medicare (which provides near-universal health insurance for households over 65), have had upward spending trends in recent decades. Second, medical care prices have increased rapidly. The consumer price index for medical care increased 78 percent faster than the overall index between 1979 and 2007. Third, voters and policymakers appear comfortable providing support for specific needs such as medical care, food, and housing, rather than providing unrestricted cash payments to low-income families or individuals. The growth of Medicaid provides evidence for this; over the past 20 years, there have been far-reaching expansions of Medicaid to low- and moderate-income families with children. Finally, there are certain favored groups within the disadvantaged population. These include the elderly (if for no other reason than their willingness to vote), children (though not necessarily the adults that care for them), working individuals, and families with a disabled individual.

### **The distribution of income support**

We use analyses of data from the Survey of Income and Program Participation to summarize changes in the level and distribution of income support.<sup>3</sup>

#### ***What is the composition of poor families?***

The percentage of all families in deep poverty (below 50 percent of the poverty line) rose slightly (from 21.1 percent to 22.3 percent) between 1984 and 2004. This increase is entirely attributable to growth in the number of very poor disabled families and childless families. The growth in the number of childless families in deep poverty represents a general increase in the percentage of childless adults in the United States over this period, rather than a shift downward in the income distribution within the childless group.

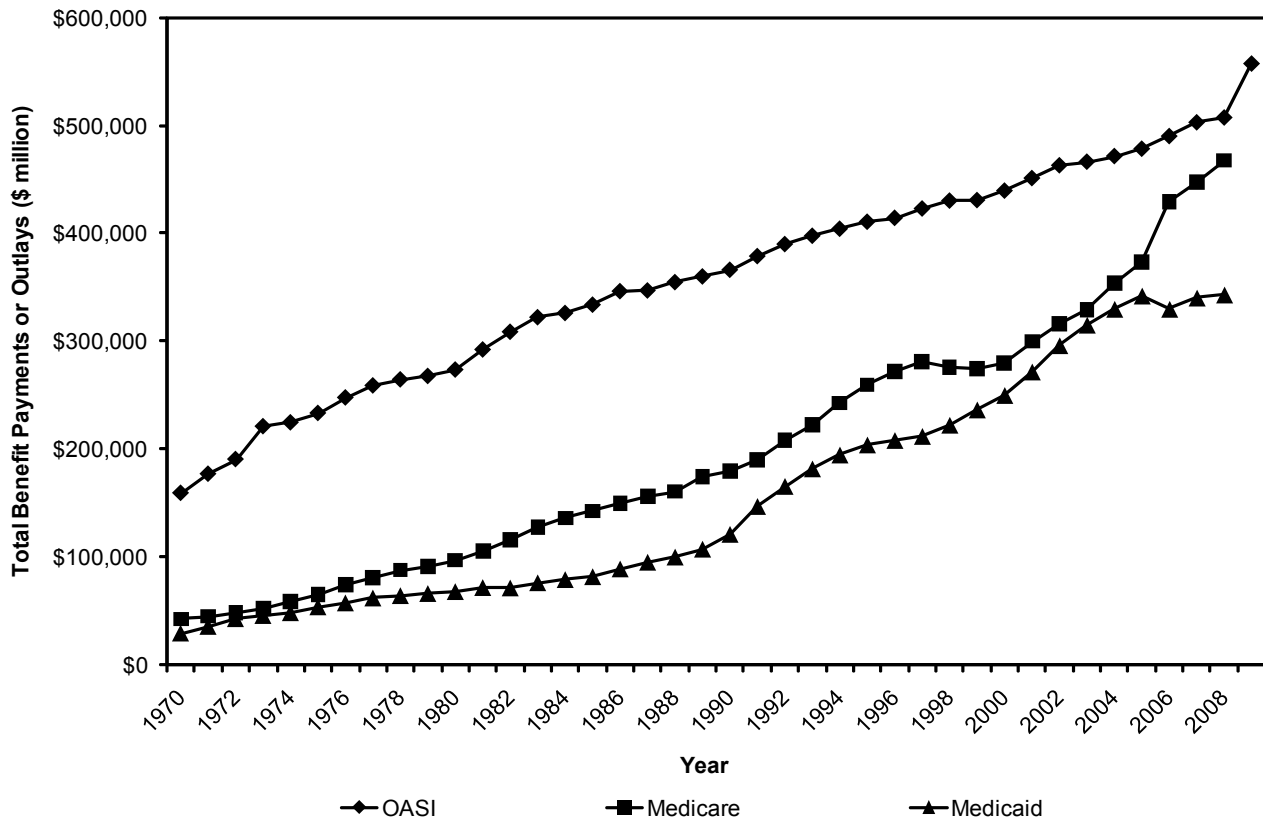


Figure 2. Total benefit payments on Old Age and Survivors Insurance (OASI) and outlays for Medicare and Medicaid, 1970–2009 (constant 2009 dollars).

Source notes can be found in J. K. Scholz, R. Moffitt, and B. Cowan, “Trends in Income Support,” Table 8 A.1, in *Changing Poverty, Changing Policies*, eds. M. Cancian and S. Danziger (New York: Russell Sage Foundation, 2009).

