

# The Safety-Net Response to the COVID-19 Pandemic Recession and the Older Population

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# Our Study

- The responsiveness of the safety net during the Pandemic Recession for the older population
- Individuals 65 and older had poverty rates of 13 percent in 2019 and close to 16 percent during the Great Recession
- We examine safety net use during the Pandemic Recession for the near-elderly, 50-61, as well as those 62 and older

# Findings

- For the general population, the UI and SNAP programs were the most responsive during the Pandemic
- This holds true for the older population as well, even for those 62 and older (who saw increases in SNAP and UI)
- Concentrated among the less educated population, as expected
- Some differences in receipt by gender (women have higher rates of SNAP receipt), but not large

## Findings (continued)


- The safety net—including taxes as well as transfers--had a major impact on reducing the volatility of household income during the Pandemic for those 50-61
- But not so much for those 62-74

# Data

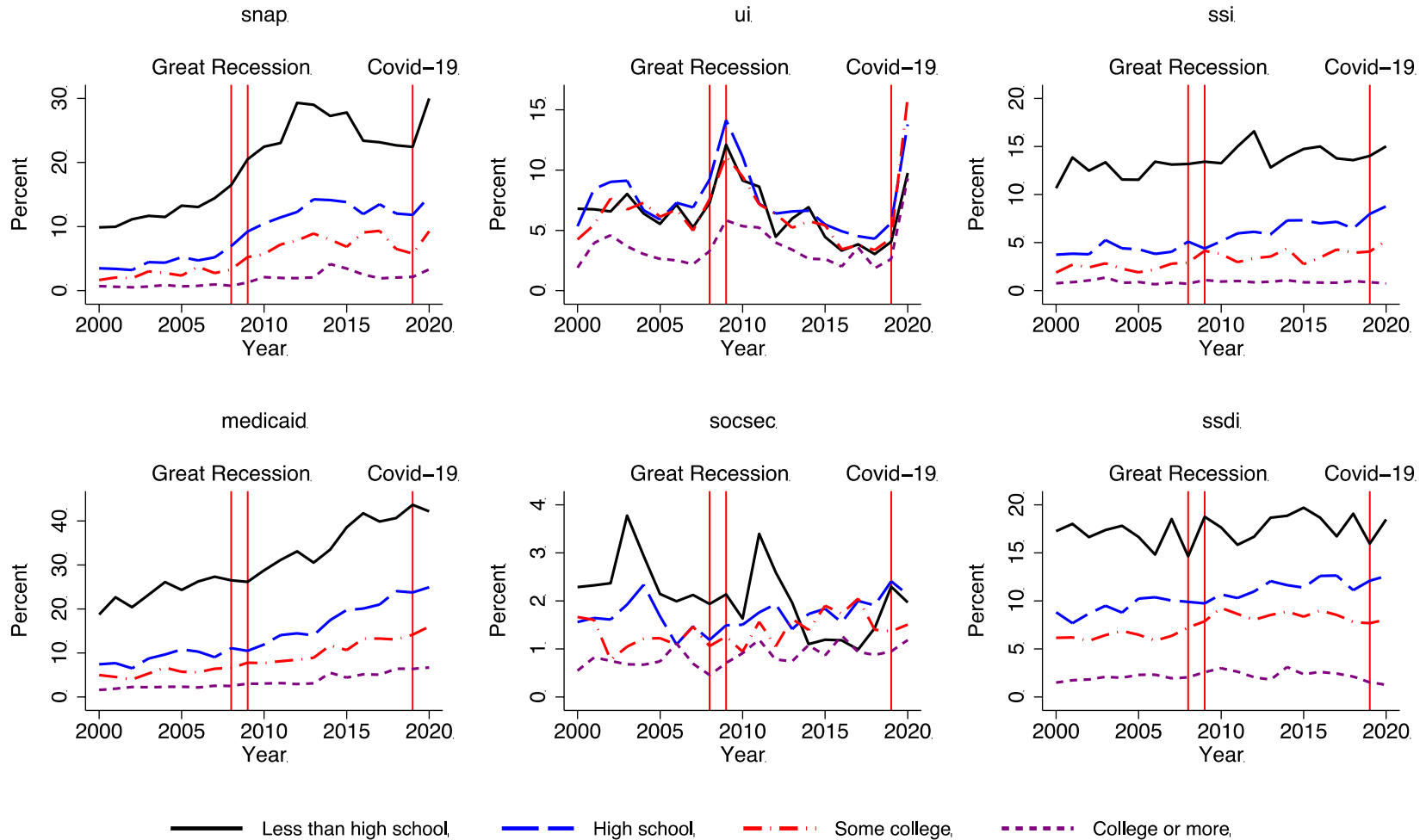
- Current Population Annual Social and Economic Supplement (ASEC) for calendar years 2000-2020
- Last year is the Pandemic
- Records individual receipt of transfers. Taxes constructed at tax unit level in TAXSIM, and aggregated to household level
- Exclude observations with imputations of several variables (and reweight)
- N=680,000 individuals 50-74

