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Economic Modeling of Child Poverty and Prevention Council Initiatives

Final Report

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This work was performed under contract with the State of Connecticut, in support of the state's Child Poverty and Prevention Council (CPPC). The project used the public version of the TRIM3 microsimulation model. TRIM3 is maintained and developed at the Urban Institute under primary funding from the federal Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (HHS/ASPE). Because TRIM3 simulations require users to input assumptions and/or interpretations about economic behavior and the rules governing federal programs, the conclusions presented here are attributable only to the authors of this report.

Many individuals contributed to this work. TRIM3 staff members Kara Harkins, Paul Johnson, Jessica Kelly, Joyce Morton, and Laura Wheaton developed procedures and/or performed programming. Ei Yin Mon at the Urban Institute helped with the review of the literature on the employment effects of various poverty interventions, and Jamyang Tashi assisted with producing the final report. Kathleen Short at the Bureau of the Census provided guidance in the implementation of the NAS poverty measure. Pamela Trotman of the Connecticut Office of Policy and Management provided ongoing direction. We also acknowledge the long-standing support of HHS/ASPE for the annual updating and maintenance of the TRIM3 microsimulation system, without which this type of analysis would not be possible.

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I. Introduction

The Child Poverty and Prevention Council (CPPC) engaged the Urban Institute to estimate the potential effects of numerous proposals designed to reduce child poverty in the state of Connecticut (CT). The CPPC initiatives include increasing adult education, expanding and improving safety net programs, and implementing other policies to strengthen families. The CPPC required estimates for two measures of child poverty. The first measure includes only cash income in family resources and represents the "official" poverty measure reported by the U.S. Census Bureau. The second measure more closely approximates families' net incomes. This second measure adds capital gains and noncash income to cash income and subtracts taxes and nondiscretionary expenses. The second measure, based on recommendations from the National Academy of Sciences (NAS) as reported in Citro and Michael (1995), can capture the effects of a broad array of government initiatives to reduce poverty. The measures also use different thresholds to define poverty for families that are consistent with the different income measures.

This report describes the analysis of how the initiatives under consideration by the CPPC likely would affect child poverty in CT. The analysis begins by establishing a "baseline," or detailed representation of how current government tax and spending programs in the U.S. and CT affect poverty for the representative sample of families in the Current Population Survey (CPS). The baseline includes 2008 program rules as applied to families in 2005 and 2006.

The analysis compares poverty estimates under different policy alternatives to those estimated in the baseline. We show the effects of individual policies as well as the effects of a combined set of policies, incorporating the likely labor supply effects of several of the alternative policies. The poverty estimates represent a period before the current recession and present a rosier picture of poverty in CT and the nation than exists today. Also, the labor supply effects assume that the labor market could accommodate higher employment and wages that could result from these types of policies. Thus, the estimates provide a sense of the relative effects of different types of initiatives and their potential effects in an economy similar to that experienced in 2005/2006.

This paper begins by describing the alternative measures of poverty that underpin the analysis. Then we describe how we use the TRIM3 model to calculate these measures and simulate alternative policies. The next section describes the CPPC initiatives and provides estimates of their potential effects on child poverty. The final chapter summarizes the results along with key caveats of the estimates. Appendices provide more detail on the model, assumptions, and results for the interested reader.

II. Measuring Child Poverty

The analysis uses two approaches to measuring poverty. The first approach is the "official" poverty measure used by the United States Census Bureau in its annual report on poverty. The second approach approximates the definition recommended by the National Academy of Sciences. As explained below, the two measures of poverty differ both in how they

measure resources available to families and how they define the thresholds below which a family is counted as poor. The second measure of poverty is recommended by many experts because it represents a more accurate, up-to-date measure of family resources and need.[1]

Resources. The official poverty measure only includes pre-tax cash income sources in its resource definition, but the NAS measure includes a broader definition of resources that approximates the net income available to a family (Table 1). The NAS measure begins with cash income, adds capital gains and in-kind benefits (Supplemental Nutrition Assistance Program (SNAP) benefits,[2] housing assistance, and others), deducts federal and state income taxes (including refundable credits), and subtracts nondiscretionary expenses such as the cost of child care and transportation to work.[3] (As noted below, we account for nondiscretionary out-of-pocket medical expenses through the thresholds used to measure poverty.) With this broad definition of resources, the NAS poverty measure can show how government tax and benefit policies affect family income and poverty status.

Thresholds. The official measure of poverty uses thresholds based on a subsistence food budget times a factor of three. The measure was developed in 1963 and based on spending patterns observed in a 1955 consumption survey (Blank and Greenberg 2008). The thresholds represent nation-wide spending averages. The thresholds are adjusted by the change in the Consumer Price Index (CPI) each year.

In contrast, the NAS thresholds are based on the most recently available Consumer Expenditures (CE) data.[4] As recommended by the NAS panel, we modify the national-level thresholds from the CE data to reflect the cost-of-living in CT, with separate adjustments for urban and rural regions within the state. These adjustments, supplied by the U.S. Census Bureau, are based on differences in the fair market value of rents across the country. We also use the Census thresholds that incorporate medical out-of-pocket expenses. Experts recommend incorporating the effects of nondiscretionary out of pocket medical expenses on poverty, and many recommend including expected expenses in the thresholds rather than subtracting actual

[1] Iceland (2005) summarizes much of the research completed to evaluate the new measure of poverty as well as expert opinion on its various elements.

[2] As of Oct. 1, 2008, *Supplemental Nutrition Assistance Program* (SNAP) is the new name for the federal Food Stamp Program. We use the new terminology in this report.

[3] We follow Census Bureau procedures and cap the value of housing subsidies included as income at 44 percent of the poverty threshold—the percent of the threshold considered to represent housing costs. Housing subsidies free up income for purchasing food and other necessities only to the extent that they enable a household to meet the need for shelter.

[4] The Consumer Expenditure (CE) Survey is a nationally-representative survey that asks respondents to record a diary of many types of expenditures and that interviews respondents about other expenses. The CE data are used to obtain national-level spending on food, clothing, shelter, and utilities, for families whose spending is at approximately 80 percent of the median amount. Adjustments are made to allow for some spending on other items, and further adjustment is made for medical costs. See Appendix A of Short (2001) for details.

Table 1
Key Concepts, Official and NAS Poverty Measures

Concepts	Census "Official"	NAS Alternative
Resources (see note)	Cash Income Wages, salaries, self employment Interest, dividends, rent, trusts Social Security & Railroad Retire. Pensions Disability benefits Unemployment compensation Child Support Veterans benefits Educational assistance *Supplemental Security Income* *TANF* Other cash public assistance	Cash Income Same as "Official" *+Capital Gains* *+Food Stamps/SNAP* *+WIC* *+LIHEAP* *+Housing Subsidies* + School lunch *-Federal income tax* *-Payroll Taxes* *-State Income Taxes* *+Federal EITC* *+State EITC* *-Child care expenses* *-other work expenses*
Thresholds	National thresholds that vary by age (less than 65 and 65+), number of children and adults. The original thresholds were based on the share of income spent on food in 1963 and have been adjusted by the change in the CPI each year.	NAS thresholds based on latest consumer expenditures data and provided by the Census Bureau. Out-of-pocket medical expenses are included in the thresholds. Geographic adjustments are included that vary by metro and nonmetro areas within CT. The thresholds use a three parameter scale that varies the thresholds for differences in family size and number of children. The medical portion of the thresholds account for differences in elderly/non-elderly status, family size, health insurance coverage and health status.

Notes:
(1) Resources and nondiscretionary spending in *italics* indicates a TRIM3 imputed value required either because benefits are either underreported or not available on the Current Population Survey (CPS).
(2) Some data not available on the CPS are imputed by matching in data from other sources, but government benefits typically are simulated by using program rules to estimate family and individual eligibility, benefits and enrollment. Simulation procedures use state and federal administrative data to align/validate the results

expenses (Iceland 2005).[5] Inclusion of expected medical expenses in the thresholds treats these expenses as a basic need for all families, including the uninsured.[6]

Table 2 shows the official poverty threshold and alternative NAS-based thresholds for a reference family of two adults and two children living in CT. The official CY 2006 poverty threshold for a family of two adults and two children is $20,444.[7] The NAS estimate that does not account for geographic differences or medical expenses is $21,818 (6.7 percent higher). Note that the two thresholds are not directly comparable, however, because they apply to two different measures of family resources. The thresholds that account for geographic differences in CT living costs are $25,139 for families living in urban areas and $23,503 for families living in rural areas, about 15 and 8 percent higher than the national NAS thresholds, respectively. The CY 2006 geographic adjustment factors reflect higher-than-average housing costs in CT for both urban and rural areas relative to the U.S.

The Census Bureau further provides thresholds that incorporate medical expenses, Using quarterly data from the Consumer Expenditure Survey and data from the 1996 Medical Expenditure Panel Survey (MEPS), thresholds are calculated that adjust for differences in medical costs observed by elderly/nonelderly status, health insurance coverage and health status (Short, 2001). They assume that uninsured families need the same level of spending as those with private health coverage.[8] As shown in Table 2, the inclusion of expected medical expenses increases the thresholds in CT from 2 to 12 percent for a nonelderly family with two adults and two children, depending on type of family health coverage and health status. For a 4-person CT family living in an urban area whose members are all in good health, the NAS poverty threshold is $27,620 if the family is uninsured, $27,579 if they are covered by private insurance, and $25,572 if the family is covered by public insurance (Medicaid and/or SCHIP). Thus, uninsured and privately-insured families may be counted as poor at slightly higher income levels than publicly-insured families, in recognition of their higher expected medical expenses. The NAS thresholds also vary by family size.[9]

[5] The Current Population Survey used in this analysis does not provide information about families' out-of-pocket (OOP) medical expenses, nor does the TRIM3 model impute expenses. Thus the use of the thresholds with medical expenses provided the only feasible method of incorporating the effects of nondiscretionary medical expenses in this analysis.

[6] Some argue that the use of "expected" medical expenses rather than actual expenses overstates actual medical costs for many families and understates the costs for families that experience high medical expenses. Others argue that erroneous poverty classifications using this method are probably modest (Iceland 2005).

[7] The Census Bureau calculates geographic adjustments to the poverty threshold, by state and by urban/rural area within state, using the Department of Housing and Urban Development (HUD) Fair Market Rents (FMRs) (Short 2001). FMRs, developed for HUD's Section 8 certificates and vouchers program, represent the 40th percentile of rent (including utilities) for rental units meeting a standard quality of rental housing.

[8] That is, observed expenditures for the uninsured do not provide a reasonable estimate of their medical care needs (Short 2001).

[9] Appendix A shows the standard and alternative poverty thresholds for all family sizes, including the variations in the alternative thresholds for metropolitan and non-metropolitan CT families.

Table 2
Official and NAS-Based Poverty Thresholds - Family of Two Adults and Two Children: CY 2006

	No Geographic Adjustment	Geographic Adjustment for CT	
		CT-urban	CT-rural
Official Poverty Threshold[1]	20,444	NA[2]	NA[2]
Alternative NAS-Based Thresholds [3]			
Exclude Medical Expenses from Threshold	21,818	25,139	23,503
Medical Expenses in Threshold: Family Has[4]			
Private Insurance, Good Health	23,935	27,579	25,783
Private Insurance, Fair/Poor Health	24,402	28,116	26,286
Public Insurance, Good Health	22,194	25,572	23,907
Public Insurance, Fair/Poor Health	22,301	25,696	24,023
Uninsured, Good Health	23,971	27,620	25,822
Uninsured, Fair/Poor Health	24,079	27,744	25,938

1 Source: U.S. Census Bureau: http://www.census.gov/hhes/www/poverty/threshld/thresh06.html

2 The official poverty thresholds do not include geographic adjustments.

3 Alternative thresholds for a two adult, two child, reference family are obtained from http://www.census.gov/hhes/www/povmeas/altmeas06/nas_experimentalthresholdsv2.xls, and reflect thresholds calculated using the most recently available 12 quarters of Consumer Expenditure survey data.

4 Following the Census Bureau's methodology, we adjust the threshold by insurance and health status using the "risk factors" in table A-10 (Short, 2001).

The Census Bureau provides some variations on this approach to implementing the NAS recommendations (Dalaker 2005). The measure used in this analysis represents a close approximation to the general consensus of the Committee on National Statistics (CNSTAT) as published from their workshop on June 15-16, 2004 (Iceland 2005).[10] However, the Committee members did not come to a single recommendation on every element of the measure. For example, many workshop participants favored incorporating the value of housing to home owners (not included in the measure used here), but there was little consensus on the method that should be adopted. The "Measuring American Poverty (MAP) Act of 2009," cosponsored by Representative Jim McDermott (D-WA) and Senator Christopher Dodd (D-CT), calls for development of a single "modern poverty measure."

[10] The NAS also recommended that resources include the value of school lunch and breakfast and subtract child support payments made to another household; those elements could not be included in this analysis.

III. Methods for Estimating Poverty Using TRIM3

This analysis requires an economic model that can capture the effects of current government program rules on family incomes and poverty (the "baseline") and can simulate how alternative policies may affect income and poverty. We use the TRIM3 model, a highly-developed and detailed microsimulation model of the key tax and benefit programs affecting low-income families. The model has been developed and used at the Urban Institute for over 30 years, under primary funding from the Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (HHS/ASPE). The federal government uses the model to understand the coverage and impacts of government programs. Recently, both the Center on American Progress (CAP) and the Legislative Commission to End Poverty in Minnesota used TRIM3 to analyze recommendations to reduce poverty (CAP 2007 and LCEP 2009). The TRIM3 project's website, trim3.urban.org, provides full documentation of the model. Here, we briefly describe three key aspects of the model: the input data, baseline simulations and poverty measurement, and methods for analyzing policy alternatives.

Input data. The data underlying this analysis are the CY 2005 and CY 2006 Annual Social and Economic Supplement (ASEC) files of the Current Population Survey (CPS) data. The CPS is a nationally-representative survey of the civilian non-institutionalized population of the United States, conducted monthly by the U.S. Bureau of the Census. The ASEC supplement to the CPS, conducted annually, is the source of the official U.S. poverty statistics produced.[11]

Using two years of CPS data provides additional sample for Connecticut-specific analysis and reduces the statistical error around the estimates presented. Even with two years of data, the sample size for Connecticut is sufficiently small (about 600 unique low-income households) that we cannot provide precise information on the impact of policies on detailed subgroups. For example, while the effects of a particular policy on child poverty by race, ethnicity, or family composition can be computed, there would be a large "confidence interval" (range of uncertainty) associated with those estimates.

The Baseline. The CPS provides a detailed set of information about families including their demographic characteristics, work status, earnings and other sources of income. However, the NAS poverty estimation requires additional information such as personal income tax liability and nondiscretionary expenses. In addition, some of the CPS data are known to underestimate receipt of government benefits (Wheaton 2008). We correct for this underreporting so that the baseline represents the best estimate of the effect of government spending against which we can compare alternative program rules.

We use simulation and imputation procedures to add the information required for the NAS poverty definition and to correct for underreporting on the CPS (Table 3). The simulation procedures use the information available on the CPS and the detailed program rules and administrative data sources to calculate government benefits and tax liability for families. These simulation procedures both "correct" for underreporting of benefits and add information on

[11] The CPS does not sample individuals in homeless shelters, prisons, nursing homes, and other types of institutions. For more information on the CPS sample, see http://www.census.gov/cps/,

family tax liability. We impute some of the other estimates required for the analysis such as child care expenses and capital gains. These imputations use the best-available data detailing those amounts and statistical procedures that predict the amounts, given different family characteristics. In the case of work expenses other than child care, we use the estimates used by Census Bureau researchers.

The TRIM3 simulation procedures are internally consistent and reflect current CT policies. The procedures capture program interactions; for example, TRIM3-simulated values for SSI, TANF, child care expenses and housing payments are used in simulating the amount of Food Stamp benefits received. CT's current tax and benefit policies are used, and simulated caseloads for benefit programs are in line with CT's actual caseloads. The simulations incorporate changes in law between 2005-2006 (the years the data represent) and 2008 that are important to the poverty estimates. These adjustments mean that any effects of alternative policies are relative to current law, rather than the laws in place in 2005-2006. More information on the baseline simulations is included in Appendix B.

For each family, baseline poverty status is assessed two times – once comparing cash income to the standard poverty threshold, and again comparing the expanded resource measure to the alternative poverty threshold. In the case of the standard poverty measure, we assess not only whether families are below poverty, but whether they are below two times the poverty threshold.

Estimating the Effects of Alternative Policies. TRIM3 simulates the effects of different program rules on family incomes and poverty by first calculating the direct effect of the alternatives on families' program benefits and taxes and second estimating any potential labor supply response to the alternative policies. Recalculation of program benefits and taxes occurs at the micro-level. That is, the model calculates benefit and tax eligibility under different program rules for each family in the data base. For example, if access to child care subsidies is expanded, each subsidy-eligible family is assessed and specific families are identified as the new subsidy recipients. The model subsequently recalculates all other benefits and taxes to capture any program interactions. For example, if child care expenses are lower for a family receiving a new child care subsidy, the child care disregard in the food stamp benefit calculation will be lower, resulting in a lower food stamp benefit. Similarly, poverty status will be recalculated to capture changes in family income and expenses.

