Multidimensional poverty and safety net participation

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Prepared for Stanford University
Center on Poverty and Inequality
New Scholars Workshop
March 7, 2014
Support

U.S. Department of Education, National Institute on Disability and Rehabilitation Research (NIDRR)

Employment Policy and Measurement Rehabilitation Research and Training Center at University of New Hampshire

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Purpose of the presentation

• Review past work on:
  – Multidimensional poverty
    • Brucker, Mitra, Chaitoo & Mauro (in press)
  – Safety net participation
    • Houtenville & Brucker (2013)
    • Brucker & Houtenville (in press)

• Discuss future research directions
Multidimensional poverty


Using data from the 2010 and 2011 Current Population Surveys, examines:

- Official poverty
- Supplemental Poverty Measure poverty
- Multidimensional poverty for working age persons with disabilities.
Current measures

• Official poverty measure:
  – Uses a set of pre-tax income thresholds, which do not include either capital gains or in-kind benefits
  – Thresholds vary by family size and composition (i.e. age of family members)
  – A key criticism is that the official poverty measure does not factor in government support received by individuals, families or households, so might over-report poverty.

• Supplemental Poverty Measure
  – Family resources, value of cash income from all sources
  – PLUS the value of in-kind benefits (housing subsidies, Medicaid, nutrition assistance) that are available to buy the basic bundle of goods
  – MINUS necessary expenses for critical goods and services (medical out of pocket expenses, income and payroll taxes, childcare and other work-related expenses, child support payments, etc.)
Multidimensional measures

- Monetary and non-monetary components
  - Income
  - Assets
  - Educational attainment
  - Food security
  - Health status
  - Political participation
  - Social connectedness
  - Internet access
Multidimensional measures

Following Alkire & Foster (2011), to develop measures:

– Choose dimensions based on prior research;

– Define indicators within each dimension;

– Choose binary deprivation cut-offs for each indicator; and,

– Set number of dimensions beyond which someone is deemed “poor.”
Choose dimensions based on prior research

Persons with disabilities are more likely to:

- be income poor (Brault, 2012; Cooper et al., 2011; Huang et al., 2010; She & Livermore, 2009).
- face material hardships (Livermore et al., 2007).
- have disparities in accessing health care (Chevarley et al., 2006; Wilkinson et al., 2011).
- live alone and face transportation issues (Harris Interactive, 2010).

Persons with disabilities are less likely to:

- complete high school (Chapman et al., 2010; Harris Interactive, 2010).
- complete post-secondary education (Newman et al., 2010; Wagner et al., 2005).
- be employed (Houtenville, 2013).
- participate in political activities such as voting (Schur & Adya, 2012).
- be involved in community and social activities (Harris Interactive, 2010).
Example 1: “Economic Measure”

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Deprived if ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational attainment</td>
<td>Person has less than HS education</td>
</tr>
<tr>
<td>Employment</td>
<td>Person has no past year employment</td>
</tr>
<tr>
<td>Health insurance</td>
<td>At least one person in the family is uninsured</td>
</tr>
<tr>
<td>Income</td>
<td>Family is poor per official poverty measure</td>
</tr>
<tr>
<td>Food security</td>
<td>Low to very low household food security status for past 12 months</td>
</tr>
</tbody>
</table>

Poverty = 2 or more out of 5

(Brucker, Mitra, Chaitoo, & Mauro, in press)
Example 2: “Socioecopolitical Measure”

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Deprived if ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational attainment</td>
<td>Person has less than HS education</td>
</tr>
<tr>
<td>Employment</td>
<td>Person has no past month employment</td>
</tr>
<tr>
<td>Social connectedness</td>
<td>Person has index of 5 or lower on 15 point scale</td>
</tr>
<tr>
<td>Computer/Internet</td>
<td>Household does not own a computer or has computer but lacks Internet</td>
</tr>
<tr>
<td>Political participation</td>
<td>Person did not vote in recent election</td>
</tr>
</tbody>
</table>

Poverty = 2 or more out of 5

(Brucker, Mitra, Chaitoo, & Mauro, in press)
### Poverty rates by sensory, functional, or activity limitations for different poverty measures, 2010

<table>
<thead>
<tr>
<th>Disability Status</th>
<th>Official Poverty Measure</th>
<th>Supplemental Poverty Measure</th>
<th>Economic Measure</th>
<th>Socioeco-political Measure</th>
<th>Economic Measure excluding employment</th>
<th>Socioeco-political Measure excluding employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% (s.e.)</td>
<td>% (s.e.)</td>
<td>% (s.e.)</td>
<td>% (s.e.)</td>
<td>% (s.e.)</td>
<td>% (s.e.)</td>
</tr>
<tr>
<td>No disability</td>
<td>10.92 (0.12)</td>
<td>12.26 (0.13)</td>
<td>16.90 (0.30)</td>
<td>26.99 (0.29)</td>
<td>11.08 (0.25)</td>
<td>19.84 (0.26)</td>
</tr>
<tr>
<td>Disability</td>
<td>29.04 (0.62)</td>
<td>28.04 (0.61)</td>
<td>48.79 (1.50)</td>
<td>62.62 (1.04)</td>
<td>25.20 (1.28)</td>
<td>41.14 (1.07)</td>
</tr>
<tr>
<td>Difference</td>
<td>18.11***</td>
<td>15.78***</td>
<td>31.89***</td>
<td>35.63***</td>
<td>14.13***</td>
<td>21.30***</td>
</tr>
</tbody>
</table>

*** p<.01 significant difference in proportions of persons with and without disability in poverty

Source: Brucker et al, 2014
Deprivation rates by dimension across disability status