# Programs and Recession Responsiveness

- UI the only one specifically designed to respond to unemployment
- And Congress provided major additional support for UI during 2020 and 2021
- But SNAP automatically responds, aside from asset tests (and it has near-universal eligibility)
- Congress lifted everyone to the SNAP maximum in CARES I

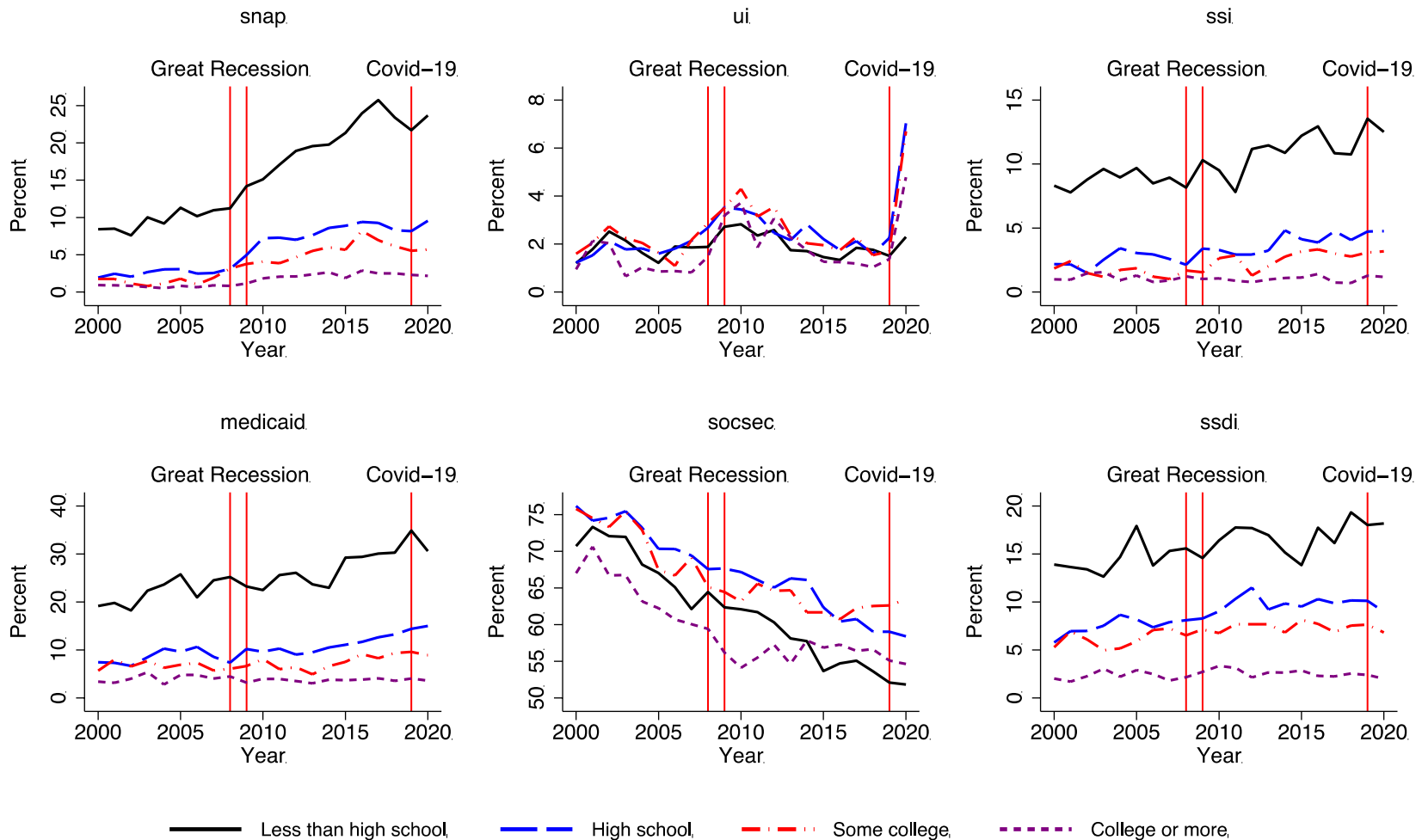
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- Don't expect OASI to respond that much, at least if retirement doesn't see major change
  - DI applications have been shown to be somewhat cyclically responsive for those less than 65
  - Medicaid has been shown to be somewhat responsive to recessions, for those who lose health insurance coverage when they lose their jobs
  - But Congress told states not to terminate individuals during the Recession, so caseloads rose dramatically
  - SSI: not much examined