The model also simulates changes in labor supply that may result from changes in policy. For example, broader availability of child care subsidies likely will encourage parents to increase their hours of work or to move into the labor market because their earnings net of child care costs will be higher. The model uses estimates from the best-available economics literature to estimate these effects. Typically, this literature provides estimates of the percent of adults likely to move into the labor market or increase earnings in response to a percentage increase in net income. The model uses these estimates to change labor supply and earnings of relevant individuals. The model assumes that the labor market could absorb additional workers and higher wages. Thus, the estimates of poverty reduction that include labor supply effects should be considered best-case or long-run scenarios.

Table 3
Sources of Data for Family Resources and Needs, National Academy of Sciences (NAS) Definition of Poverty

Element of Resources/Needs		Sources: Data are either reported in the Current Population Survey (CPS) or added to the CPS using TRIM3 simulation and imputation procedures. [12]
Cash income		
	Wages, Salaries, self-employment	Reported
	Interest, dividends, rent, trusts	Reported
	Social Security & Railroad Retirement	Reported
	Pensions	Reported
	Disability benefits	Reported
	Unemployment compensation	Reported
	Child support	Reported
	Veterans benefits	Reported
	Educational assistance	Reported
	Supplemental Security Income (SSI)	Simulated to correct for under-reporting
	TANF	Simulated to correct for under-reporting
	Other public assistance	Reported
Near-cash elements (added to cash income)		
	Capital gains or losses	Imputed
	Food stamps/SNAP	Simulated to correct for under-reporting
	Women Infants and Children (WIC) benefits	Simulated to correct for under-reporting.
	Low-Income Home Energy Assistance Program (LIHEAP)	Simulated to correct for under-reporting.
	Public and subsidized housing	Subsidy receipt reported; value simulated
	School lunch	Imputed by Census Bureau
Taxes (deducted from income)		
	Federal income taxes and EITC	Simulated
	State income taxes and EITC	Simulated
	Payroll taxes	Simulated
Expenses (deducted from income)		
	Child care expenses	Imputed
	Other work expenses	Imputed using Census Bureau assumptions
Health insurance status (affects thresholds)		
	Medicaid/SCHIP coverage	Simulated
	Private health coverage	Reported

[12] Some data not available on the CPS are *imputed* by matching in data from other sources, but government benefits typically are *simulated* by using program rules to estimate family and individual eligibility, benefits and enrollment. Simulation procedures use state and federal administrative data to align/validate the results.

The model subsequently recalculates all benefits and taxes based on these revised earned income estimates. In section V, we describe results of alternative policies with and without expected labor supply responses. We also reference the literature we use to simulate these responses. These estimates are, of course, illustrative since the economic literature typically provides a range of possible estimates.

IV. Child Poverty in CT and the Nation

Child poverty in CT was tabulated using two definitions of poverty – the standard definition and the NAS-based definition, as described in Sections II and III. Poverty was also tabulated for the nation as a whole and for adults as well as children.

As discussed above, the two definitions vary both in the measure of resources (more comprehensive in NAS) and in the threshold (higher in the NAS definition). A particular family may be poor under one definition and not poor under another definition, depending on that family's measured resources and poverty threshold under the two definitions.

Child Poverty, CT and US. The official poverty definition shows 88,000 CT children in poverty, compared with 90,000 using the NAS methodology (Figure 1). One reason for the slightly higher NAS poverty count is the higher cost of housing in CT that is reflected in the NAS poverty thresholds. About twice as many CT children (207,000) live in families with incomes below 2 times the official poverty threshold -- often used as a measure of low-income status.

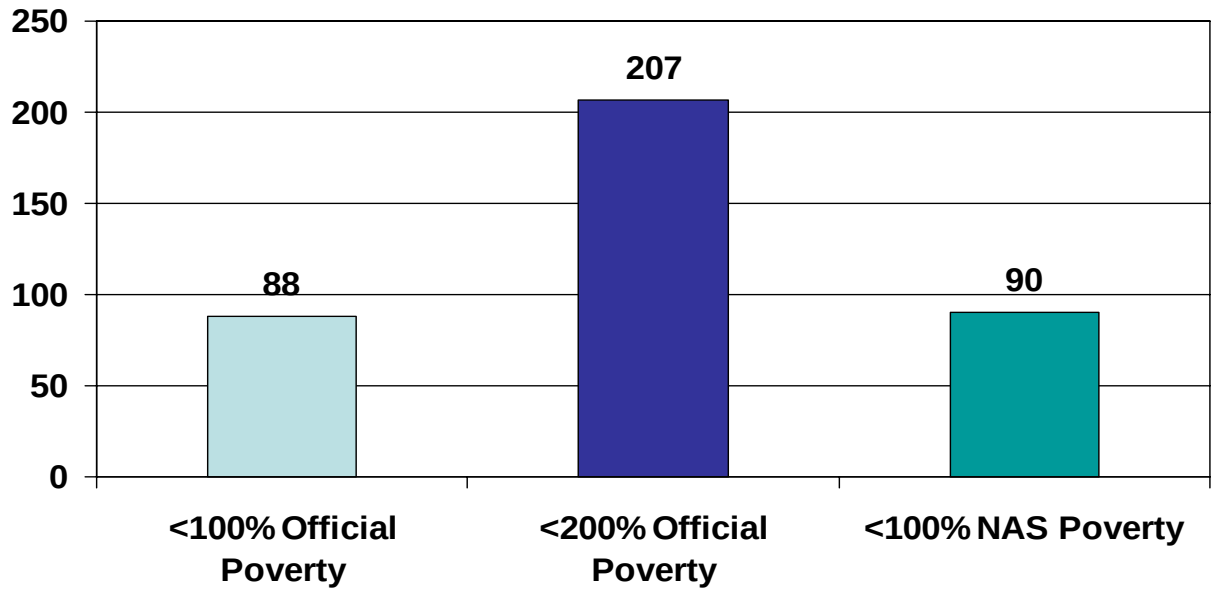
Child poverty rates are substantially lower in CT than in the US as a whole (Figure 2). Using the official definition of poverty, 10.7 percent of CT's children are poor, compared with 16.9 percent of children nationwide.[13] Using the NAS definition, the CT child poverty rate is 10.9 percent, while the US child poverty rate is 13.4 percent. (In the US as a whole, the combination of the NAS resource measure and thresholds reduces the child poverty rate, but in CT the NAS rate is slightly higher.)

Table 4a shows poverty rates for all individuals in CT and Table 4b shows poverty rates for the nation as a whole, using both the official and NAS definitions. The NAS poverty definition shows a significantly higher poverty rate for all persons in CT (11.3 percent) compared with the official definition (8.5 percent). The biggest difference between the two definitions is for older adults; the official rate for persons in families with a member 65 or older is 7.5 percent, while the NAS definition increases the rate to 14.0 percent. The NAS poverty definition does not assume that persons ages 65 and older need less for basic needs than younger

[13] These poverty estimates are specific to the CPS-TRIM data and methods used for this analysis; estimates may differ across surveys. For example, the CPPC's January 2009 Progress Report (CPPC, 2009) shows that the American Community Survey estimates 11.6 percent of CT children in poverty in 2005, and 11.0 percent in poverty in 2006, using the official poverty definition. The difference between the 10.7 percent baseline poverty rate for 2005/2006 in this analysis (using the official definition) and the 11.3 percent average in the ACS data is due primarily to differences between the ACS and CPS data (such as differences in sampling variability, questions about sources of income and survey timing) rather than the TRIM adjustments for under-reporting of TANF and SSI income. Nelson (2006) compares state-level poverty estimates from the CPS and ACS data.

adults as does the official poverty definition. Also, the NAS thresholds reflect the impact of out-of-pocket medical spending, which is higher for older adults than younger persons.[14]

Figure 1
Connecticut Children in Poverty,
2005/2006 (thousands)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) Estimates from the TRIM3 model correct for underreporting of government benefits and include unrelated individual children under age 15 in the family of the householder (Census excludes these children from the poverty universe). Thus, poverty estimates from the TRIM3 model differ slightly from those published by the Census Bureau.
(3) The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.
(4) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

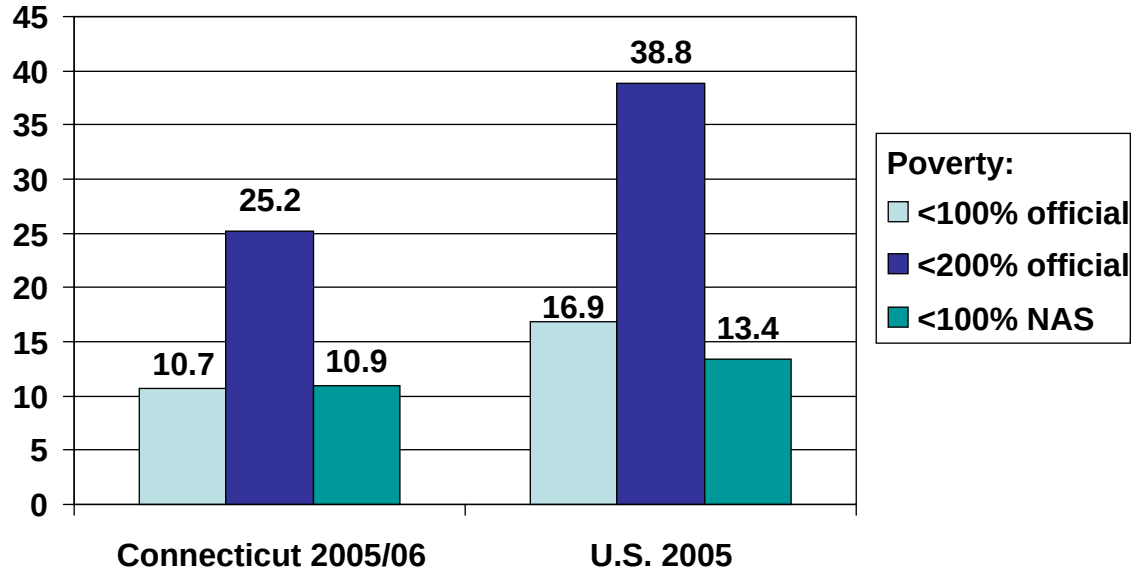
The patterns in CT differ somewhat from those for the entire nation. The national poverty rate is only slightly higher using the NAS definition (12.7 percent compared with 12.4 percent). The poverty rate for older adults is much higher using NAS (14.9 percent compared with 9.6 percent). And the national-level child poverty rate is substantially lower using the NAS definition than the official measure (13.4 percent compared with 16.9 percent). The addition of

[14] Additional data on poverty in CT are included in Appendix B.

non-cash benefits to the resources of families with children moves many over the NAS poverty threshold. However, since the NAS poverty thresholds for CT are substantially higher than the official thresholds (due to the relatively high cost of housing in CT), this effect is muted, and some previously non-poor families with children fall below the NAS threshold.

Antipoverty Effectiveness of Government Programs. Government programs can reduce poverty through cash and near-cash benefits, tax credits, and subsidy programs. If cash income prior to any government programs were compared to the NAS poverty thresholds, 15.1 percent of children would be measured as poor (Figure 3). The inclusion of food and housing benefits reduces poverty to 10.5 percent. Federal taxes, including the EITC credit, reduce the poverty rate to 8.7 percent. The subtraction of child care and other work expenses from net income increases it to 11.0 percent. While only the final figure should be reported as a poverty rate, the table illustrates the ability of government programs to affect family economic well-being.

Figure 2
Children's Poverty Rate in
Connecticut (CT) and United States (US)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.

Notes:

(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

(2) Estimates from the TRIM3 model correct for underreporting of government benefits and include unrelated individual children under age 15 in the family of the householder (Census excludes these children from the poverty universe). Thus, poverty estimates from the TRIM3 model differ slightly from those published by the Census Bureau.

(3) The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.

(4) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

TABLE 4a

"BASELINE" POVERTY IN CONNECTICUT, TWO POVERTY MEASURES

Population: 2005 and 2006 Connecticut data [1,2]

Policies: Current rules for taxes and transfers, deflated appropriately

Official Poverty Definition [3]

Number of persons by family poverty status and type of person [4]	Connecticut, 2005/2006 Average (numbers in thousands)				
	All Persons	Children <18	Persons by family type[4]		
			In families with children	In fams. w/ person 65+	In other families
Poor or low income					
<100% poverty	*296*	*88*	*158*	*35*	*104*
100<200% poverty	*460*	*119*	*242*	*96*	*123*
Total <200%	*756*	*207*	*400*	*131*	*226*
200<300% poverty	*530*	*134*	*288*	*108*	*135*
300+ % poverty	*2,188*	*480*	*1,128*	*230*	*830*
Total persons	3,475	820	1,816	469	1,191
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%

Alternative (NAS) Poverty Definition [5]

Number of persons by family poverty status and type of person [4]	Connecticut, 2005/2006 Average (numbers in thousands)				
	All Persons	Children <18	Persons by family type[4]		
			In families with children	In fams. w/ person 65+	In other families
Poor or low income					
<100% poverty	*393*	*90*	*174*	*66*	*154*
100<200% poverty	*1,034*	*281*	*601*	*183*	*250*
Total <200%	*1,426*	*371*	*775*	*248*	*404*
200<300% poverty	*763*	*179*	*409*	*104*	*251*
300+ % poverty	*1,286*	*271*	*632*	*116*	*537*
Total persons	3,475	820	1,816	468	1,191
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.

Notes:

[1] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[2] Estimates from the TRIM3 model correct for underreporting of government benefits and include unrelated individual children under age 15 in the family of the householder (Census excludes these children from the poverty measure). Thus, poverty estimates from the TRIM3 model differ slightly from those published by the Census Bureau.

[3] The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.

[4] Columns for persons by family type include both children and adults. Persons in families with both children and persons 65+ are in the "families with children" column.

[5] The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

TABLE 4b
"BASELINE" POVERTY IN THE NATION, TWO POVERTY MEASURES
Population: 2005 U.S. data [1]
Policies: Current rules for taxes and transfers, deflated appropriately

Official Poverty Definition [2]

Number of persons by family poverty status and type of person [3]	**Total U.S., 2005** (numbers in thous.)				
	All Persons	Children <18	Persons by family type[3]: In families with children	In fams. w/ person 65+	In other families
Poor or low income					
<100% poverty	*36,347*	*12,435*	*21,530*	*3,575*	*11,243*
100<200% poverty	*54,901*	*16,065*	*31,854*	*9,685*	*13,362*
Total <200%	*91,248*	*28,500*	*53,384*	*13,260*	*24,605*
200<300% poverty	*50,634*	*13,361*	*28,658*	*8,066*	*13,911*
300+ % poverty	*151,952*	*31,615*	*72,959*	*15,816*	*63,177*
Total persons	293,834	73,476	155,001	37,141	101,693
% poor (<100% poverty)	12.4%	16.9%	13.9%	9.6%	11.1%
% poor or near-poor (<200%)	31.1%	38.8%	34.4%	35.7%	24.2%

Alternative (NAS) Poverty Definition [4]

Number of persons by family poverty status and type of person [3]	**Total U.S., 2005** (numbers in thous.)				
	All Persons	Children <18	Persons by family type[3]: In families with children	In fams. w/ person 65+	In other families
Poor or low income					
<100% poverty	*37,242*	*9,846*	*18,249*	*5,550*	*13,442*
100<200% poverty	*94,626*	*28,359*	*57,401*	*14,480*	*22,745*
Total <200%	*131,868*	*38,205*	*75,650*	*20,030*	*36,187*
200<300% poverty	*66,439*	*16,460*	*36,613*	*7,972*	*21,854*
300+ % poverty	*95,528*	*18,811*	*42,739*	*9,138*	*43,651*
Total persons	293,835	73,476	155,002	37,140	101,692
% poor (<100% poverty)	12.7%	13.4%	11.8%	14.9%	13.2%

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:

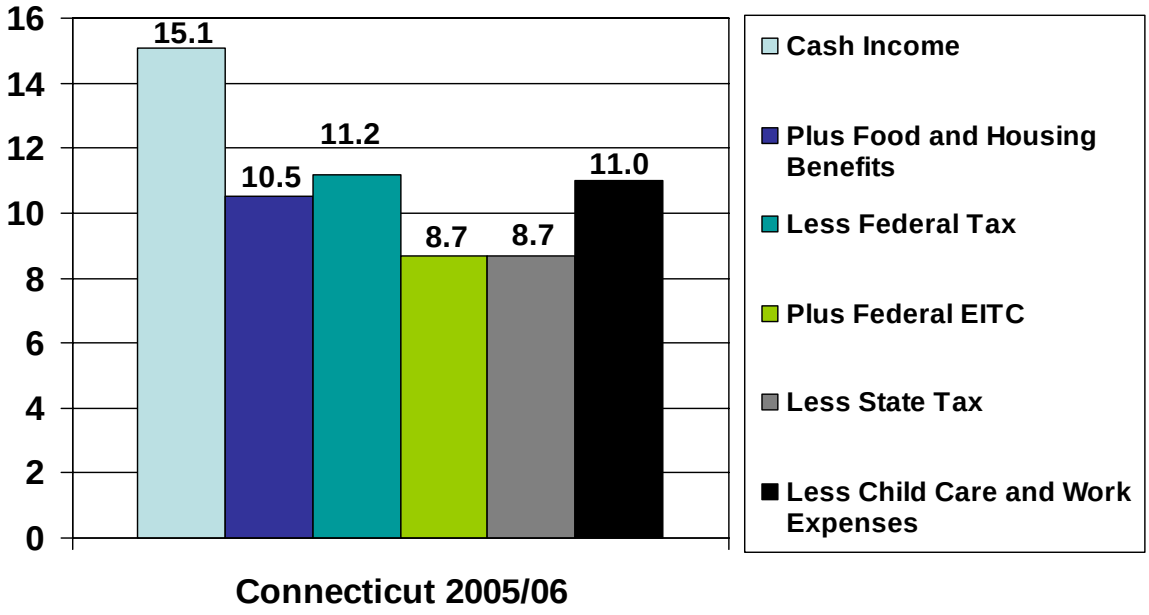
[1] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[2] The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.