***What is the targeting of antipoverty spending across different groups of the poor?***

Aggregate expenditures rose fairly sharply from 1984 to 2004 for poor families, including those in deep poverty. These increases occurred for elderly and childless families, and particularly for those receiving disability-related benefits. Aggregate expenditures fell, however, for one- and two-parent families with children who were in deep poverty. These aggregate patterns are driven primarily by an enormous reduction in AFDC and TANF participation for families in deep poverty. Around 60 percent of single-parent families with children and with incomes in deep poverty received AFDC in 1984 and 1993. Only 24 percent received TANF in 2004. Similar reductions (from 25 percent to 10 percent) applied to two-parent families with children who were in deep poverty. Participation in SNAP also fell, though not as much. Several income sources increased for single-parent families with children who were in deep poverty, including EITC benefits, Medicaid benefits, and unemployment compensation.

***How has the targeting of antipoverty spending evolved over time?***

United States income transfer programs are a patchwork, so families in different categories but with similar incomes can receive substantially different benefits. The core non-health

safety net programs available to non-elderly, nondisabled families and individuals, for example, grew by 44 percent between 1984 and 1993, far faster than the growth in the number of families. Between 1993 and 2004, however, these benefits fell in real terms by 13.4 percent.<sup>4</sup>

***Implications of income support changes***

The policy developments affecting poor families with children were purposeful. The substantial EITC expansions were made in part with the idea that they rewarded work, augmenting the incomes of low-income working families “playing by the rules.” One goal of “ending welfare as we know it” was to create a safety net that better reflects the norms of broader American society. The hope was that by providing states with greater flexibility and by imposing lifetime limits on TANF receipt, families would become much less reliant on welfare. In some sense that hope has been realized—TANF receipt today is much lower than past AFDC receipt.

When focusing on market income, there are significantly fewer single-parent families in deep poverty. The reduction in the number of single-parent families in 2004 is consistent with TANF achieving at least part of its goals. But these changes also make benefits less available to poor families with children. Those who are either unable or unwilling to work now have to get by with fewer publicly provided resources.