# Figure 7. Transfer Program Participation Rates of Men by Education, Ages 50-61

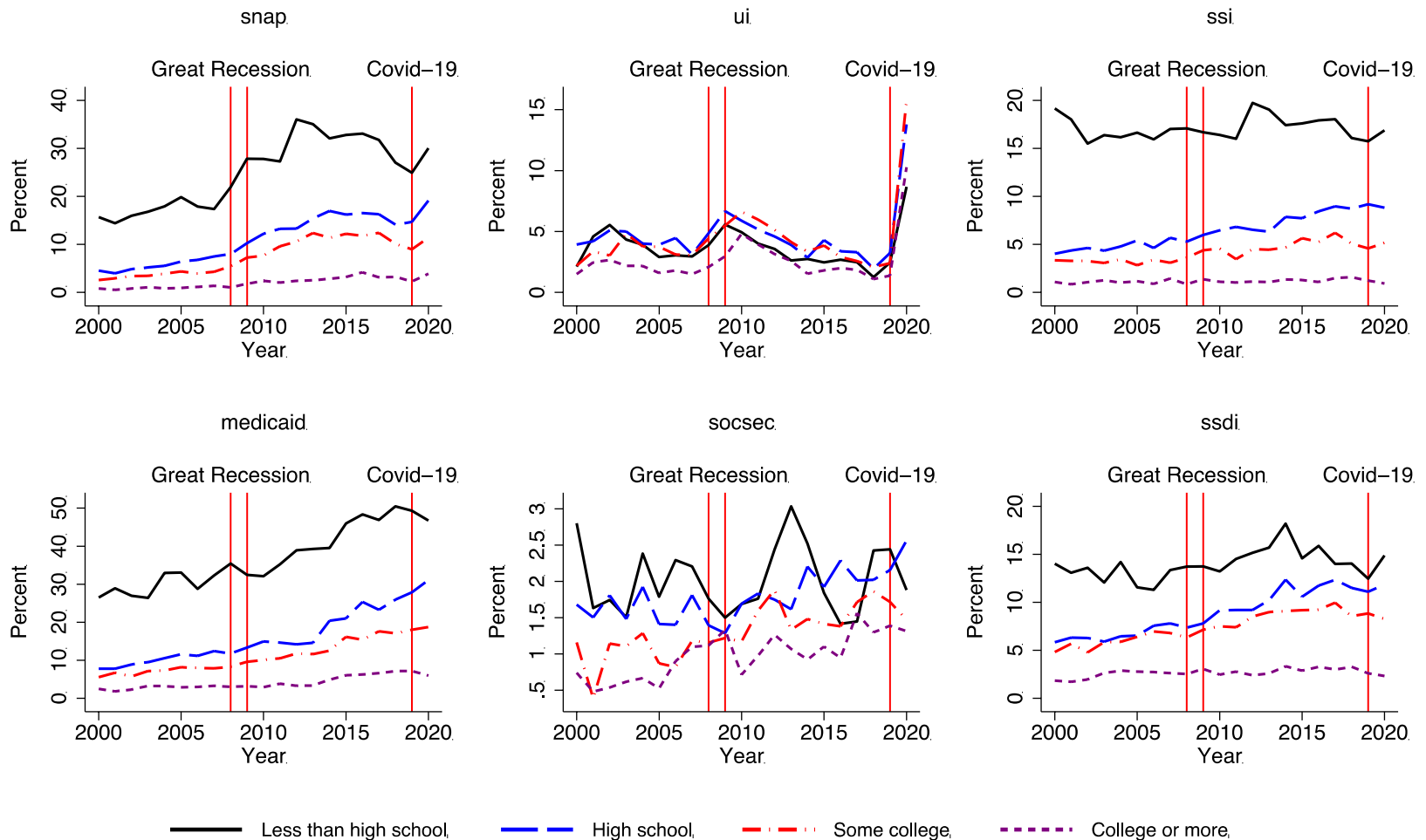