[3] Columns for persons by family type include both children and adults. Persons in families with both children and persons 65+ are in the "families with children" column.

[4] The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

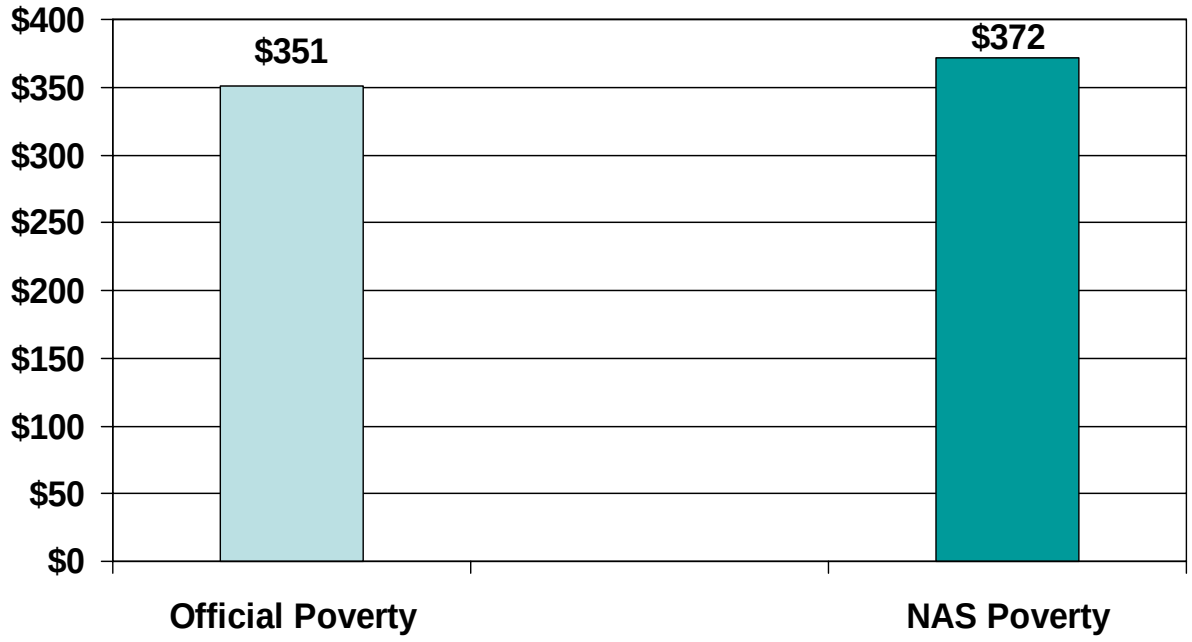
Figure 3
Effect of Government Programs on Child Poverty in Connecticut (NAS Poverty Threshold)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

Poverty Gap. The "poverty gap" is one measure of the extent of poverty, as opposed to its incidence. The poverty gap is defined as the aggregate amount by which poor families fall below the applicable poverty threshold. It is the aggregate amount of money by which incomes of poor families would have to increase in order for all families to be exactly at the poverty threshold. The poverty gap for families with children in CT is $351 million using the official poverty threshold and $372 million using the NAS threshold (Figure 4).

Figure 4
Poverty Gap for Families with Children in Connecticut
(2005/2006, in millions)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The Official Poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.
(3) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

V. Potential Effects of Initiatives to Reduce Poverty

The CPPC's recommendations for reducing poverty fall into four major categories: 1) Family Income and Earnings potential, 2) Education, 3) Income Safety Net, and 4) Family Structure and Support. The Commission asked the Urban Institute to simulate the effects of options in each category. Options were selected on the basis of their potential effect on child poverty and the feasibility of providing reasonable estimates for the recommendations. Policy options are described below, and the estimated impacts on child poverty in CT are presented. Additional simulation results are provided in Appendix D.

Family Income and Earnings Potential

These options include guaranteed child care subsidies, increased usage of the federal EITC and expansion of homeless diversion programs. We simulated the effects of the child care subsidy option, but not the others. Our review of the literature on EITC participation found no information specific to the CT participation rate. Nationally, about 86 percent of eligible families with children participate in the EITC (US General Accounting Office 2001). This estimate is considered a high rate of saturation. In fact, national models of the EITC find fewer families with children eligible for the EITC than actually receive it (Wheaton, 2008). Some families that technically do not qualify receive the EITC, often because of a misunderstanding about the child dependency definition. Most of the tax units eligible for the EITC but not receiving it are single adults eligible for a small federal credit. Since there is no information on the characteristics of nonparticipating adults and the effects on child poverty would be minimal, this option was not simulated. We also could not simulate the homeless diversion program alternative because homeless families are not represented in the CPS.

Guaranteed Child Care Subsidies. This option assumes that Child Care and Development Fund (CCDF) subsidies are an entitlement for eligible families. Following CT's current CCDF policy, families with incomes less than or equal to 50 percent of state median income (SMI) are initially eligible for subsidies. Families can continue to be eligible as long as income does not exceed 75 percent of SMI. Using the SMI levels released in 2008, a family of four gains initial eligibility with income up to $46,908, and remains eligible with income up to $70,368. Families must pay copayments that range from 2 percent of income (for families with income up to 20 percent of SMI) to 10 percent (for families with income at 50 percent of SMI or higher). TRIM3 simulates this option by assuming that all eligible families not currently receiving a subsidy would apply for and receive subsidies if they have child care expenses.[15]

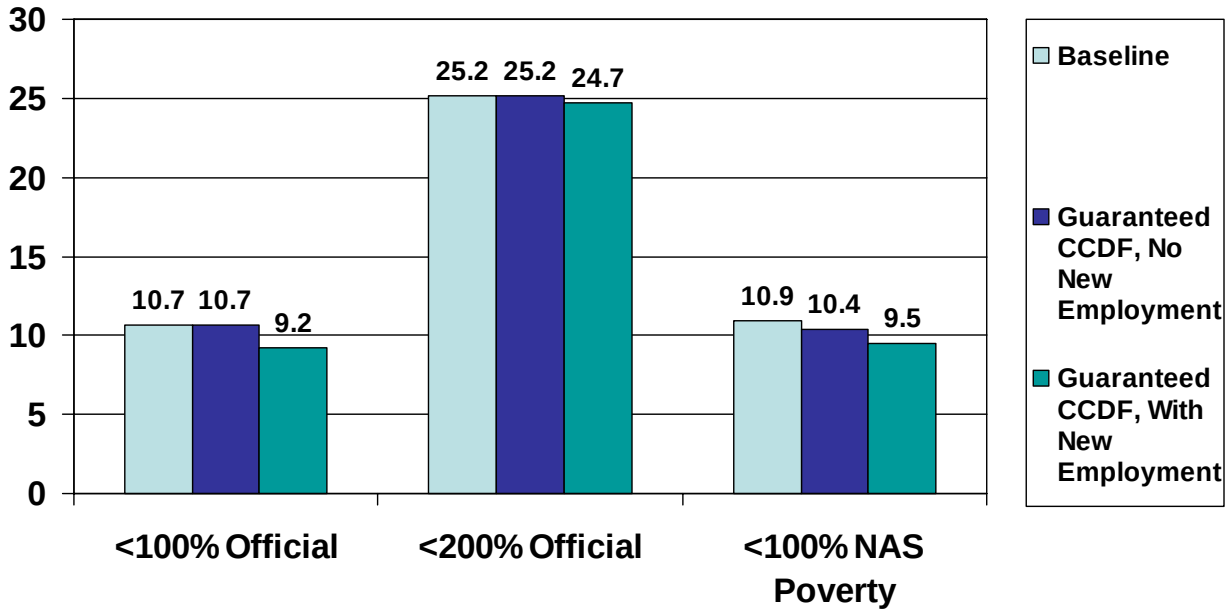
We simulate the direct effects of this option on net family income and poverty, holding constant families' employment and earnings; we then simulate the option assuming that more parents would be employed. Schaefer, Kreader, NCCP, Ann Collins and Abt Associates (2006) review the wide range of estimates of the effect of child care subsidies on employment, and report that estimates often vary by study group. Estimates range from an 11 percent increase in the probability of employment for low-income families (not on welfare) for each $1,000 annual increase in subsidies (Bainbridge, Meyers and Waldfogel, 2003) down to about 4 percent for single parents and secondary earners (Houser and Dickert-Conlin,1998). We used the lower end of the range of estimates (3 percent if unmarried and 8 percent if married), given the uncertainty. The employment effect is simulated in TRIM3 so that the targeted effect applies to all single parents and secondary earners who are not working. Elasticities apply only to parents with children under age 13.[16]

[15] As noted in Table 3, child care expenses are imputed. Statistical equations based on the Survey of Income and Program Participation (SIPP) estimate a family's probability of having expenses and the amount of expenses, based on family structure, parent employment and education, and number and ages of children. Imputation results are aligned to data on the incidence and amount of expenses from the 2002 National Survey of America's Families.

[16] Ideally the probability of employment would vary by the age of the youngest child (e.g. under 6 and 7 to 13), but the available studies do not easily lend themselves to an age breakout.

As Figure 5 shows, increased child care subsidies would not independently affect the official poverty measure since child care expenses are not included in the resource measure. However, incorporating employment effects would reduce child poverty to 9.2 percent from the baseline estimate of 10.7 percent. The guarantee of CCDF subsidies to eligible families would reduce child poverty as measured by the NAS definition from 10.9 percent to 10.4 percent, through the direct change in family net income; and would reduce child poverty to 9.5 percent assuming the employment effects occurred as modeled.[17]

Figure 5
Guaranteed Child Care Subsidies: Effect on Child Poverty Rate in CT, with and without new employment (2005/2006)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(3) See text for description of policy and employment effects assumptions.

[17] Note that this simulation increases the number of CCDF subsidies by approximately 24,000 without employment effects and by approximately 31,000 with employment effects.

Education Initiatives

The CPPC has prioritized four education initiatives. The first would expand Early Childhood Education through support of the Early Childhood Education Cabinet's proposals targeting children aged birth to five. The second initiative would enhance Youth Dropout Prevention efforts to reduce the number of students who drop out of high school. The Post-Secondary Education initiative would expand access to state colleges for late teens and young adults, particularly in community colleges and expansion of programs intended to encourage high school students to pursue a college education. The Workforce Development initiative would enhance the existing GED program for working poor families receiving TFA and literacy and examine how youth who drop out of high school can obtain a GED.

Modeling Assumptions. Given these broad recommendations, we simulated the potential effects of a hypothetical set of education and training policies on employment and earnings. We modeled likely employment and earnings effects of general initiatives to increase the share of high school drop outs that attains a General Education Degree (GED), increase the share of high school graduates that attain an Associates Degree (AA), and increase the share of high school graduates that attain job training.[18] We made broad assumptions about the number of individuals in CT that would benefit from additional education and training to demonstrate the potential of these types of initiatives. Of course, the number that would benefit ultimately depends upon the level of CT's additional investment in education.

We did not specifically include the Early Childhood Education or the youth initiatives. In the short run, these effects would not reduce child poverty. However, the simulations showing the effects of increased education and training on adult employment and earnings generally illustrate how education initiatives potentially can affect poverty.

We turned to the recent economics literature to choose likely employment and earnings responses to initiatives that would increase adult education and training. There is no broad consensus about the ability of increased post-secondary education, GED completion, "workforce development" or job training programs to raise employment and earnings for disadvantaged youth and adults (Holzer 2008). However, some approaches hold promise based on recent experimental evaluations, and other experimental studies provide guidance on how job training might affect employment and earnings. Also, given the uncertainties surrounding the effects of these types of initiatives we provide high and low effects for each of these simulations. The effects shown in the literature usually apply to small samples and specific initiatives that would not necessarily be reproduced through new policies. While we base the estimates on the "average effects" shown to the extent possible, we still must extrapolate the effects shown in recent studies despite differences in the population base and likely differences in program design.

Table 5 shows the assumptions adopted for three types of education and training initiatives similar to those that CT is considering.[19] To model the impact of increasing AA

[18] All adults through age 49 who are not currently in school and who are not disabled were considered potential candidates for obtaining the additional education or training.

[19] More information about the economics literature summarizing the effects of education and training on employment is provided in Appendix C.

degrees, the simulations assume that one-half of the 600,000 CT adults under age 50 with a high school diploma but no higher degree would obtain an AA degree.[20] Lerman (2007) summarizes recent literature showing that two-year attendance at a community college and completion of the AA could raise the earnings of male graduates by as much as 30 percent and female graduates by 47 percent. We hypothesize a lower-effect scenario that increases wages for men and women completing the AA degree by 15 percent (with no new employment) and a higher-effect scenario that assumes a 40 percent increase in wages for employed individuals that complete the AA and a 15 percent increase in employment among those completing the AA recipients who were not currently employed. Individuals that gain a job are assumed to find full-year employment for 35 hours per week, at $18 per hour (the 2006 median hourly rate for individuals in CT with an AA degree).

Table 5
Work and Employment Assumptions Used in Education Scenarios

Simulation	Target Group	Responses (1)	
		Low	High
Completion of AA Degree	50% of nondisabled adults under age 50 with high school as highest degree	15% increase in earnings	15% increase in work, 40% increase in earnings
Post-secondary Job Training	50% of nondisabled adults under age 50 with high school as highest degree	6% increase in earnings among workers	6% increase in work; 20% increase in earnings
Completion of GED	All adults under age 50 not in school and not disabled who did not complete high school	6% increase in earnings among workers	10% increase in work; 25% increase in earnings

Notes: (1) See text and Appendix C for the empirical literature supporting these assumptions.

To simulate the effect of increased completion of the GED, we rely primarily on a summary by Bos et al. (2002) of lessons learned from different adult education programs. They found a 28.5 percent increase in annual earnings of those completing their GED (relative to not having the GED) in the third year of follow up. Experts warn that GED completion must be targeted and include a connection to employment to ensure its effectiveness. Also, this study's synthesis of experimental results applies to a narrowly-targeted group of former welfare recipients.

[20] A new degree is not assumed if the adult appears disabled.

We assume that CT implements a policy that achieves 100 percent GED completion among high school drop outs. There are approximately 135,000 CT adults under age 50 with no high school diploma or GED; we assume they would all obtain a GED unless the CPS survey data indicate that they are disabled. In the low effect scenario we hypothesize that earnings increase by 6 percent (among those currently employed). The high effect scenario assumes that earnings increase by 25 percent among those employed and that 10 percent of those not currently working begin to work. Individuals that gain a job are assumed to find full-year employment for 35 hours per week, at $14 per hour; the hourly rate is the median for individual in CT with a diploma but no higher degree.

Many experts still consider the JTPA results (an experimental study conducted in the 1980s) the best estimates of the labor supply effects of adult training (Bloom et al. 1997). Estimates of effects on annual earnings for adult men and women within 30 months of treatment are 10 percent for adult women along with a 2.1 percentage point increase in employment and earnings effects for adult men are 5.3 percent.[21] Results from some of the more recent National Evaluations of Welfare to Work Strategies (NEWWS) sites suggest larger effects for post-secondary participants. One site, for example, produced a 21 percent gain in employment and a 25 percent earnings gain. We hypothesize a lower-effect scenario that increases wages by 6 percent (with no new employment) and a higher-effect scenario that assumes a 20 percent increases in wages for employed individuals that complete the training and a 6 percent increase in employment among those completing the training who were not currently employed. Individuals that gain a job are assumed to find full-year employment for 35 hours per week, at $18 per hour; the hourly rate is the median for individual in CT with an AA degree.