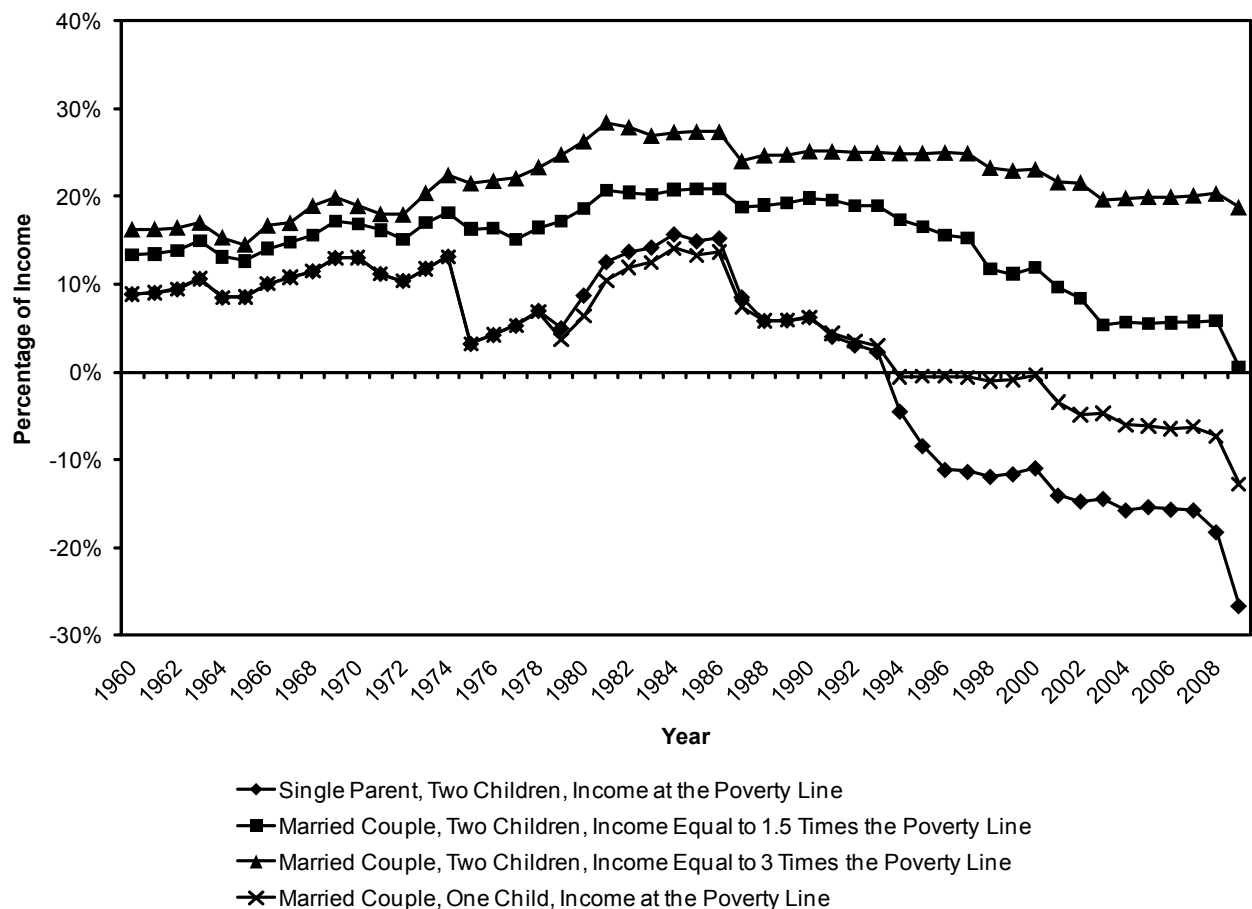


Figure 3. Average tax rate: Federal income tax plus payroll tax, 1960–2009.

Source: NBER’s TAXSIM and authors’ calculations as described in the text. See <http://www.nber.org/~taxsim/taxsim-calc8/> and D. R. Feenberg and E. Coutts, “An Introduction to the TAXSIM Model,” *Journal of Policy Analysis and Management* 12, No. 1 (Winter 1993): 189–94.

## Taxation

Figure 3 shows the sum of average effective federal income and payroll tax rates from 1960 through 2009 for four different family types.<sup>5</sup> Between 1960 and 1974, tax burdens tended to be substantial, and the pattern of average tax rates was strikingly compressed. The difference in average effective tax rates between the families with income three times the poverty line and families with income equal to the poverty line ranged from 6.0 to 9.3 percentage points. By 1974, average effective tax rates on the representative poor families exceeded 13 percent.

Average effective rates for families with incomes at the poverty line fell sharply in 1975 with the implementation of the EITC, only to rise to their 1974 level by 1983. Payroll tax rates account for much of this change, rising from 11.7 percentage points in 1974 to 14.3 percentage points in 1986. Effective average tax rates on one-parent, two-child poor families were 15.3 percent in 1986, the highest level of taxation seen over this 50-year period.<sup>6</sup>

If the establishment of the EITC in 1975 was the first landmark piece of legislation affecting taxation of poor families with children, the Tax Reform Act of 1986 (TRA86), which

was fully phased in during 1988, was the second. Policymakers made an explicit decision to eliminate federal income taxes on families with incomes below the poverty line. They further increased the EITC to the point where the maximum credit in 1987 equaled the real value of the credit in 1975. TRA86 also indexed for inflation the EITC, exemptions, the standard deduction, and brackets.