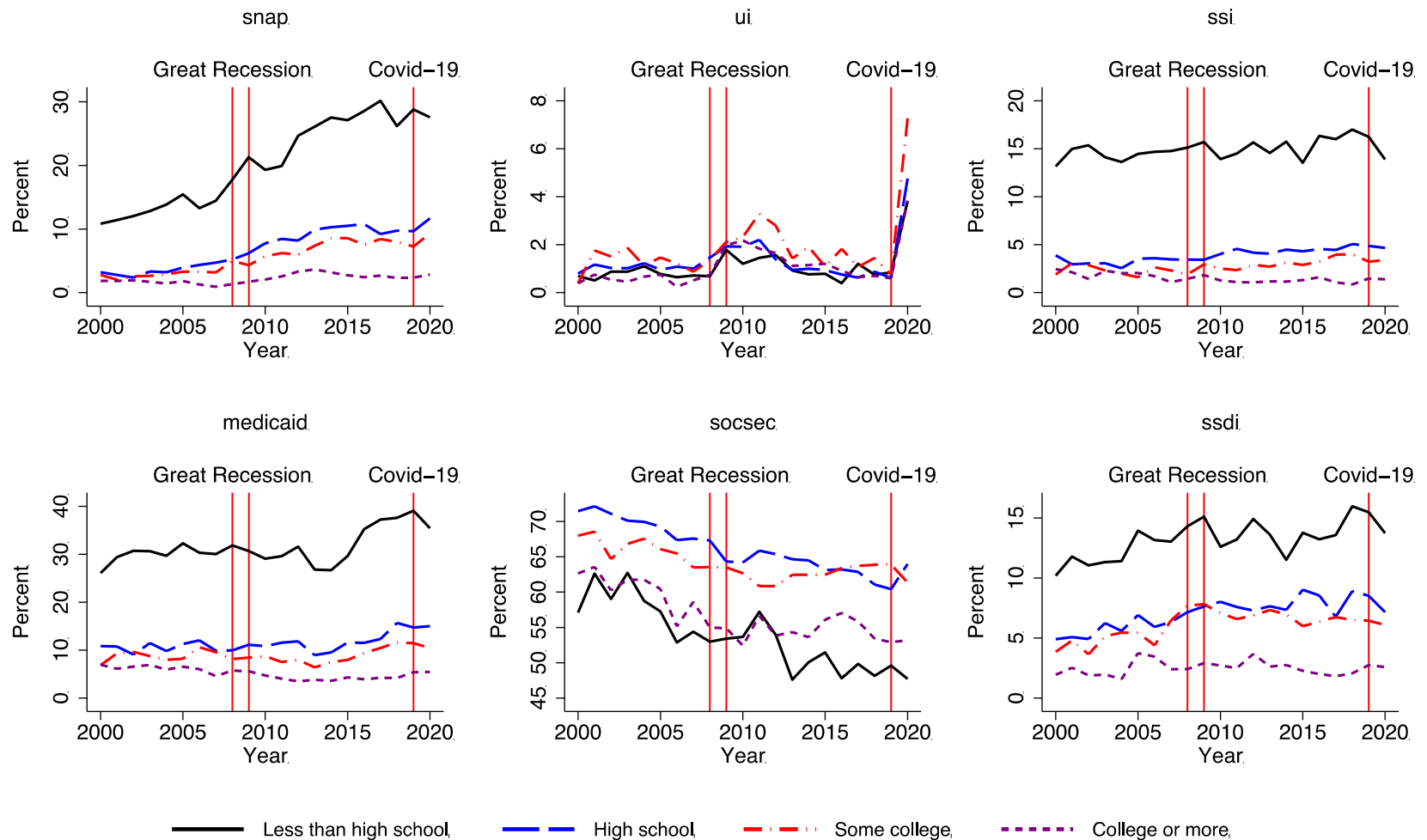
# Figure 8. Transfer Program Participation Rates of Men by Education, Ages 62-74