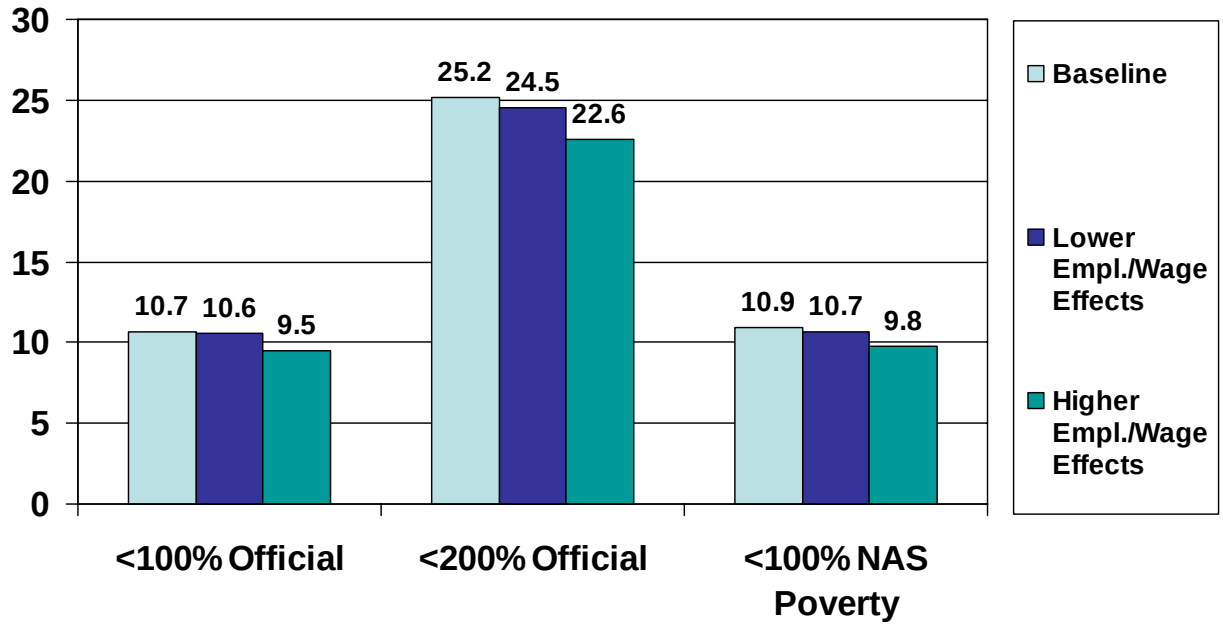
Effects of Education and Training on Child Poverty. Increases in education among adults in CT would reduce poverty using both the official and the NAS measures. Of course, the larger effects occur in the high employment effect scenarios. If half of the adults with a high school degree went on to complete an AA, we estimate that the child poverty rate would decline by at least a full percentage point using the high employment effect assumptions using both the official and the NAS poverty measure (Figure 6). The share of children living in low-income families would decline by more than 2 percentage points.

Increases in GED completion among high school dropouts have slightly less effect on child poverty (Figure 7). Under the scenario with greater employment and earnings effects, poverty declines by 0.9 percentage points using the official measure (from 10.7 to 9.8 percent) and by 0.8 percentage points using the NAS measure (from 10.9 to 10.1 percent). The lower employment and wage effects only slightly reduce child poverty rates.

Consistent with the employment effects discussed above, increases in job training have the smallest effect on child poverty (Figure 8). In the higher-impact scenario, increases in job training are estimated to reduce child poverty by 0.2 percentage points using the official definition and by 0.4 percentage points using the NAS measure.

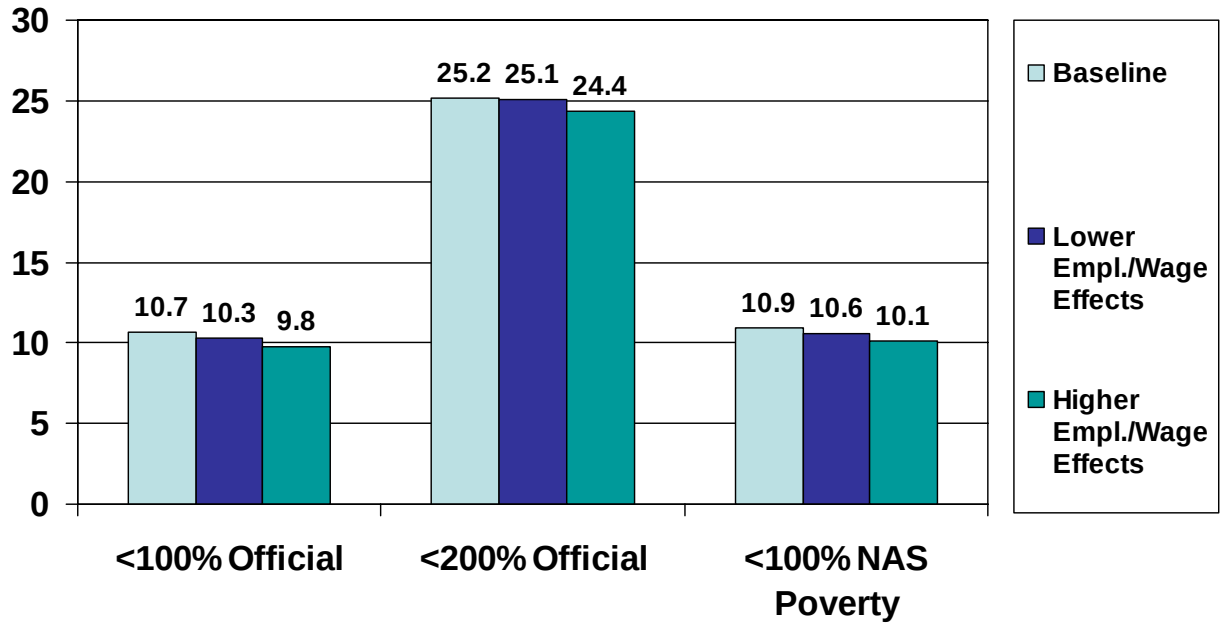
[21] GAO (1996) cautions that these effects fade somewhat over time.

Figure 6
Half of Adults with a H.S. Diploma Obtain an AA Degree: Possible Effect on Child Poverty Rate in CT (2005/2006)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.
(3)The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(4) See text for description of policy and employment effects assumptions.

Figure 7
All Adults without a H.S. Diploma or Equivalent Obtain a GED: Possible Effect on Child Poverty Rate in CT (2005/2006)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(3) See text for description of policy and employment effects assumptions.

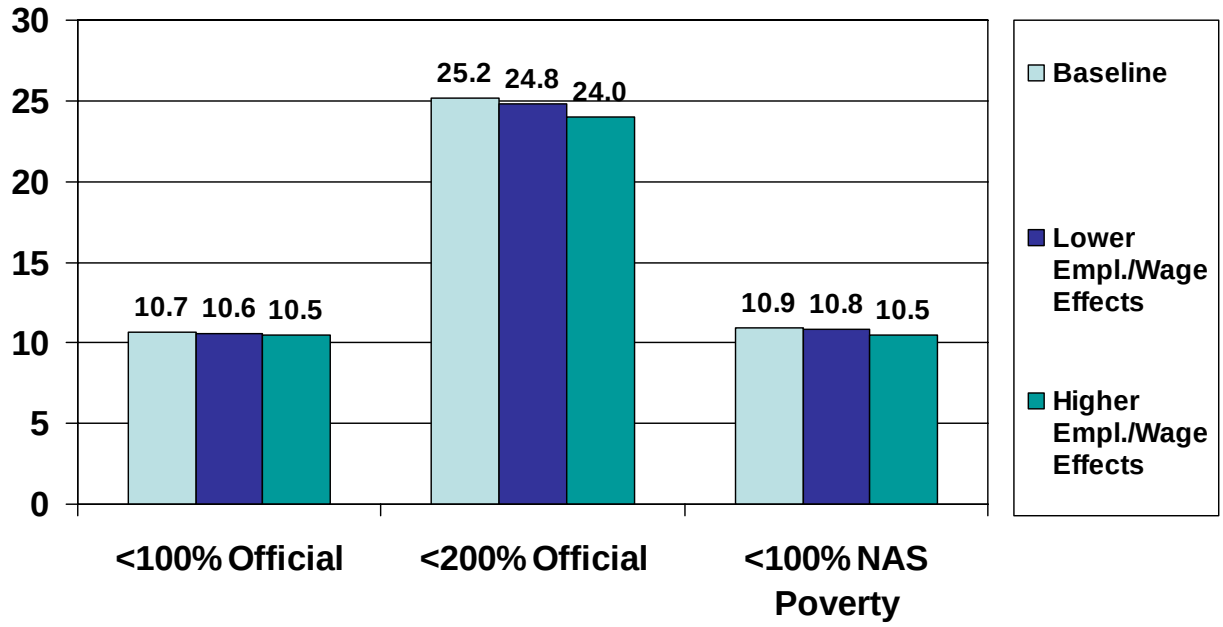
If CT implemented all three education initiatives and the assumed employment effects could be realized, the combined effect on child poverty would be much larger. The official child poverty rate would decline by 2.4 percentage points based on the official poverty measure (Figure 9 and Table 6a) and by 2.7 points using the NAS poverty measure (Figure 9 and Table 6b) if the high employment effects were realized. The effects on poverty reduction would be much smaller with weaker employment effects.

The poverty gap also would shrink in these scenarios that combine the effects of the three initiatives. Using the official poverty measure, the poverty gap for families with children would decline by $19 million under the low employment effect scenario and by $74 million (21 percent) in the high employment effect scenario. The poverty gap reductions are somewhat larger using the NAS poverty definition -- $26 million under the low-employment scenario and $89 million (24 percent) under the high employment effects scenario. These results reflect the

offsetting changes in benefit eligibility and taxes in the NAS poverty measure. As earnings increase and more adults become employed in the higher education scenarios, some will lose SNAP and possibly other in-kind benefits but they will gain earned income and possibly refundable credits.

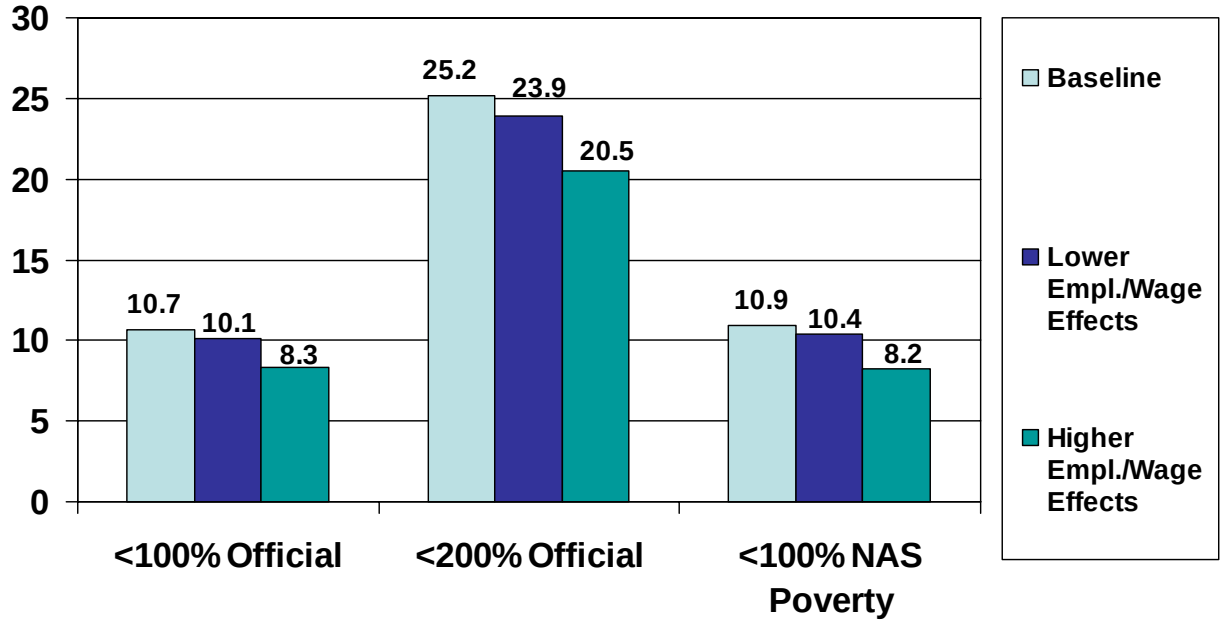
Note that these scenarios target adults ages 18 to 49 who are not currently disabled or in school. Some of these adults have children and some do not. If CT targeted parents for these investments, the effect on child poverty would be larger.

Figure 8
Half of Adults with a H.S. Diploma Obtain Job Training: Possible Effect on Child Poverty Rate in CT (2005/2006)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.
(3) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(4) See text for description of policy and employment effects assumptions.

Figure 9
Increasing AAs, GEDs, Job Training: Possible Effect on Child Poverty Rate in CT (2005/2006)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.
(3) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(4) See text for description of policy and employment effects assumptions.

TABLE 6a
IMPACT OF INCREASED ATTAINMENT OF GEDs, AAs, AND JOB TRAINING PROFILE[1]
Using 2005 and 2006 Connecticut data [2,3]

Standard Poverty Definition [4]

Baseline

	All Persons	Children	Persons by family type [6]		
			In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*296*	*88*	*158*	*35*	*104*
100<200% poverty	460	119	242	96	123
Total <200%	*756*	*207*	*400*	*131*	*226*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%
Poverty gap (millions, 2006 $) [5]	$1,032.6		$351.0	$87.9	$593.7

Increased Education, Low Employment/Wage Impacts

	All Persons	Children	Persons by family type [6]		
			In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*282*	*83*	*149*	*35*	*99*
100<200% poverty	442	113	227	96	120
Total <200%	*724*	*196*	*376*	*131*	*218*
% poor (<100% poverty)	8.1%	10.1%	8.2%	7.5%	8.3%
% poor or near-poor (<200%)	20.8%	23.9%	20.7%	28.0%	18.3%
Poverty gap (millions, 2006 $) [5]	$1,005.5		$332.0	$87.4	$586.1

Increased Education, Large Employment/Wage Impacts

	All Persons	Children	Persons by family type [6]		
			In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*251*	*69*	*122*	*34*	*96*
100<200% poverty	405	100	200	97	109
Total <200%	*656*	*168*	*322*	*131*	*204*
% poor (<100% poverty)	7.2%	8.3%	6.7%	7.3%	8.0%
% poor or near-poor (<200%)	18.9%	20.5%	17.7%	28.0%	17.1%
Poverty gap (millions, 2006 $) [5]	$936.0		$277.4	$87.4	$571.2

Notes:

[1] This simulation assumes that CT implements a broad policy to increase the attainment of AA degreesand training among the 600,000 CT adults up to age 49 who are not in school and who have a diploma (or equivalent) but no higher degree, and to increase the attainment of GED degrees among the 135,000 CT adults up to age 49 who are not in school and who have no diploma (or equivalent).

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] Estimates from the TRIM3 model correct for underreporting of government benefits and include unrelated individual children under age 15 in the family of the householder (Census excludes these children from the poverty measure). Thus, poverty estimates from the TRIM3 model differ slightly from those published by the Census Bureau.

[4] The official poverty definition compares cash income to the official poverty thresholds. The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[5] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[6] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

[7] Government cost changes are combined federal and state. Costs fall for all cash and non-cash benefits. Collections increase for federal payroll and income tax and state income tax.

TABLE 6b
IMPACT OF INCREASED ATTAINMENT OF GEDs, AAs, AND JOB TRAINING PROFILE[1]
Using 2005 and 2006 Connecticut data[2,3]

NAS Poverty definition[4]

Baseline

	All Persons	Children	Persons by family type[6]		
			In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)					
<100% poverty	*393*	*90*	*174*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%
Poverty gap (millions, 2006 $)[5]	$1,348.8		$371.9	$248.8	$728.0

Increased Education, Low Employment/Wage Impacts

	All Persons	Children	Persons by family type[6]		
			In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)					
<100% poverty	*372*	*85*	*162*	*66*	*145*
% poor (<100% poverty)	10.7%	10.4%	8.9%	14.0%	12.1%
Poverty gap (millions, 2006 $)[5]	$1,298.4		$345.6	$248.3	$704.5

Increased Education, Large Employment/Wage Impacts

	All Persons	Children	Persons by family type[6]		
			In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)					
<100% poverty	*332*	*68*	*132*	*66*	*136*
% poor (<100% poverty)	9.6%	8.2%	7.2%	14.0%	11.4%
Poverty gap (millions, 2006 $)[5]	$1,199.4		$282.9	$247.8	$668.7

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.

Notes:

[1] This simulation assumes that CT implements a broad policy to increase the attainment of AA degreesand training among the 600,000 CT adults up to age 49 who are not in school and who have a diploma (or equivalent) but no higher degree, and to increase the attainment of GED degrees among the 135,000 CT adults up to age 49 who are not in school and who have no diploma (or equivalent).

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] Estimates from the TRIM3 model correct for underreporting of government benefits and include unrelated individual children under age 15 in the family of the householder (Census excludes these children from the poverty measure). Thus, poverty estimates from the TRIM3 model differ slightly from those published by the Census Bureau.