The tax legislation in 1990 and again in 1993 marked the beginning of the third important set of developments in the taxation of poor families, as the EITC increased in six consecutive years beginning in 1991. By 1997, the maximum EITC had increased to \$4,887; over \$3,100 more than its level in 1975. A one-adult, two-child family where the adult was working in a job with poverty-line wages (and filing a tax return) would have had \$4,000 more in disposable income in 1997 than it did in 1986.

The gap in effective tax rates between single, two-child families with incomes at the poverty line and married, two-child families with incomes three times the poverty line is now 45.4 percentage points. As recently as 1986, it was 12.1 percentage points. By using the tax system as a tool for antipov-erty policy, government substantially varies the tax treatment of families at different points in the income distribution.

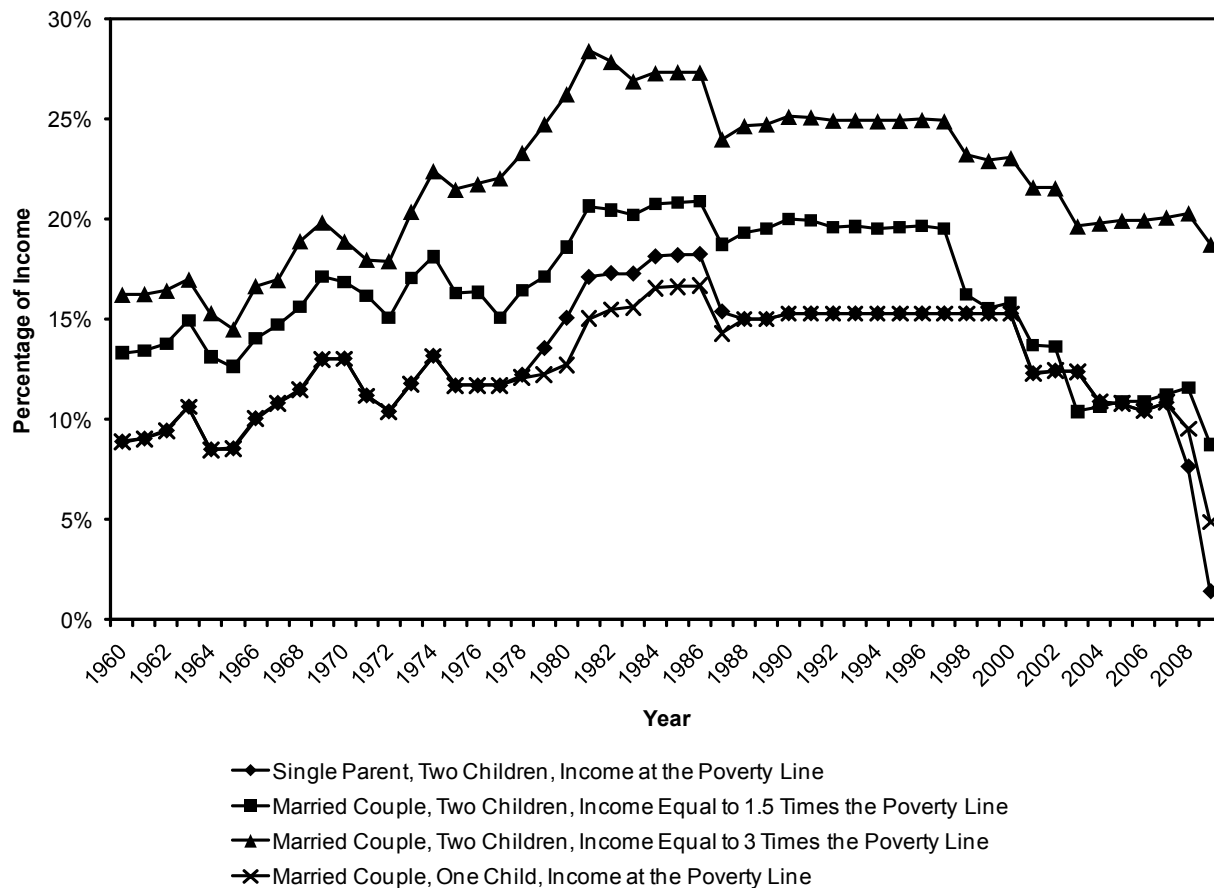


Figure 4. Average tax rate: Federal income tax plus payroll tax (excluding EITC), 1960–2009.