<table>
<thead>
<tr>
<th>Disability Status</th>
<th>Multidimensional poverty - Economic measure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% no high school completion</td>
<td>% non-employed</td>
</tr>
<tr>
<td>No disability</td>
<td>7.97 (0.21)</td>
<td>22.16 (0.35)</td>
</tr>
<tr>
<td>Disability</td>
<td>17.10 (1.07)</td>
<td>67.22 (1.43)</td>
</tr>
<tr>
<td>Difference</td>
<td>9.13 ***</td>
<td>45.05 ***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disability Status</th>
<th>Multidimensional poverty - Socioecopolitical measure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% no high school completion</td>
<td>% non-employed</td>
</tr>
<tr>
<td>No disability</td>
<td>9.36 (0.19)</td>
<td>21.73 (0.27)</td>
</tr>
<tr>
<td>Disability</td>
<td>19.59 (0.87)</td>
<td>69.54 (0.99)</td>
</tr>
<tr>
<td>Difference</td>
<td>10.23 ***</td>
<td>47.81 ***</td>
</tr>
</tbody>
</table>

Notes: Standard errors are in parentheses. All estimates are weighted.
*** indicates that the difference in poverty rates between persons with and without disability is statistically significant at 1%
Source: Brucker et al., 2014 using CPS data
Deprivation rates by dimension: Economic measure
Deprivation rates by dimension: Socioecopolitical measure
Multidimensional poverty: Key findings

• In the U.S., disability is associated with poverty, irrespective of the poverty measure under use.

• For 2010, the disability gap in poverty rates is slightly but significantly lower as per the SPM (16%) than the gap found using the official poverty measure (18%) (p<.01).
Multidimensional poverty: Key findings (cont.)

- The disability gap in poverty rates is higher when using multidimensional poverty measures instead of the SPM or the official poverty measure.

- Example: Gap for persons with sensory, functional or activity limitations:
  - 18 percentage points (official poverty measure)
  - 16 percentage points (Supplemental Poverty Measure)
  - 32 percentage points (economic measure)
  - 36 percentage points (socioecopolitical measure)
Safety net participation: Part 1


Safety net participation: Part 1

Key findings (Houtenville & Brucker, 2013):

• Approximately 1/3 of working age safety net participants are persons with disabilities.

• Among working age persons with disabilities, 65% participate in at least one safety net program (compared to 17% of persons without disabilities).
  - 32% in Medicaid
  - 26% in Medicare
  - 22% in SSDI
  - 22% in SNAP
  - 17% in SSI
Safety net participation: Part 1

Key findings (Houtenville & Brucker, 2013):

• 38% of Social Security Disability Insurance (SSDI) beneficiaries and 54% of Supplemental Security Income (SSI) participate in safety net programs other than SSDI, SSI, Medicaid and Medicare.

• Participation in nutrition assistance (Supplemental Nutrition Assistance Program) is common among beneficiaries (21% of SSDI, 42% of SSI).

• For the low-income population in general, participation in employment services is low, ranging from 3% to 6%.
Safety net participation: Part 2


- Using data from the 2012 Current Population Survey merged with the SPM CPS data, models how changes in public disability benefit amounts might impact the income and resources of disability beneficiaries who are and who are not participating in other safety net programs.
Safety net participation: Part 2

Key findings (Brucker & Houtenville, in press)

- Disability benefits account for a large share of family income and resources, regardless of cross-participation.
  - SSDI benefits accounted for 65% of family income and SPM resources for SSDI-only beneficiaries who were participating in other safety net programs.
  - SSDI benefits accounted for 48% of family income and 57% of SPM resources for SSDI beneficiaries who were not participating in other programs.
Key findings (Brucker & Houtenville, in press), continued ...

• Beneficiaries who are cross-participating in other programs would experience percentage point increases in official poverty and SPM poverty that are approximately twice as large as the increases that non-cross participating beneficiaries would face at each estimated level of benefit reductions.

• Reductions in the $ amount of SSDI and/or SSI benefits will have the largest relative impact on beneficiaries who are already participating in other programs.
## Safety net participation: Part 2

Example: Effects of potential cuts to SSDI for DI beneficiaries

<table>
<thead>
<tr>
<th>Alternative benefit level</th>
<th>All</th>
<th>Cross</th>
<th>Non-cross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official poverty</td>
<td>25.1</td>
<td>39.5</td>
<td>14.8</td>
</tr>
<tr>
<td>DI - 10%</td>
<td>29.3</td>
<td>45.8</td>
<td>17.6</td>
</tr>
<tr>
<td>DI - 25%</td>
<td>36.3</td>
<td>54.0</td>
<td>23.7</td>
</tr>
<tr>
<td>DI - 50%</td>
<td>43.5</td>
<td>61.2</td>
<td>31.0</td>
</tr>
<tr>
<td>DI - 75%</td>
<td>49.4</td>
<td>68.2</td>
<td>36.0</td>
</tr>
<tr>
<td>DI - 100%</td>
<td>55.0</td>
<td>73.4</td>
<td>41.9</td>
</tr>
</tbody>
</table>
Future work

- For the general population ...
  - Use multidimensional lens to examine safety net participant levels of poverty (CPS, SIPP)
  - Merge data to capture additional dimensions (e.g. ACS and Uniform Crime Reports)
  - Conduct longitudinal analysis (CPS)

- For persons with disabilities ...
  - Explore issues of food security (University of Wisconsin RIDGE scholar)
  - Investigate public housing authority supports for persons with disabilities
  - Gather input from persons with disabilities about relative importance of indicators of well-being (multidimensional poverty dimensions)
Questions?

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