[4] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[5] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[6] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

[7] Government cost changes are combined federal and state. Costs fall for all cash and non-cash benefits. Collections increase for federal payroll and income tax and state income tax.

Income Safety Net

Possible policy changes related to the income safety net include: case management for young mothers on TANF, addressing the abrupt termination of TANF benefits, and increased access to safety net programs by families eligible for those programs (SNAP, LIHEAP, WIC, housing subsidies, and Medicaid). Below, we examine the potential impacts of increased access to safety-net programs and of one approach to addressing the abrupt termination of TANF benefits. Case management for young mothers on TANF cannot be modeled because the underlying data (the Current Population Survey) does not provide a sufficiently large sample of this group; however, case management for TANF leavers is examined as a Family Structure and Support option.

Enhance access to programs. Not all households who are eligible for government assistance receive that aid, either because they are not aware of the help or choose not to apply or not to comply with program requirements, or because the program is not an entitlement and there are insufficient funds to serve all families who would like to enroll. Program participation rates can be estimated by comparing persons or households receiving help to those who appear eligible for that help according to the simulation model. In Connecticut, participation rates in key programs appear to be as follows[22]:

- Food Stamps/SNAP: Approximately 60 percent
- LIHEAP: Approximately 50 percent
- WIC, infants and children: Approximately 50 percent (with very high participation for infants, less high for children)
- Public and subsidized housing: Approximately 30 percent[23]
- Medicaid: 70 percent

We simulated the effects of higher participation rates in these programs on poverty. We assumed that participation in all five programs would reach 85 percent, about the highest rate achieved in some states for programs such as SNAP and WIC. In order to achieve these higher participation rates CT would need to implement strong outreach efforts and to adopt the most liberal program access options available. For non-entitlement programs that have capped resources such as LIHEAP and subsidized housing, these higher rates could only be achieved if additional federal or state monies became available to pay for additional benefits. Also, higher participation in subsidized housing assumes that families that rent live in housing units costing at least the fair market rent in CT.[24] Since the CPS does not provide an estimate of rent, this

[22] Estimating Connecticut's TANF participation rate is complicated by the large number of families in Connecticut who have reached the time limit. The CPS data do not indicate if a family has previously hit a TANF time limit. The estimate of currently-eligible families (and thus the estimate of the participation rate among eligible families) is sensitive to the assumption of how many otherwise-eligible families are in fact ineligible due to having already hit the time limit.

[23] This uses 80 percent of State Median Income (SMI) (low-income) as the maximum allowable income to be in public or subsidized housing. Households are only considered eligible if their required copayment would be less than the fair market rent for an apartment of the size they appear to require.

[24] The fair market rent for urban areas for a two-bedroom unit was $1,028 in 2006, for example ($12,336 per year). A household would need to earn $42,080 in order to afford this type of rental, assuming that families should pay no

hypothetical simulation must base the housing subsidy calculation on the fair market rent in CT. For example, a family with two children and cash income below $43,040 would be eligible for some subsidy. These higher participation rates, especially for the non-entitlement programs, should be considered illustrative, a demonstration of the potential effect on poverty.

Increased access to these in-kind benefit supports would not affect child poverty using the official measure of poverty because these benefits are not included in the resource measure for the official poverty measure nor do they affect the poverty thresholds. Using the NAS poverty measure, the increase in receipt of SNAP reduces child poverty by a small amount (Figure 10). Increasing the SNAP participation rate to 85 percent from approximately 60 percent is estimated to reduce child poverty by 0.2 percentage points, to 10.7 percent. The poverty effect is limited because SNAP benefits usually are not sufficient to move a family above the poverty line. The increase in Medicaid/SCHIP participation has no effect on child poverty. While receipt of public insurance reduces the NAS poverty threshold relative to no insurance coverage, the increase in CT program participation is relatively small (from 70 to 80 percent), and many of the families gaining coverage already have a child covered by SCHIP.[25]

The increases in receipt of housing subsidies, LIHEAP and WIC have a large effect on the NAS child poverty rate. This is mostly due to the increase in housing subsidies. As explained above, 85 percent of eligible families would receive a subsidy sufficient to limit their housing costs to 30 percent of their income. For example, the subsidy would phase out at $42,480 in income for a family of four. Families of this size at the poverty threshold ($27,579 as shown in table 2) could afford $8,274 in rent per year. Since the annual fair market rent is $12,336, they would receive a subsidy of $4,062 per year. A family with income at one-half the NAS poverty threshold ($13,790) could pay $4,137 in rent and receive an annual subsidy of $8,199, enough to bring them up to about 80 percent of the poverty threshold (for a family in good health with private health insurance). Nonetheless, the additional family resources would be substantial and would require a large increase in the cost of housing subsidies.

The changes also reduce the NAS poverty gap (Figure 11) by significant amounts. Increasing the SNAP participation rate would reduce the poverty gap for families with children by $16 million (4 percent); increases in the participation rates for LIHEAP, WIC and housing subsidies would reduce the poverty gap for families with children by $130 million (35 percent). The increased SNAP benefits are well targeted to poor families. Of the total $41 million in increased SNAP benefits due to the higher participation rates (for all families, not just families with children), $34 million (82 percent) reduces the poverty gap (Appendix Table D9.). In contrast, increased participation in housing subsidies, LIHEAP and WIC is not well targeted. Only 41 percent of increased costs ($274 million out of $670 million) go towards reducing the poverty gap for families living in CT (Appendix Table D10).

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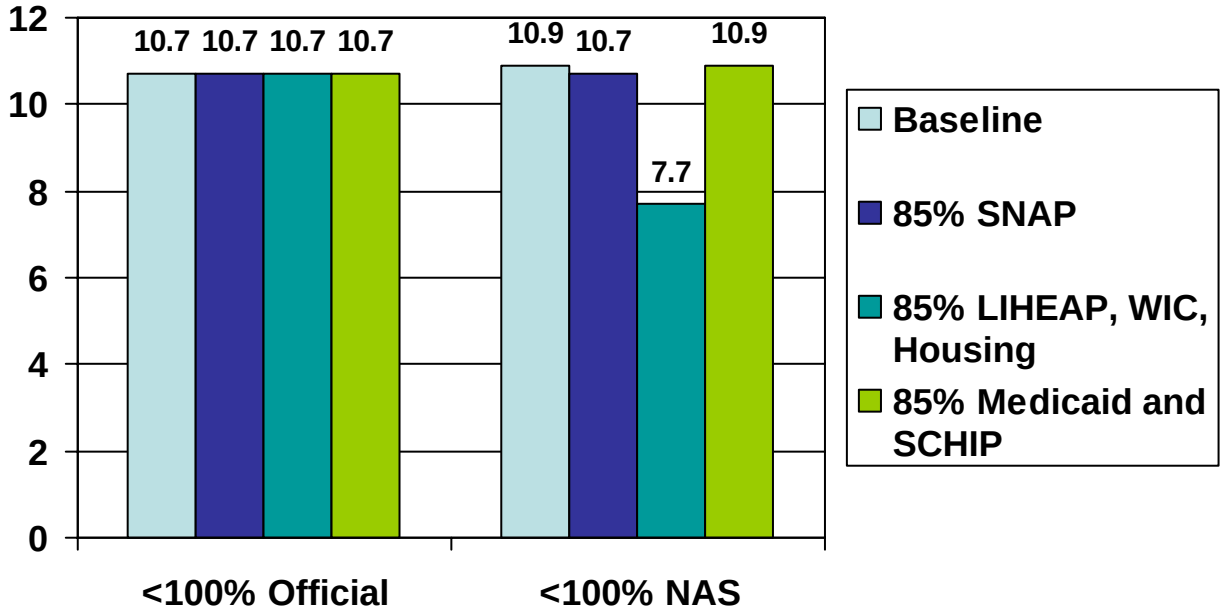
more than 30 percent of net income for rent. (Net income is calculated as cash income less a $480 annual deduction per dependent child and out-of-pocket child care expenses. This example assumes no child care costs.)

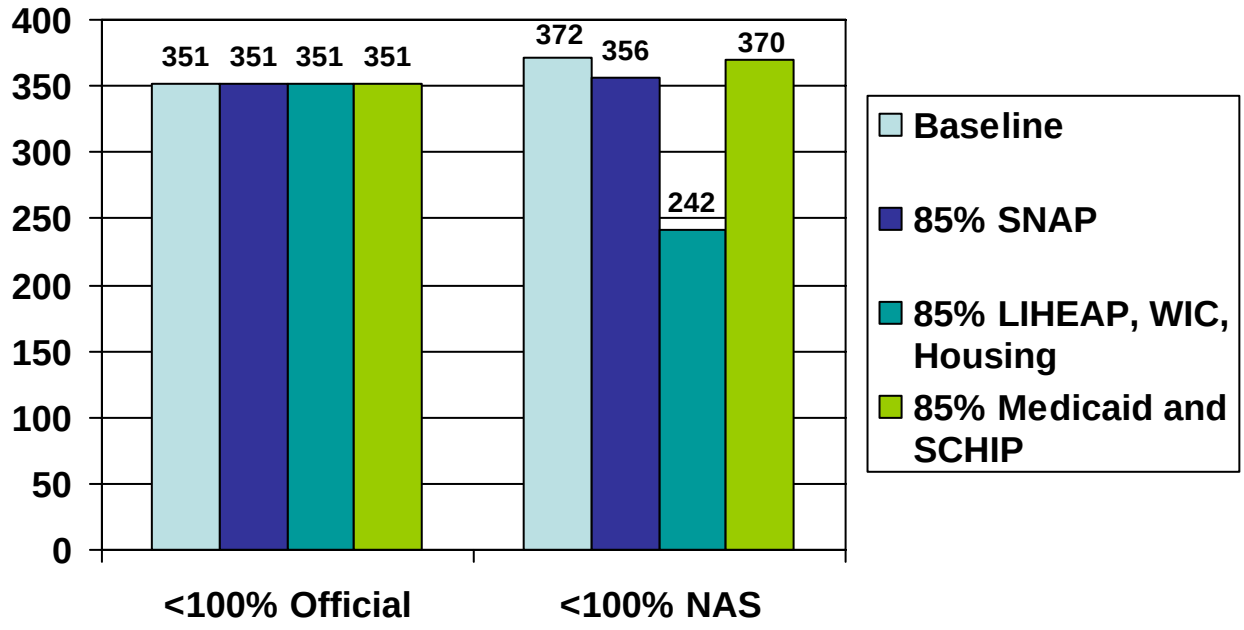
[25] The model uses the public health insurance thresholds if anyone in the family has public coverage. Unfortunately, the thresholds are not sensitive enough to pick up differences in out of pocket medical spending based on the share of the family with health insurance.

Figure 10
Increasing Selected Enrollment Rates to 85%: Effect on Child Poverty Rate in CT (2005/2006)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(3) See text for description of policy and employment effects assumptions.

Figure 11
Increasing Selected Enrollment Rates to 85%: Effect on Poverty Gap for Families with Children in CT (millions of 2006 dollars)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(3) See text for description of policy and employment effects assumptions.

Address abrupt termination of benefits. While all transfer programs have a point at which increased income results in a family becoming ineligible, the "cliff effect" is perhaps strongest in the TANF program. The combination of Connecticut's 21-month lifetime time limit and generous earned income disregard (for benefit computation purposes, earnings are fully disregarded up to 100 percent of the poverty guideline) results in a situation in which a family can move from receiving over $500 in TANF in one month (in addition to their earnings) to receiving no TANF benefit in the next month; about a third of the lost TANF is offset by an increase in SNAP benefits.

Options for reducing abrupt termination of TANF benefits were addressed by Jack Tweedie of the NCSL.[26] One option is to reduce the earnings disregard percentage (while continuing it even after earnings reach the poverty level, to address another issue—the lack of incentive to increase earnings once earnings approach poverty). Note that this option would actually reduce the income of some current TANF recipients (those with earnings below poverty, currently receiving the 100 percent disregard). Another option presented by Tweedie is a post-TANF earnings supplement.

Numerous choices would be required in the design of a post-TANF earnings supplement. The amount could be fixed (the same flat payment to all post-TANF earners), it could vary with the number of hours worked, it could provide a floor on a person's wage rate, or it could be designed to "fill the gap" between a family's earnings (or earnings plus other benefits) and the poverty guideline. Decisions would need to be made concerning the treatment of the supplement by other programs (whether it would be counted partly, fully, or not at all for purposes of determining food stamp benefits, for instance). Another key design choice is the length of time that the supplement is available.

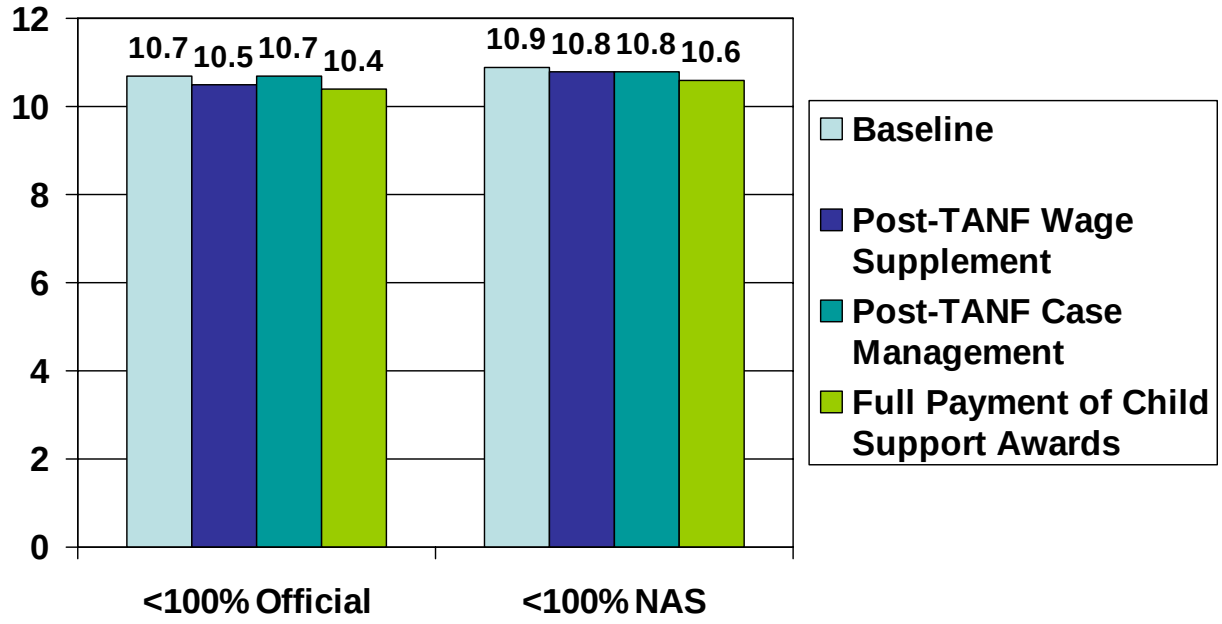
In the absence of a detailed design, we modeled a single illustrative approach – a supplement that would make up the difference between an individual's actual wage rate and $10/hour. For an individual working full-time at $8 per hour, this would provide a monthly benefit of approximately $350. We assumed that it would be available for one year, which suggests that up to 3,000 families per year would benefit (the approximate number of families who leave the TANF program during a year who have earnings at the point that they leave the program).

The policy has a limited effect on the poverty *rate* due to the small number of families affected. The official child poverty rate is estimated to fall from 10.7 percent to 10.5 percent, and the NAS child poverty rate falls from 10.9 percent to 10.8 percent (Figure 12). However, the NAS poverty *gap* for families with children falls by 5 percent ($354 million compared with $372 million as shown in Figure 13).

Two points are important to note. First, whether the policy lifts an individual family out of poverty depends on the specifics of the design. In the simulated design, individuals not working full-time or full-year would not necessarily be raised out of poverty, and a family with a full-time full-year worker would be raised out of poverty only if receiving other benefits. Second, it is possible that a post-TANF wage supplement could induce more families to work; we did not simulate that possible impact.

[26] "Leveling the Cliffs: Improving Job Retention and Advancement in Connecticut." Undated Powerpoint presentation, Jack Tweedie, National Conference of State Legislatures.

Figure 12
Policies Related to Child Support and TANF: Effect on Child Poverty Rate



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(3) See text for descriptions of policies.