Source: NBER’s TAXSIM and authors’ calculations as described in the text. See <http://www.nber.org/~taxsim/taxsim-calc8/> and D. R. Feenberg and E. Couvts, “An Introduction to the TAXSIM Model,” *Journal of Policy Analysis and Management* 12, No. 1 (Winter 1993): 189–94.

The most recent major development affecting the taxation of poor families with children was the adoption in 2001 of a partially refundable child tax credit. The child credit is refundable for many taxpayers and equals \$1,000 per child in 2010. The combination of the child credit (for upper-income families) and the partially refundable portion of that credit (for poor and near-poor families) account for the further reductions in effective tax rates beginning in 2000.

Figure 4 shows the pattern of effective federal income and payroll tax rates for the same four family types, excluding the EITC. A comparison of Figures 3 and 4 shows just how important the EITC is in augmenting incomes of working-poor households.

### The focus of the academic literature

There is likely to be a complicated relationship between policy developments and academic research on poverty-related issues. It would be naïve, for example, to expect policy to be entirely driven by research developments. There is considerable inertia to policy, due to the nature of funding streams and administrative infrastructure. If policy rarely changes, it is unlikely to be responsive to quickly moving research

developments. Moreover, many factors in addition to cost-benefit and efficiency considerations drive policy decisions.

It would be similarly naïve to expect research developments to be entirely driven by policy trends. Scholars frequently look forward, anticipating issues that will likely be of future interest. Policymakers also set policy, at least in part, on the basis of what they think is right from a normative standpoint. Economists are trained to focus on the positive (and not normative) aspects of their work, which may reduce economists’ involvement in policy development. Lastly, rewards in academia come from making technical as well as policy contributions. Thus, much poverty-related scholarship is devoted to methodological advances that may or may not have ties to current policy developments. Given that policy innovation is rarely a central focus of academic reward systems, we would be surprised to see an overly strong link between research topics and policy developments.

Before speculating further on the relationship between policy developments and academic research, it is useful to first document the topics that have been the focus of academic poverty research. We examined nine economics journals using the following keywords: poverty, poor families, welfare, TANF, food stamps, EITC, SSI, subsidized housing, public



housing, WIC (a supplemental nutrition program for Women, Infants, and Children), Medicaid, training programs, and child care.<sup>7</sup>

The ten most popular topics appearing in top-ranked economics journals between 1990 and 2010, based on the search keywords we used, were, in order:

- Poverty and inequality, 10 percent of the papers;
- Intergenerational linkages, 10 percent;
- Welfare and welfare reform, 9 percent;
- Fertility, 8 percent;
- Education, 6 percent;
- Employment, unemployment and unemployment insurance, 6 percent;
- Child care, 6 percent;
- Health, 4 percent;
- Medicaid, 3 percent; and
- Wealth or consumption, 3 percent.

The “poverty and inequality” category is even more heterogeneous than the other categories and also varies more across journals and over time than other topics. This category is also focused, at least in part, on measurement and administrative issues. The papers on intergenerational linkages are generally about factors affecting child well-being, though the category also includes papers measuring intergenerational correlations between children and parental attributes. The other categories listed above are largely self-explanatory.

In reviewing the frequency of each topic, we are first struck by the relatively broad representation of poverty-related research in top-tier economics journals. Roughly 30 papers per year appear in top outlets. To some extent we cast perhaps an inappropriately broad net since, for example, some of the intergenerational linkages papers have, at best, only a tangential poverty-related focus. At the same time, our keywords did not explicitly focus on low-wage labor markets, education, or a host of additional keywords that might have generated additional poverty-related papers. So we do not claim comprehensiveness, even in this fairly substantial list of poverty-related papers.