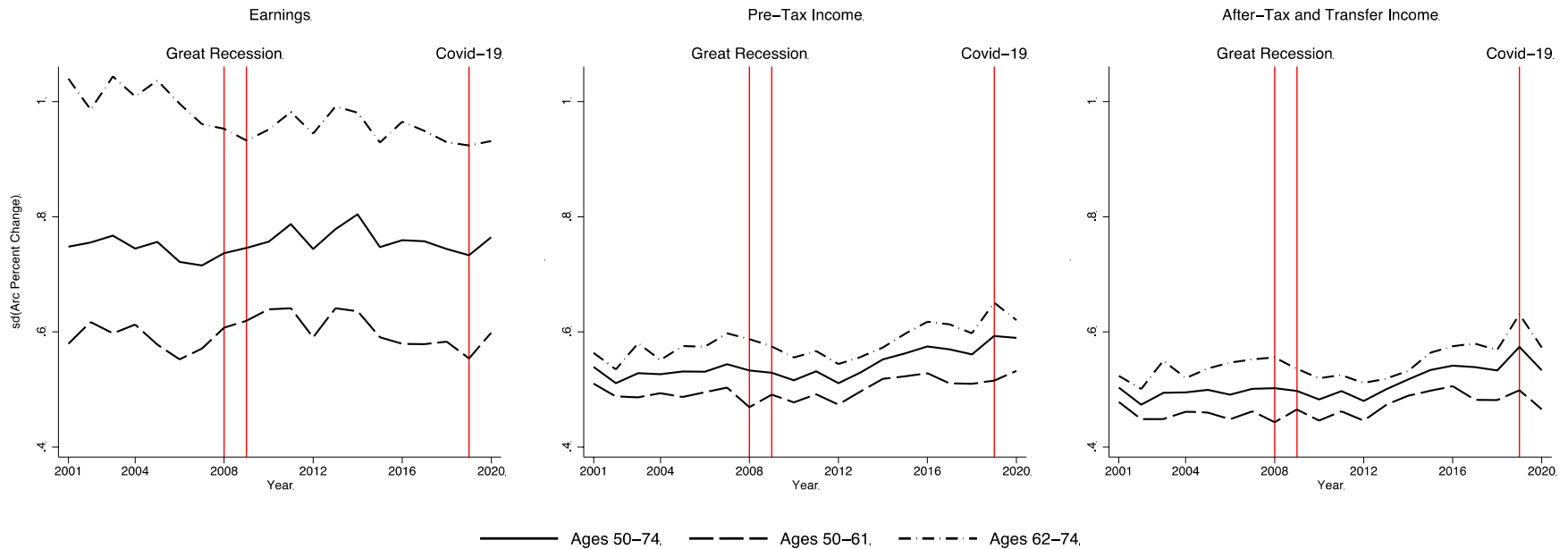
# Figure 9. Transfer Program Participation Rates of Women by Education, Ages 50-61



# Figure 10. Transfer Program Participation Rates of Women by Education, Ages 62-74

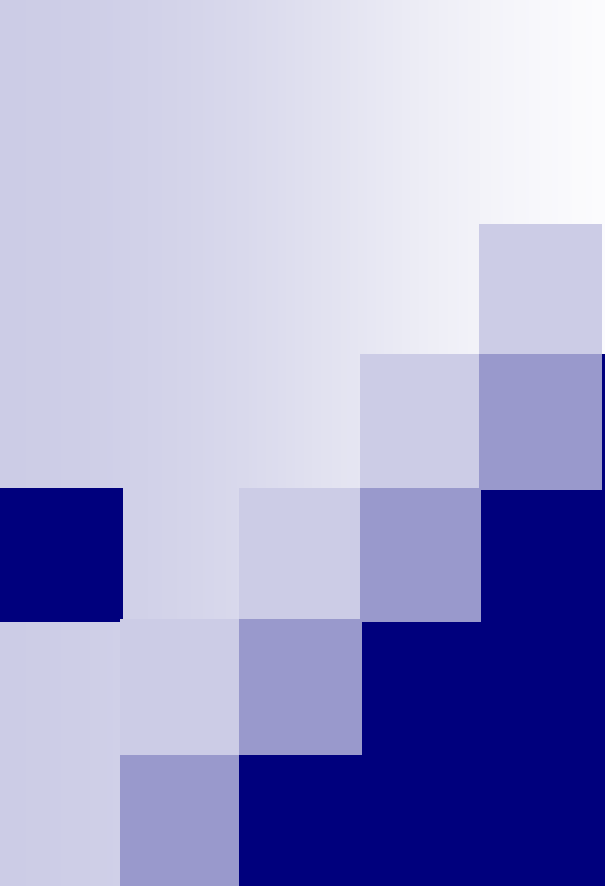


# Figure 12. Household Earnings and Income Volatility by Age



# Conclusion

- The older population is not that much different than the rest
- SNAP and even UI (at least for those under 67) are important
- Poverty among the elderly is high and the transfer system provides major assistance in recessions and in the Pandemic Recession



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