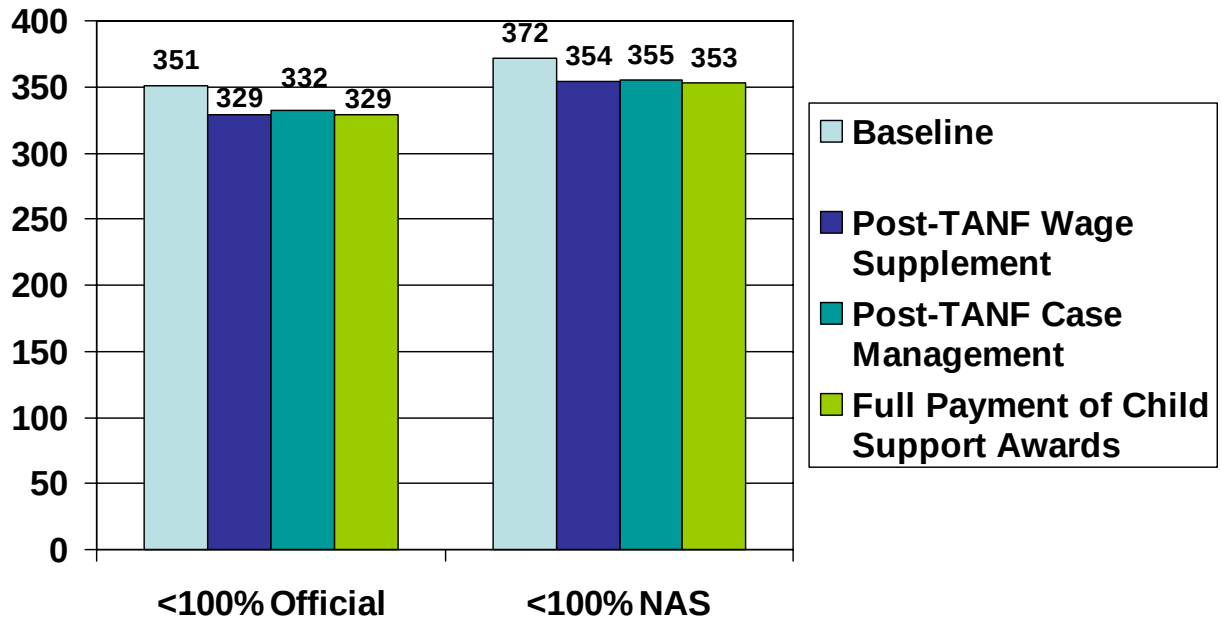
Family Structure and Support

The CPPC is interested in several policy options related to family structure and support, including: providing case management to overcome employment barriers, expanding fatherhood initiatives, and addressing "marriage penalties" in government programs.

Provide case management to overcome barriers to employment. We simulated the potential impacts of a case-management approach similar to the Post-Assistance Self-Sufficiency (PASS) program—which implemented case management combined with other services for former TANF recipients in Riverside, California. Over a two-year period, the employment rate among individuals assigned to PASS was 4 points higher than among the control group. Total earnings over the 2 year period were approximately 11 percent higher among the program group, with two-thirds of the gain from additional employment, and the remainder from higher wages. (See Appendix C for more information.)

In consultation with CT state staff, we assumed that the program would focus on the families who have earnings at the point that they leave TANF – approximately 3,000 per year. We model the program as if it had been in place for 5 years, and we assume that the employment gains are permanent. The anti-poverty impacts are very small—there is no measurable change in the official poverty rate, while the NAS poverty rate for children falls slightly from 10.9 to 10.8 percent (figure 12). As is the case with the simulation of the post-TANF wage supplement, there is a greater impact on the poverty gap. Using the NAS poverty definition, the poverty gap for families with children falls by 4.6 percent ($355 million compared with $372 million). Families who are helped to retain jobs by a case management approach do receive higher incomes than in the absence of the program. However, the relatively small numbers of families affected, and the nature of the jobs they obtain, limit the anti-poverty impact.

Figure 13
Policies Related to Child Support and TANF: Effect on Poverty Gap for Families with Children (millions of dollars)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(3) See text for descriptions of policies.

Expand fatherhood initiative. Expansions of fatherhood initiatives may increase employment rates for fathers with children living elsewhere and potentially increase child support receipt for custodial mothers. Fathers with children living elsewhere may respond to increased investments in their education and training or better connections to employment prospects. Fatherhood initiatives may also increase incomes for custodial parents through additional child support collections that are passed through to custodial families. We modeled the antipoverty impacts of one outcome of a fatherhood initiative – increased child support payments. Specifically, we simulated the impact of closing the entire gap between the amount of child support income that is due to low-income custodial families in CT and the amount that is actually received by those families. The official child poverty rate is estimated to fall from 10.7 to 10.4 percent, and the NAS child poverty rate falls from 10.9 to 10.6 percent (figure 12). In most cases, the amount of the child support award is not sufficient to raise the family above the poverty level, even when the award is paid in full. However, the full payment of all child support awards would reduce the poverty gap for families with children by 5.1 percent (using the NAS poverty definition) as shown in figure 13.

Note that our estimates do not include the potential impacts of a fatherhood initiative on the family of the parent paying the child support. In the absence of new employment, the increased child support payment would reduce resources available to that family. If the non-custodial parent gains new or better employment, his/her family could have higher resources, even after the full payment of child support to the non-custodial children.

Reduce/eliminate marriage penalties. Marriage penalties may exist in both tax and transfer programs. In the case of Connecticut's state income tax system, a cohabiting couple may pay less in income tax than a married couple. In the case of TANF, Connecticut may consider a portion of a step-parent's income as being available to the rest of the family, while no income is deemed from a non-parent cohabiter.

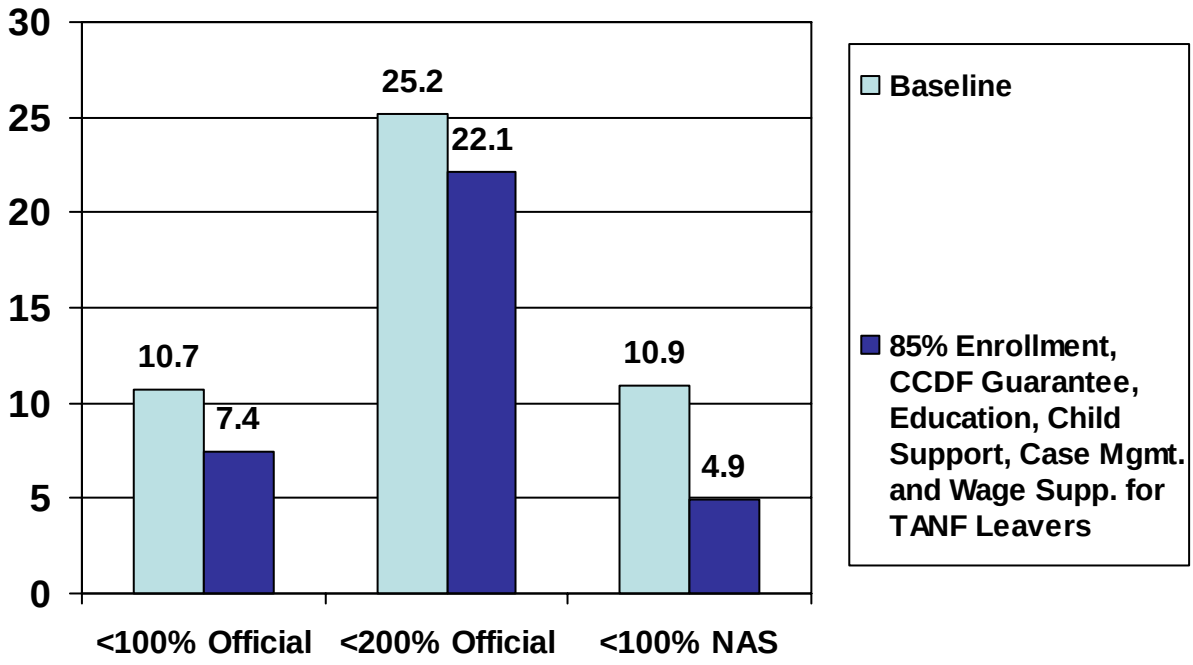
We simulated one method of reducing marriage penalties that is used in many states—but not currently used in CT: allowing "combined separate" filing for state income tax purposes. This approach allows a married couple to essentially file as two single individuals on the same return, reducing income tax liability for many married couples in which both individual are employed. However, the change did not produce any measurable reduction in poverty in CT. This suggests that there are very few families in CT who are still poor despite having two earners *and* who have state income tax liability.

Effects of a Package of Recommendations

We simulated the combined impacts of all the simulated policies: child care subsidy expansion, education and training initiatives (assuming the larger employment and earnings impacts), increased access to benefit programs, full payment of child support awards, and policies directed at recent TANF leavers. We show these results with and without the expansion of housing subsidies due to the large cost of housing subsidies and the fact that a large share of these costs would benefit families above the NAS poverty threshold (Figures 14 and 15). Assuming the increase in housing subsidies, the official child poverty rate would fall by 3.3 percentage points from 10.7 to 7.4 percent (31 percent). The NAS poverty rate for children

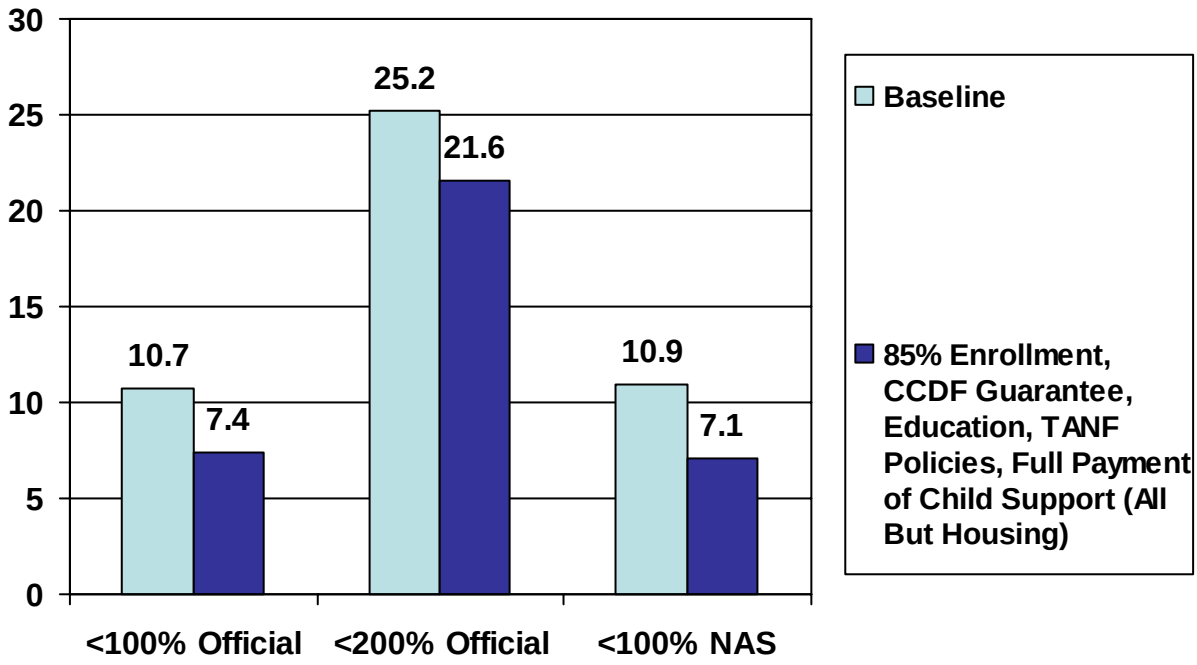
would fall from 10.9 to 4.9 percent, a drop of 6 percentage points (55 percent). Comparing the results that exclude the housing subsidy expansion (Figure 15) to those with the expansion, highlights the dramatic effect of the housing subsidy expansion on child poverty. Without the housing subsidy expansion, NAS child poverty would drop by 3.8 percentage points (35 percent).

Figure 14
Combined Policies with High Employment and Earnings Assumptions: Effect on Child Poverty Rate in CT (2005/2006)



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.
(3) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(4) See text for description of policy and employment effects assumptions.

Figure 15
All Policies *Except* Housing Expansion:
Effect on Child Poverty Rate



Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
(1) CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.
(2) The official poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds.
(3) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
(4) See text for description of policy and employment effects assumptions.

Even with the combined packages of policy changes, substantial numbers of children would remain poor in CT – approximately 41,000 using the NAS definition of poverty (4.9 percent) and the full package of benefits. A key characteristic of children who remain poor is that they do not generally live with adults who are full-time full-year workers (Figure 16). Assuming the most expansive package of changes, 12 percent of the remaining poor children live in families in which all the adults are elderly, disabled, and/or students; an additional 10 percent live with an apparently employable adult who is not currently working. These families may have been aided by the increased program participation rates, but would not have been affected by

expanded child care subsidies or increased education and training. Fifty-six percent of the children who would remain poor live with an adult who is working either part-year or part-time. These families may have benefited from increased earnings due to education and training; however, for adults working few weeks or hours, an increase in the hourly wage is insufficient to raise the family out of poverty. Only 22 percent of the children who would remain poor (under the NAS definition) after the package of policy changes simulated here live with an adult who is a full-time full-year worker.

Figure 16
Children Who Remain Poor
(NAS definition)

Household Characteristics	Children < 100% NAS Poverty
All adults are elderly, disabled, or students	12%
No adult is working	10%
Adult working PT or PY	56%
At least one adult working FT and FY	22%
Total children in poverty after child care, education/training, benefit-access policies	41,000

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Note: (1) The alternative (NAS) poverty definition counts the value of non-cash income and subtracts tax liability and work-related expenses. The alternative poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

VI. Summary

The CPPC has considered a wide range of proposals to reduce child poverty in Connecticut. Proposals considered in this report include policies to guarantee child care subsidies, increase employment and earnings through adult education and training initiatives, enhance access to income safety net programs, improve outcomes for welfare leavers, and increase child support payments. The CPPC has also considered numerous other policies that could not be modeled using our current methods; for instance, early childhood education could be an effective poverty reduction tool, but the long-term outcomes could not be modeled with our current approach.

The assessment of the CPPC's options required measuring their effects on child poverty using both the Census Bureau's official measure of poverty based solely on cash income and a measure that considers all resources of the family and nondiscretionary expenses following recommendations from the National Academy of Science (NAS). The second measure of poverty also takes into account higher living costs in CT relative to the nation because it uses geographically-adjusted poverty thresholds. The alternative poverty measure allows the CPPC to analyze the effects of policies that affect cash income as well as noncash benefits and income taxes.

About one in ten (10.7 percent) of the children living in CT were poor in 2005/2006 based on the official measure of poverty, and the rate increases to 10.9 percent using the alternative measure. While these rates are somewhat lower than for the nation as a whole they demonstrate that many CT children are growing up in resource-deprived families.

Analysis of the options under consideration shows the challenge of designing policies that can effectively reduce poverty rates in the near term. However, policies can substantially shrink the gap between family resources and the poverty threshold and reduce the number of children living in deep poverty. Also, a combination of these policies could substantially reduce child poverty. Some key findings based on estimates of the NAS poverty rate are:

- Guaranteeing child care subsidies to all families with income less than 50 percent of state median income would reduce poverty by 0.5 percentage points through the direct effect of reducing working families' expenses. But poverty likely would be reduced by 1.4 percentage points if parents responded to this employment incentive and increased their earnings.

- Investments in education through programs that increase completion of AA degrees among half of those with only a high school education, ensure GED degrees for all CT adults who did not finish high school, and provide job training to half of nondisabled adults with a high school education potentially reduce poverty through their positive effects on employment and earnings. Using the best economics literature for guidance on the size of these potential effects, the estimates show that child poverty would decline by 2.7 percentage points if all of these policies were implemented under the most optimistic employment assumptions. The poverty gap for families with children would fall by about 11 percent.

- Policies that would increase access to government safety net benefits (food stamps and Medicaid/SCHIP) through outreach and other administrative initiatives would have relatively

small effects on child poverty rates, since each of these benefits alone is generally not sufficient to move a family above poverty. Increased access to these safety net benefits would, however, reduce the poverty gap for families with children. For instance, if 85 percent of the CT families eligible for food stamps (SNAP) benefits received those benefits, the NAS poverty gap for families with children would fall by 4.3 percent.

- A policy to substantially expand housing subsidies to low-income families that rent and increase participation in low-income energy assistance and WIC could reduce the child poverty rate by 3.2 percentage points. The hypothetical housing subsidy option would limit the potential rent payments for low-income families to 30 percent of the fair market rent in CT. However, about 60 percent of the new housing subsidies would go to families with incomes above the NAS poverty line and substantially increase government outlays for housing assistance.

- An option to supplement the wages of some individuals leaving welfare that would effectively replace some of the loss in income that occurs when families with earnings leave welfare would have only a small effect on the poverty rate. The simulated supplement increases earnings to a minimum of $10 per hour, which is often not sufficient to move families above poverty even after other benefits are added to income. Also, only a small share of families ever receive welfare and would benefit from this option. This policy, however, would substantially increase the incomes of families that leave welfare and help them over the transition to self sufficiency.

- An option to support families leaving welfare through case management also would have only a small effect on the CT child poverty rate, but a positive effect on the relatively small number of families that would benefit. Recent research suggests that this type of initiative can increase employment and earnings among the group affected.

- Options to increase the receipt of child support would have small effects on child poverty (0.3 percentage points) since child support awards to poor families are often fairly small.

- If CT implemented all of these policies at the same time, the combined effect would have larger effects on child poverty than the separate options alone. A package that includes the child care subsidy expansion, education and training initiatives (with large employment and earnings effects), increased participation in safety net programs (including the expansion of housing subsidies), full payment of child support awards, and case management and wage supplement for recent TANF leavers would reduce the NAS child poverty rate from 10.9 to 4.9 percent. Child poverty would fall by almost 55 percent.