Second, we were surprised by the small number of papers on specific programs. Only Medicaid and welfare or welfare reform made the top 10 topics list. We do not think it is essential (or even necessarily desirable) for scholarly work to follow policy trends. Nevertheless, to the extent that researchers would like to influence policy, it seems useful for research to address issues related to major tax and transfer program expenditures.

Third, while there is relatively little peer-reviewed work investigating specific details of the large-budget antipoverty programs, the general outcomes that are the focus of the

peer-reviewed scholarly work are what we would expect to see. Namely, factors influencing child well-being, fertility decisions, education, employment, and health are, to us, first-order correlates of economic well-being. It is not surprising that these topics are the focus of the bulk of poverty-related writing in economics, but it is nevertheless encouraging to us.

## The IRP Summer Research Workshop

The IRP Summer Research Workshop (SRW) provides a complementary perspective on academic research on poverty. There are two good reasons for assessing the 20 years’ worth of workshop research, in addition to the fact that the 2010 SRW marked its 20th anniversary. First, our keyword search making use of EconLit (the American Economic Association’s electronic bibliography) is necessarily less than comprehensive. As is clear from the SRW programs, the applied poverty research community is doing a great deal of education-related work. This work is only partially captured by the journal tabulations described above. Second, it is possible that the organizers of the IRP workshop are more willing to highlight policy-oriented work than the editors of leading academic journals. Hence, summarizing the topics from the SRW gives a potentially valuable perspective on the focus of and trends in poverty-related research.

At least two issues arise with using the IRP conference as a window on poverty-related research. First, IRP has constraints that arise from its funders. For example, IRP does almost no work on development and global poverty, so the IRP workshop has not been a platform to showcase the resurgence of program evaluation in developing-country contexts. Second, the low-income workshop has tried to highlight work being done by younger, tenure-track poverty researchers rather than to necessarily showcase a representative sample of poverty research being conducted at a given time. Nevertheless, the SRW programs give insight into poverty research topics.

Table 1 shows the most popular SRW topics in order, along with the ranking of each topic according to our journal paper tabulation. The most striking result is the importance of education-related papers. Fifty-two education papers have been presented, representing 15 percent of the total number of workshop papers. We think the fact that education-related papers are far more common at the workshop than in our tabulation from academic journals is more a reflection of our EconLit search strategy than a fundamental difference between the culture of the SRW and the tastes of academic journals.

The next tier of papers at the IRP workshop are on employment and unemployment, welfare reform, earnings and wages, black-white issues, intergenerational linkages, marriage, fertility, and poverty and inequality. Three of these topics—earnings and wages; marriage; and black-white issues—do not appear in the academic journals’ “top 10” topics. We

**Table 1**  
**Paper (or Presentation) Topics at the**  
**IRP Summer Research Workshop, 1990–2010**

	Number of Papers	Percentage of Total Workshop Papers	Topic Ranking from Journal Tabulation
Education	52	15%	5
Employment and unemployment	27	8	6
Welfare and welfare reform	26	7	3
Earnings and wages	25	7	19
Black-white issues	24	7	21
Intergenerational linkages	22	6	2
Marriage	19	5	13
Fertility	18	5	4
Poverty and inequality	17	5	1
Child care	13	4	7
Job training	10	3	17
EITC	10	3	22
Health	9	3	8
International issues	9	3	30
Neighborhoods	9	3	24
Migration and immigration	9	3	14
Total	354		

suspect the lack of evidence on earnings and marriage is also a reflection of the specification of our EconLit search. We are certain that with a more targeted search on wages and employment affecting low-income families and individuals, we would have a more extensive set of references. We are less sure this is the case with black-white issues, as the SRW has shown sustained attention to black-white differences that, we think, is likely not mirrored by academic publications.

The third tier of IRP workshop papers comprises child care, job training, the EITC, health, international issues, neighborhoods, and migration and immigration. Only child care and health appear on the top 10 list of peer-reviewed paper topics in economics journals. These topics touch on vital issues affecting the low-income population. But they share the characteristic noted with the peer-reviewed papers: few papers address specific programs. Only 7 percent of SRW papers address welfare or welfare reform, while less than 3 percent address the EITC. Beyond this, there are few studies conducting evaluations or studies of specific programs. This suggests that the absence of studies focusing on specific programs in peer-reviewed outlets is likely to be a consequence of people not writing these papers, rather than there being

an abundance of these papers that, for one reason or another, journal editors are unwilling to print.

The most striking intertemporal pattern that occurs with the summer workshop programs is the time pattern of papers on welfare and welfare reform. Over the 20 years, there have been 26 papers presented on this topic. The first year for this topic, however, was 1996 (when two papers were presented). This is the year when AFDC was eliminated and replaced by TANF, and several years after a large number of state welfare waivers were enacted. Then 24 papers were presented between 1998 and 2006. None were on this topic in 2007 to 2010. This is clearly a case where policy developments affected research topics.

### Does academic research lead or lag policy?

It is not coincidence that work on welfare reform spiked from 2005 to 2010: research likely began immediately after the 1996 reforms, but there is generally a substantial lag between doing research and getting it published. It is also not surprising there has been a striking surge in education-related research in recent years, given the No Child Left Behind legislation (and we note that education was not a search keyword). Academic work sometimes also alters the trajectory of policy, as might be argued in the case of the Family Support Act in AFDC, the Negative Income Tax debates in the 1960s and 1970s, and in political efforts to cut the EITC in the 1990s. In general, we think most scholars would say that they are doing work that should provide useful background information for policymakers, perhaps identifying problems that need addressing, even if they are not suggesting specific policy changes.

We are struck by the broad range of topics that have been the focus of antipoverty scholarship. Nevertheless, it appears that policy and academic writing have only modest connections. We do not necessarily think the modest connection highlights a problem with academic research. The types of questions that lend themselves to high-quality academic research may not be the same as those that are central to policy developments.

### Directions for research

Juxtaposing program trends with patterns of academic research positions us to comment on gaps in the existing literature. Four come immediately to mind. First, between Disability Insurance and SSI, over \$100 billion a year is spent on individuals with disabilities. Yet only nine papers have appeared in leading peer-reviewed economics journals on disability over the past 20 years and only one paper was presented at the Summer Research Workshop.<sup>8</sup> There are a large number of critical issues that deserve further exploration. Disability caseloads have exploded. According to unpublished calculations from Rich Burkhauser, rates of SSI reciprocity per 1,000 income-eligible children was 22

in 1990, and then rose sharply to 65 in 1996, largely due to the Zebley decision, a Supreme Court case that revised the childhood mental health impairment eligibility criterion to be consistent with the criterion that applies to adults. It rose to 80 by 2006 and is still rising. Further research on factors affecting SSI and Disability Insurance participation could be valuable. More work may also be useful in examining the link between participation in disability programs and take-up of other safety net benefits. To what degree, for example, are policymakers and citizens using disability programs to reduce pressure on other safety net programs? Finally, work is a centerpiece of safety net programs targeting non-elderly, nondisabled families and individuals. To what extent are the lessons that motivated the work-based approach to antipoverty policy applicable to the disabled population?

Second, one of the explicit goals of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the 1996 welfare reform, was to increase marriage among low-income individuals. A great deal has been written on welfare reform and family structure, and the EITC and family structure; the effects appear to be small or nonexistent. Given the existing body of work, there may just not be much more to do. But the stakes of enhancing understanding of the factors affecting marriage and fertility decisions—including wage rates, employment, neighborhood characteristics, crime, and housing arrangements—are high. It is widely believed that having two adults in the household generally enhances child well-being. And in general, an overarching goal of much poverty research is to discover insights that may help people to escape poverty, whether through education, broader dimensions of human capital acquisition, training, and through choices they make about marriage and fertility.

Third, a striking result is that there are few direct studies of major programs, including Disability Insurance, SNAP, housing, and a host of smaller safety net programs. Given that few such studies have been presented at the Summer Research Workshop, we suspect the absence of studies on these topics in top peer-reviewed journals is because they are not being written. We further suspect high-quality economic and statistical analyses of these programs could be valuable. Most importantly, are there changes in program design that could enhance economic efficiency? To what degree are programs meeting their intended objectives? What are the behavioral responses to programs and to what extent do they mitigate program objectives? In general, we suspect there is a great deal more to learn about key safety net programs.