The CPPC has considered many different avenues for reducing child poverty. While successful education policies combined with large employment effects and substantial increases in housing subsidies could reduce child poverty dramatically, many other avenues would have small effects on the NAS poverty rate. Such policies surely would benefit children living in poverty, but would not be sufficient to move families above the threshold that defines a specific poverty line. Assessment of the policy effects also should take into account the substantial reductions in the poverty gap. These reductions also suggest reductions in the share of children

living in deep poverty in CT. (Unfortunately, the data available for these estimates do not provide sufficient sample to measure the percent of children living below one-half the poverty line.)

Policy choices may be guided by the characteristics of the children who would remain poor even if the modeled policies were implemented. Among the children who would remain poor after the imposition of the education/training, child care, and safety net participation rate policies, only 22 percent live with an adult who is a full-time full-year worker. The majority of the children who remain poor lives in families with an adult working either part-year or part-time (56 percent). The rest of the children who remain poor are in families in which all the adults are elderly, disabled, and/or students (12 percent), or with an unemployed adult (10 percent).

The estimates of the CPPC policy alternatives were completed using a complex economic model housed at the Urban Institute. As described in this report and its appendices, these estimates require numerous imputations and assumptions. In assessing fatherhood initiatives and wage supplements for TANF leavers, the modeled policies are intended to illustrate potential effects rather than reproduce an exact proposal. The assumptions regarding the employment effects of various policies can no doubt be debated by economists since the literature is far from definitive. We do provide high and low estimates to show the range of possibilities. Also, we assume that the labor market would respond by employing more individuals who would want to work and by rewarding individuals who completed more education or training. This assumption requires a strong labor market. Thus the reader must consider the estimates with these caveats in mind.

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Appendix A: Poverty Thresholds

Table A1 shows the Official and NAS thresholds by family structure and size. The NAS thresholds apply to a nonelderly family with private health insurance coverage and good health living in urban and rural areas in CT.[27] The non-medical portion of the NAS threshold is adjusted for differences in family size and number of children using the widely accepted "3 parameter equivalence scale" (Dalaker 2005, Short 2001, and Iceland 2005).[28] Note that since the official and NAS measures apply to different resource measures, they do not provide strictly comparable thresholds.

[27] As noted earlier, the NAS poverty measures also vary by health insurance coverage and health status. The full set of thresholds is available upon request.

[28] The medical portion of the threshold is adjusted for differences in family size. Adjustments are made for 1 person and 2 or more persons for uninsured families and those with public coverage, and for 1 person, 2 persons, and 3 or more persons for non-elderly families with private coverage. The factors used in the adjustment are obtained from table A-10 of Short (2001).

Table A1
Standard Poverty Threshold and Alternative Poverty Thresholds for Connecticut
(Assuming Medical Expenses "in Threshold" and Geographic Adjustment)[1]

Standard Poverty Thresholds (Continental United States)

Size of family unit	Related children under 18 years								
	None	One	Two	Three	Four	Five	Six	Seven	Eight+
One person									
Under 65 years.	10,488								
65 years and over	9,669								
Two persons									
Householder < 65	13,500	13,896							
Householder 65+	12,186	13,843							
Three persons	15,769	16,227	16,242						
Four persons	20,794	21,134	20,444	20,516					
Five persons	25,076	25,441	24,662	24,059	23,691				
Six persons	28,842	28,957	28,360	27,788	26,938	26,434			
Seven persons	33,187	33,394	32,680	32,182	31,254	30,172	28,985		
Eight persons	37,117	37,444	36,770	36,180	35,342	34,278	33,171	32,890	
Nine persons or more	44,649	44,865	44,269	43,768	42,945	41,813	40,790	40,536	38,975

Source: U.S. Census Bureau: http://www.census.gov/hhes/www/poverty/threshld/thresh06.html

Alternative Poverty Thresholds for Connecticut: Metropolitan Areas

Size of family unit	Related Children Under 18 Years								
	None	One	Two	Three	Four	Five	Six	Seven	Eight+
One person	12,692	0	0	0	0	0	0	0	0
Two persons	18,499	19,682	0	0	0	0	0	0	0
Three persons	27,579	24,522	23,249	0	0	0	0	0	0
Four persons	33,270	30,485	27,579	26,376	0	0	0	0	0
Five persons	38,545	35,951	33,270	30,485	29,339	0	0	0	0
Six persons	43,510	41,061	38,545	35,951	33,270	32,169	0	0	0
Seven persons	48,232	45,898	43,510	41,061	38,545	35,951	34,890	0	0
Eight persons	52,755	50,516	48,232	45,898	43,510	41,061	38,545	37,517	0
Nine persons or more	57,111	54,952	52,755	50,516	48,232	45,898	43,510	41,061	40,063

Alternative Poverty Thresholds for Connecticut: Non-Metroplitan Areas

Size of family unit	Related children under 18 years								
	None	One	Two	Three	Four	Five	Six	Seven	Eight+
One person	11,865	0	0	0	0	0	0	0	0
Two persons	17,295	18,400	0	0	0	0	0	0	0
Three persons	25,783	22,925	21,735	0	0	0	0	0	0
Four persons	31,103	28,500	25,783	24,659	0	0	0	0	0
Five persons	36,035	33,610	31,103	28,500	27,428	0	0	0	0
Six persons	40,677	38,388	36,035	33,610	31,103	30,075	0	0	0
Seven persons	45,092	42,910	40,677	38,388	36,035	33,610	32,618	0	0
Eight persons	49,320	47,227	45,092	42,910	40,677	38,388	36,035	35,074	0
Nine persons or more	53,393	51,374	49,320	47,227	45,092	42,910	40,677	38,388	37,455

[1] Alternative thresholds are developed using the Census Bureau's FCSUM-CE poverty threshold (following NAS recommendations) for a family of 4, and geographic adjustments for Connecticut urban and rural areas. The thresholds are adjusted for family size and number of children using the 3 parameter scale. Out-of-pocket medical expenses are included in the threshold. Thresholds presented here are for a non-elderly family, with private insurance, in good health.

Appendix B: Baseline Simulations and Baseline Poverty Detail

As described in Section III of this report, many of the components of resources used in the NAS poverty are either unavailable in the CPS data or are under-reported in the CPS. To address that limitation, the following programs are simulated:

- Temporary Assistance to Needy Families (TANF)
- Food Stamps/SNAP Program
- Public / subsidized housing
- Federally-funded child care subsidies (Child Care and Development Fund, or CCDF)
- Medicaid and SCHIP enrollment
- Low Income Home Energy Assistance Program (LIHEAP)
- Women Infants and Children (WIC) program
- Federal payroll taxes
- Federal income taxes
- Connecticut state income taxes

Each simulation applies the actual rules of the government program to the CT families in the CPS data. For example, in the case of the Food Stamp Program, the simulation applies the same rules that would be applied by a caseworker to determine if a family is eligible for benefits based on family composition and income; in the case of federal income taxes, the simulation applies the same steps as are involved in filling out a tax form to determine tax liability.

When simulating benefit programs, an additional step is required – choosing which of the families eligible for a benefit will receive the benefit. The simulated caseload is chosen from among the eligible families in such a way that its size and characteristics come acceptably close to the size and characteristics of the actual caseload, as identified in administrative data. However, small sample sizes prevent exact alignment. No adjustments are performed for the tax simulations. The model assumes full compliance with all tax laws. Each family's federal and state income tax liability is determined based on the actual tax laws and the family's reported characteristics and income.

All the simulations are internally consistent. For example, the simulated TANF benefits are used in counting up cash income for purposes of determining Food Stamp eligibility and benefits, a family's simulated CCDF "copayment" is used as their out-of-pocket child care expense amount in simulating the federal dependent care tax credit, and so on.

For this project, we first reviewed a set of simulations that applied the actual 2005 and 2006 program rules to the CT data in the calendar year 2005 and 2006 CPS data files, and "aligned" the benefit program caseload results as needed to come acceptably close to actual figures. Then, we created a slightly modified set of simulations – still using the CY 2005 and CY 2006 CPS data, but slightly altering the program rules to incorporate selected differences in program rules between 2005/2006 and 2008. Rules changes were incorporated so that, when policy changes were simulated, they could be judged relative to the current policy environment rather than to the 2005/2006 policy environment.

Simulations of Actual 2005 and 2006 Rules

The first three columns of Table B1 compare the results of TRIM3 simulations that applied the actual 2005 and 2006 program rules to the CT data in the calendar year 2005 and 2006 CPS data files. As shown in the table, simulated caseloads and benefit amounts are within 10 percent of target for all simulated programs – and much closer in most cases. For example, the average monthly CT caseloads simulated by TRIM3 for the FSP, LIHEAP, and CCDF programs are all within 2 percent of CT's actual caseloads for those programs in 2005/2006.

Simulated tax figures are also quite close to actual figures, for the families relevant to this analysis. TRIM3's estimated number of positive-tax returns with AGI under $100,000 is within 5 percent of the actual figure, and TRIM3's estimated tax liability for this group is within 1 percent of the actual figure. For higher-income tax units, TRIM3 is within 2 percent of the actual number of such units, but falls far short of their actual tax liability, due to the fact that high incomes are subject to "topcoding" in the CPS data. One aspect of federal income tax rules that is of particular relevance to lower-income families is the Earned Income Tax Credit (EITC). TRIM3 is within 1 percent of the actual number of CT tax units taking the federal EITC, but falls 9 percent below the actual amount of EITC used by CT taxpayers in 2005/2006. The TRIM3 simulation falls 10 percent below the actual amount of state income tax collections; the shortfall is likely related to the topcoding of high income amounts in the CPS data.

Simulations Incorporating Selected Aspects of 2008 Rules

For the "baseline" simulations for this project, we prepared simulations that differ slightly from the ones represented in the 2nd column of Table B1. The baseline simulations for this project incorporate selected rules changes between 2005/2006 and 2008. Specifically, we captured the following changes in program rules:

- TANF: 2008 benefit levels lower in real terms than in 2005/2006
- Medicaid/SCHIP: expansions in eligibility for pregnant women and parents
- LIHEAP: funding higher in 2008 vs. 2005/2006
- Federal and state income taxes: changes in dollar amounts for deductions, brackets, etc.

These changes were captured so that the "baseline" would more accurately reflect current CT law, providing a better point of comparison for measuring the impacts of alternative policies.

The last 2 columns of Table B1 show the impact of incorporating the more recent tax and benefit policies into the baseline simulations for this project. Differences are generally small. However, CT's recent Medicaid eligibility expansions increase the Medicaid caseload, and LIHEAP funding increases have substantially increased the households aided by that program.

TABLE B1
TRIM3 SIMULATED TAX AND TRANSFER FIGURES FOR CONNECTICUT, 2005/2006
RELATIVE TO ADMINISTRATIVE DATA,
AND IMPACTS ON SIMULATION OF INCORPORATING RECENT POLICY CHANGES

	2005/2006 Average, using 2005/2006 laws (no updates to current laws)			Baseline for this project--includes recent policy changes [1]	
	Admin. data[2]	TRIM-Simulated Data	TRIM as % of Admin.	Pct. Change relative to 2005/06 law simulation	Reason for change
Transfer Programs					
TANF (including state sep. programs)					
avg. monthly caseload (thou. of units)	22.7	21.2	93.5%	-2.8%	2008 benefits lower in
annual benefits (millions)	118.9	101.9	85.8%	-7.7%	real terms than 05/06
Food Stamps					
avg. monthly caseload (thou. of units)	110.4	109.3	99.1%	-0.3%	interactions with other
annual benefits (millions)	235.1	213.5	91.0%	0.2%	programs
Public and subsidized housing					
avg. monthly households (thou.)	70 [3]	75 [5]	--	0.0%	
CCDF-funded child care subsidies					
avg. monthly caseload (thou. of children)	9.9	9.8	99.1%	0.0%	
Medicaid and SCHIP (non-institutionalized)					
avg. mo. enrollment (thou.)	411.0	421.5	102.5%	5.4%	expansions in eligibility of pregnant women, parents
LIHEAP					
assisted households (thou. of h'holds)[4]	96.7	95.6	98.8%	15.7%	LIHEAP funding higher
annual benefits (regular and crisis) (millions)	44.1	43.7	98.9%	15.7%	in '08 than in 05/06
WIC					
avg. mo caseload infants/children (thou.)	39.0	41.9	107.5%	0.0%	
Federal Income Taxes, Returns and Liability					
Number of positive-tax returns (mill.)	1,296.7	1,278.5	98.6%	0.3%	
with AGI < $100,000	1,004.0	959.5	95.6%	0.4%	
Total tax liability, positive-tax returns (mill.)	22,333.1	15,960.6	71.4%	0.4%	
with AGI < $100,000	3,855.9	3,842.0	99.6%	0.7%	slight differences between dollar amounts in 2008 tax law (deflated to 05/06) and 2005/06 tax law
Earned income tax credit					
returns with credit (thou.)	174.9	176.7	101.0%	0.6%	
total credit (mill.)	294.2	265.8	90.6%	1.4%	
State income tax					
Tax collections ($ mill.)	5,405.5	4,883.4	90.4%	2.4%	

Source: Urban Institute, data from the TRIM3 microsimulation model

Notes

[1] The "baseline" simulation for this project incorporates key changes in policies between 2005/06 and the present, with dollar amounts deflated to 2005/2006 for consistency with incomes in the 2005/2006 CPS data.

[2] Administrative figures are from government sources, adjusted or combined for consistency with simulation concepts. In particular, Medicaid enrollment excludes the instituionalized population, which is not included in TRIM3.

[3] Includes estimates of households in public housing federally-subsidized housing, and with CT-funded (RAP) subsidies.

[4] The actual number of households assisted by LIHEAP is estimated from data on households receiving each type of help. Figures apply to heating and crisis aid only.

[5] The simulation includes only the households who actually reported being in public or subsidized housing in the CPS interview, not those who are "allocated" to be in such housing by Census Bureau data editing procedures.

More Data on Poverty in the Baseline Simulations

Section IV of this report presents data on the counts of CT persons in poverty and near poverty, in total and by type of person, and using both poverty definitions. Tables B2 through B5 provide more detail on poverty in the baseline simulations, as follows:

- Table B2 shows the characteristics of the individuals who are poor or near-poor in CT, under each definition. Using the NAS definition, for instance, 24 percent of those with income under 100 percent of the threshold are under age 18, 49 percent are from 18 to 54, and 27 percent are age 55 or older.

- Table B3 provides poverty rates for key demographic groups in CT using the official and the NAS poverty definitions. For example, the NAS poverty rates in CT are 8.1 percent for whites, 19.4 percent for blacks, and 25.4 percent for Hispanics.

- Table B4 expands on the data shown in Figure 3 in Section IV of the report. The table shows how the percentage of people below the NAS poverty threshold would change if different income definitions were used in conjunction with those thresholds, for all individuals in CT and for different types of persons. Note that only the last row of the table – with the broadest resource measure -- can be interpreted as providing a poverty rate, since the NAS thresholds are only intended for use with this measure of resources. However, this type of analysis can be used to provide a sense of the anti-poverty effectiveness of different programs. For instance, if only cash income were compared to the NAS thresholds, 15.1 percent of children would fall below those levels; however, when the value of food and housing benefits is added, the percentage falls to 10.5.

- Table B5 shows how the "poverty gap" changes when different income definitions are used in conjunction with the NAS poverty thresholds. As described in Section IV, the poverty gap is the aggregate amount by which poor families fall below the applicable poverty threshold.

TABLE B2
Characteristics of the Poor and Near-Poor Population in Connecticut
Using the Official and NAS Poverty Measures [1]
Population: 2005 and 2006 [2]
Policies: Current rules for taxes and transfers, deflated appropriately

	Official Poverty Definition		NAS Poverty Definition	
	Under 100% of poverty	Total Under 200% of Poverty	Under 100% of poverty	Total Under 200% of Poverty
Total Number of Persons (thous.)	296	756	392	1426
Distribution of Poor Persons by Characteristics				
Race				
White	46%	53%	54%	60%
Black	15%	16%	16%	15%
Hispanic	33%	25%	24%	20%
Other	6%	5%	6%	5%
Total	100%	100%	100%	100%
Gender				
Male	41%	43%	43%	46%
Female	59%	57%	57%	54%
Total	100%	100%	100%	100%
Age				
<18	31%	28%	24%	26%
18-54	48%	47%	49%	49%
55+	21%	26%	27%	25%
Total	100%	100%	100%	100%
Work Status (workers)				
Full-time, full year	6%	14%	11%	23%
Full-time, part year	7%	7%	8%	7%
Part-time, full year	4%	5%	6%	6%
Part-time, part year	8%	8%	9%	7%
All workers	25%	34%	33%	43%
Education Status (age 25+)				
Less than High School	20%	19%	19%	15%
High School	21%	24%	23%	25%
More than High School	18%	21%	23%	25%
All age 25+	59%	63%	65%	65%

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:
[1] The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.
[2] CT estimates were created for 2005 and 2006 separately; each number is the average of the 2005 and 2006 results.