Fourth, while the 1996 welfare reform increased work, the earnings of most individuals who left welfare were still well below the poverty line, even many years after their exit. Hence, the degree to which work can be the primary antidote to poverty depends on the ability of low-skilled people to maintain employment that, over time, leads to higher incomes that allow families to be self-sufficient. More work is needed to develop effective ways of increasing the earnings of disadvantaged workers. To date, we do not have the research base needed to sort through approaches policy-

makers can take to enhance the economic self-sufficiency of disadvantaged workers. More could usefully be learned on these issues. ■

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<sup>1</sup>For examples of papers characterizing the evolution of antipoverty policy, see G. Burtless, “Public Spending on the Poor: Historical Trends and Economic Limits,” in *Confronting Poverty: Prescriptions for Change*, eds. S. Danziger, G. Sandefur and D. Weinberg (Cambridge: Harvard University Press, 1994), 51–84; J. K. Scholz and K. Levine, “The Evolution of Income Support Policy in Recent Decades,” in *Understanding Poverty*, eds. S. Danziger and R. Haveman (Harvard University Press and Russell Sage Foundation, 2002), 193–228; and J. K. Scholz, R. Moffitt, and B. Cowan, “Trends in Income Support,” in *Changing Poverty, Changing Policies*, eds. M. Cancian and S. Danziger (New York: Russell Sage Foundation, 2009), 203–241. For a study of the evolution of antipoverty scholarship, see R. H. Haveman, *Poverty Policy and Poverty Research: The Great Society and the Social Sciences* (Madison, WI: University of Wisconsin Press, 1987), which examines the content of journals in economics and sociology to examine the extent to which the War on Poverty affected academic research.

<sup>2</sup>General Accounting Office, “Food Stamp Program: Various Factors Have Led to Declining Participation,” GAO/RCED-99-195.

<sup>3</sup>R. Moffitt and J. K. Scholz, “Trends in the Level and Distribution of Income Support,” *Tax Policy and the Economy* 24, No. 1 (2010): 111–152; and Y. Ben-Shalom, R. Moffitt, and J. K. Scholz, “An Assessment of the Effectiveness Of Anti-Poverty Programs in the United States,” in *Handbook of the Economics of Poverty* (Oxford University Press, forthcoming) examine changes in the level and distribution of income support using data from the 1984, 1993, and 2004 Surveys of Income and Program Participation.

<sup>4</sup>The programs in this calculation are AFDC and TANF, the EITC, general assistance, other welfare, food stamps, and housing assistance.

<sup>5</sup>We used the TAXSIM program, an Internet tax simulation program developed by Daniel Feenberg and colleagues at the National Bureau of Economic Research. See D. R. Feenberg and E. Coumts, “An Introduction to the TAXSIM Model,” *Journal of Policy Analysis and Management* 12, No. 1 (Winter 1993): 189–94; and <http://www.nber.org/~taxsim/taxsim-calc8/> for details on the current version of the model. We calculated tax burdens on four hypothetical families: Two have incomes exactly equal to the poverty line for that family type in the given year: a single parent with two children, and a married couple (single earner) with one child. The third “near poor” family consists of a married couple with two children and an income equal to 1.5 times the poverty line. The fourth family is a married couple with two children and an income three times the poverty line. The “effective” tax rate (in contrast to a “statutory” tax rate) is calculated as total taxes paid divided by income. We assume that all income in each family is earned, and that the incidence of the payroll tax is fully on wages.

<sup>6</sup>They were also at their highest level of 13.7 percent for poor married couples with one child in 1986.

<sup>7</sup>The nine journals we searched include what are generally regarded to be the five leading economics journals: the *American Economic Review*, *Journal of Political Economy*, *Quarterly Journal of Economics*, *Econometrica*, and *Review of Economic Studies*. We also included the four highest quality next-tier journals in which economists place their poverty-related research: the *Review of Economics and Statistics*, the *Journal of Labor Economics*, the *Journal of Public Economics*, and the *Journal of Human Resources*. We used EconLit to search the journals for keywords. We eliminated duplicate entries, as well as those that were not relevant to the design and understanding of antipoverty programs in the United States.

<sup>8</sup>We note that we did not search specifically for disability and instead searched only for SSI, poverty, and poor families, so we might have missed a handful of papers on Disability Insurance.