TABLE B3
Poverty Rates in Connecticut for Population Subgroups,
Using the Official and NAS Poverty Measures [1]
Population: 2005 and 2006 [2]
Policies: Current rules for taxes and transfers, deflated appropriately [3]

		Official Poverty Definition		NAS Poverty Definition	
	Number of People (thou.)	Under 100% of poverty	Total Under 200% of Poverty	Under 100% of poverty	Total Under 200% of Poverty
All Persons	3,475	8.5%	21.8%	11.3%	41.0%
Race					
White	2,622	5.2%	15.3%	8.1%	32.7%
Black	324	13.5%	38.2%	19.4%	65.8%
Hispanic	376	25.7%	50.6%	25.4%	76.8%
Other	151	12.2%	26.8%	14.9%	43.6%
Gender					
Male	1,698	7.1%	19.0%	10.0%	38.5%
Female	1,776	9.9%	24.4%	12.5%	43.5%
Age					
<18	826	11.1%	25.6%	11.3%	45.4%
18-54	1,819	7.8%	19.3%	10.6%	38.3%
55+	829	7.6%	23.3%	12.9%	42.8%
Work Status (workers)					
Full-time, full year	1,265	1.4%	8.2%	3.5%	25.7%
Full-time, part year	240	9.1%	23.5%	12.4%	43.0%
Part-time, full year	214	5.4%	18.1%	10.2%	38.2%
Part-time, part year	230	9.7%	25.4%	15.0%	44.0%
Education Status (age 25+)					
Less than High School	275	21.4%	51.2%	26.5%	80.0%
High School	700	8.8%	25.6%	13.1%	50.3%
More than High School	1,397	3.8%	11.2%	6.5%	25.3%

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:

[1] The standard poverty definition compares the cash income of a family (all related persons in a household) to the official US poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

[2] CT estimates were created for 2005 and 2006 separately; each number is the average of the 2005 and 2006 results.

[3] The simulation imposes 2008 policies for taxes and transfer programs. All dollar amounts are deflated to 2005/2006 for consistency with incomes in the 2005/2006 CPS data.

TABLE B4
Poverty Rate of Persons in Connecticut
Using Different Income Definitions Applied to the NAS Poverty Thresholds
Population: 2005 and 2006 [3]
Policies: Current rules for taxes and transfers, deflated appropriately [4]

	All Persons	Children <18	Persons by family type		
			In families with children	In fams. w/ person 65+	In other families
All Persons (thou.)	3,475	820	1,816	469	1,191
Poverty Rate, Comparing Each Income Definition to the Alternative Threshold [1]					
Total Cash Income	12.9	15.1	12.8	16.7	11.4
Plus Food and Housing Benefits	10.1	10.5	9.1	13.8	10.3
Less Federal Tax (before the EITC)	11.0	11.2	9.9	13.9	11.6
Plus the EITC	9.8	8.7	7.6	13.9	11.4
Less State Tax	9.8	8.7	7.6	13.9	11.6
Less Child Care and Work-Expenses (definition used for alternative poverty rate)	11.3	11.0	9.6	14.0	12.9

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:

[1] The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

[2] Columns that show persons by family type include both children and adults. Persons in families with both children and persons 65+ are in the "families with children" column.

[3] CT estimates were created for 2005 and 2006 separately; each number is the average of the 2005 and 2006 results.

[4] The simulation imposes 2008 policies for taxes and transfer programs. All dollar amounts are deflated to 2005/2006 for consistency with incomes in the 2005/2006 CPS data.

TABLE B5
Poverty Gap in Connecticut
Using Different Income Definitions Applied to the NAS Poverty Thresholds [1]
Population: 2005 and 2006 [4]
Policies: Current rules for taxes and transfers, deflated appropriately [5]

	All Families and Unrelated Individuals [2]	Families with related children	Families with elderly heads	Other families
All Families (thousands)	1,581	501	305	775
Poverty Gap [3] (millions of dollars) when each income definition is compared to the NAS thresholds				
Total Cash Income	$1,734	$636	$289	$808
Plus Food and Housing Benefits	$1,276	$372	$244	$658
Less Federal Tax (before the EITC)	$1,330	$395	$246	$689
Plus the EITC	$1,241	$315	$246	$680
Less State Tax	$1,241	$315	$246	$681
Less Child Care and Work-Expenses (definition used for alternative poverty rate)	$1,348	$372	$249	$728

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.
Notes:

[1] The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The poverty threshold uses an updated market basket of goods and is adjusted for state of residence, urban/rural status, health status, and health insurance status.

[2] For the family definitions, individuals who live alone or in households with non-relatives are counted as separate families. Children are defined as all individuals under age 18; elderly is age 65 or older.

[3] The poverty gap is defined as the amount of money that would be required to raise all families below the poverty level up to the poverty level.

[4] CT estimates were created for 2005 and 2006 separately; each number is the average of the 2005 and 2006 results.

[4] The simulation imposes 2008 policies for taxes and transfer programs. All dollar amounts are deflated to 2005/2006 for consistency with incomes in the 2005/2006 CPS data.

Appendix C: Impacts of Education and Training on Employment and Earnings

Table C1 provides summarizes key aspects of the recent literature related to the impacts of education and training on employment and earnings. The literature shown here was the basis for the employment and earnings assumptions used in the simulations of increased AA degrees, increased GED degrees, and increased job training.

TABLE C1
Recent Evidence of Education and Training Effects on Employment and Earnings

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Study/Author Description of Intervention	Target Group	Outcomes			Geographic (National, State)	Type of Study (Random, Data)
		Employment	Income/Wage	Hours		
National Evaluation of Welfare to Work Strategies (NEWWS), Bos et al. (2002) This is a random study where program group participants receive education, training, and other employment services. If they do not participate in the program, their monthly welfare grant is reduced. Members of the control group receive no services from the program but can seek out services from the community. Bos et al. 2002 the Portland, OR site produced larger effects than elsewhere. Portland substantially increased participation in education and training, especially at postsecondary level, and maintained a clear employment focus, Martinson and Strawn 2002 *NEWWS cost, on average, $1,520 per year per recipient (each year over a 5 year period).*	Mothers on welfare	NA …… NA ……. Employment 16.0% *** points higher than non-participants in the third year. Portland, OR effects: 21 % employment.	GED completion earnings gain of $771, 28.1%***. …….. Adult education (not post-secondary) of $334 (12.2%) earnings gain which is not significant but earnings growth $429 (from year 2 to 3) was significant***. …….…… Post-secondary participants earned $1,542 (47.3% **) more than those who completed only adult education in the third year after training (not contingent on completion). Portland, OR effects: 25% earnings gain.	NA	11 Welfare-to-Work Programs in 7 NEWWS sites.	Random assignment; 4,274 sample size.

TABLE c.1, cont.						
Study/Author Description of Intervention	**Target Group**	**Outcomes: Employment**	**Outcomes: Income/Wages**	**Outcomes: Hours**	**Geographic (National, State)**	**Type of Study (Random, Data)**
Center for Employment Training (CET) CET provided comprehensive services in a work like setting. Students participated full time and employers were involved. Centers operate year-round, featuring an open-entry, open-exit, competency-based training format. Miller et al. 2003. The Average training time was 28 weeks. *Cost was $57 for one day of training per student.* CET was replicated with little success. Only young women in high fidelity sites realized a positive effect on earnings. The effects on young men were often negative. (Miller et al. 2003).	Youth and adults with significant barriers	NA	a) Minority Female Demo: $2,060 per enrollee (Burghardt, Rangarajan, Gordon and Kisker 1992) continued for 5 year follow up. b) JOBSTART focused on disadvantaged youth age 17 to 21: averaged $7,000 per enrollee over 48 months.	NA	San Jose	Random Assignment: Minority women sample of 4,000; Youth sample of 167.
Job Training Partnership Act (JTPA) Title II-A Programs, Bloom et al. (1997) These programs prepare economically disadvantaged adults and out-of-school youths for entry into labor force. The program goals are to increase earnings and employment and reduce welfare dependence. In this random assignment study, the program group (PG) members received one of the 3 service categories: classroom training; a mix of on-the-job training (OJT) and/or job-search assistance (JSA); and other services. *Average program cost for Program Years 1987-89 was $2,377 for 16 areas while the national average was $2,241*.	Adult women	The ever-employed rate for PG was 2.1% points higher**.	During the 30-month follow-up period, program group members earned $1,176 (9.6%, ***) more than the control group members.	NA	16 service delivery areas across the country	Random; study in 1992 sample size 6,474 adult women; 4,419 men. The female youth sample was 2,300; male youth 1,748.
	Adult men	The ever-employed rate for PG was 2.8% points higher**.	PG members earned $978 more (5.29%, *)	NA		
	Female youth	PG was 2.8% points higher (ns).	$135 (1.3% more, ns)	NA		
	Male youth	PG was 1.5% points higher (ns).	PG members earned $589 less than the CG members (3.6%, ns)	NA		

TABLE c.1, cont.						
Study/Author Description of Intervention	**Target Group**	**Outcomes: Employment**	**Outcomes: Income/Wages**	**Outcomes: Hours**	**Geographic (National, State)**	**Type of Study (Random, Data)**
Career Academies Evaluation, Kemple (2008) Career Academies aim to keep students engaged in school and prepare them for successful transitions to postsecondary education and employment. Career Academies are organized as small learning communities, combine academic and technical curricula around a career theme, and establish partnerships with local employers to provide work-based learning opportunities. *One estimate in CA shows $600/student/year extra cost (Lehr et al. 2004).*	**Years 1-4 effects**				9 high schools across US	Random Assignment; 604 men, 854 women in years 1-4; 587 men and 841 women in years 5-8.
	Male	NA	$261 or 18.8% higher monthly earnings for PG ***	4.2 hours or 14% more, ***		
	Female	NA	$53 or 4.8% higher monthly earnings, ns	0.5 hours or 1.9% more, (ns)		
	Years 5 through 8 Effects					
	Male	NA	$361 or 16.4% higher monthly earnings**	4.1 hours or 12.2% more, ***		
	Female	NA	$118 or 6.6% higher monthly earnings (ns)	0.3 hours or 1% more (ns)		
Post-Assistance Self-Sufficiency (PASS) Program, Navarro et al. (2007) The PASS program is one of the 15 Employment Retention and Advancement programs across the US. It is designed to provide former TANF recipients with voluntary postemployment services— such as case management, counseling and mentoring, and help with reemployment. *Costs are not available.*	Former TANF recips.	The average quarterly employment rate was 4% points (62.1% vs. 58.1%) higher for program group than for control group. ***	PG members earned $1,791 (10.8%) more than CG members over the two-year follow-up period. ***	NA	Riverside, CA	Random Assignment, 2770 sample.

TABLE c.1, cont.						
Study/Author Description of Intervention	**Target Group**	**Outcomes: Employment**	**Outcomes: Income/Wages**	**Outcomes: Hours**	**Geographic (National, State)**	**Type of Study (Random, Data)**
California's Employment and Training Panel (CETP), Moore et al. (2003) These programs are customized training programs, or incumbent-worker training programs. They were often designed as incentives for businesses to locate, remain, or expand in a state. They typically provide funds to companies to train either newly-hired workers, or to retrain existing employees.	1994-1996 Cohorts	Study shows lower unemployment (0.5%).	Earnings 3.3 % higher for program over control group after 2nd year.	NA	CA	Random assignment.
Community Colleges (multiple studies, not experimental). Lerman (2007) reviews the evidence on community colleges. He summarizes evidence in Silverberg et al. 2004 and Marcotte and colleagues 2005. Lerman reports effects of earnings gains of one year of community college and the completion of an associate's degree. Effects vary by gender, type of degree, academic disadvantage.	Men and women with H.S. degrees.	NA	One year raises earnings by 8% for men; earnings gain is 30% for men who complete a vocational associates degree. One year raises earnings for women by 16% (over a high school degree only) when taken in an academic curriculum but has no effect when part of a vocational curriculum. Women who complete associates degree realize a 40 to 47 % earnings gain depending on whether the degree is academic or vocational, respectively.	NA	Various places.	Analyses of secondary data.

*** Significant at 1%, ** at 5%, * at 10%.

Appendix D: Detailed Simulation Results

These tables provide more detailed simulation results, including results for all persons in CT, as follows:

D1: Guaranteed child care subsidies, no new job
D2: Guaranteed child care subsidies, with new jobs
D3: Increased AA degrees, lower employment/earnings assumptions
D4: Increased AA degrees, higher employment/earnings assumptions
D5: Increased GED degrees, lower employment/earnings assumptions
D6: Increased GED degrees, higher employment/earnings assumptions
D7: Increased job training, lower employment/earnings assumptions
D8: Increased job training, higher employment/earnings assumptions
D9: Increased participation in the food stamp (SNAP) program
D10: Increased enrollment in WIC, LIHEAP, and subsidized housing
D11: Increased enrollment in Medicaid
D12: Post-TANF wage supplement
D13: Case management for TANF leavers
D14: Full payment of all child support awards
D15: Combined simulation of guaranteed child care subsidies (with new jobs); all education options (higher employment/earnings assumptions); increased participation in SNAP, WIC, LIHEAP, subsidized housing, and Medicaid; case management and wage supplement for recent TANF leavers; and full payment of all child support awards

TABLE D1

IMPACT OF GUARANTEED CHILD CARE SUBSIDIES, NO ADDITIONAL EMPLOYMENT

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]

	Baseline					Guaranteed Child Care Subsidies, No New Jobs				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*296*	*88*	*158*	*35*	*104*
100<200% poverty	460	119	242	96	123	460	119	242	96	123
Total <200%	*756*	*207*	*400*	*131*	*226*	*756*	*207*	*400*	*131*	*226*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.5%	10.7%	8.7%	7.5%	8.7%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.8%	25.2%	22.0%	28.0%	19.0%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$1,032.6		$351.0	$87.9	$593.7

NAS Poverty definition [3]

	Baseline					Guaranteed Child Care Subsidies, No New Jobs				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*385*	*85*	*167*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	11.1%	10.4%	9.2%	14.0%	12.9%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,325.5		$348.6	$248.8	$728.0

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] This option assumes that Child Care and Development Fund (CCDF) subsidies are an entitlement for eligible families. Eligible families with unsubsidized expenses in the baseline simulation are assumed to being receiving subsidies.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D2

IMPACT OF GUARANTEED CHILD CARE SUBSIDIES, INCLUDING ADDITIONAL EMPLOYMENT

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]

	Baseline					Guaranteed Child Care Subsidies, With New Jobs				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*274*	*76*	*136*	*35*	*104*
100<200% poverty	460	119	242	96	123	474	127	255	96	123
Total <200%	*756*	*207*	*400*	*131*	*226*	*747*	*202*	*391*	*131*	*226*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	7.9%	9.2%	7.5%	7.5%	8.7%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.5%	24.7%	21.5%	28.0%	19.0%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$974.3		$292.6	$87.9	$593.7

NAS Poverty definition [3]

	Baseline					Guaranteed Child Care Subsidies, With New Jobs				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*372*	*78*	*154*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	10.7%	9.5%	8.5%	14.0%	12.9%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,270.7		$293.8	$248.8	$728.0

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] This option assumes that Child Care and Development Fund (CCDF) subsidies are an entitlement for eligible families. Eligible families with unsubsidized expenses in the baseline simulation are assumed to being receiving subsidies. Also, a subset of parents who did not work in the baseline but who would be eligible for subsidies if they began working are simulated to become employed.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D3

IMPACT OF INCREASED ATTAINMENT OF AA DEGREES, HYPOTHESIZING LOWER EMPLOYMENT AND WAGE IMPACTS[1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]	Baseline					Increased AA Degrees, Lower Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*292*	*87*	*155*	*35*	*102*
100<200% poverty	460	119	242	96	123	448	114	232	96	120
Total <200%	*756*	*207*	*400*	*131*	*226*	*739*	*201*	*387*	*131*	*222*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.4%	10.6%	8.5%	7.5%	8.5%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.3%	24.5%	21.3%	28.0%	18.6%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$1,022.4		$342.8	$87.9	$591.7

NAS Poverty definition [3]	Baseline					Increased AA Degrees, Lower Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*384*	*88*	*171*	*66*	*148*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	11.1%	10.7%	9.4%	14.0%	12.4%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,329.5		$360.3	$248.8	$720.4

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] One-half of the 600,000 CT adults under age 50 with a high school diploma but no higher degree are assumed to obtain an AA degree. For those who are already employed, earnings increase by 15 percent; there is no new employment.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D4

IMPACT OF INCREASED ATTAINMENT OF AA DEGREES, HYPOTHESIZING HIGHER EMPLOYMENT AND WAGE IMPACTS[1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]	Baseline					Increased AA Degrees, Higher Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*272*	*78*	*138*	*35*	*100*
100<200% poverty	460	119	242	96	123	429	107	221	96	113
Total <200%	*756*	*207*	*400*	*131*	*226*	*701*	*185*	*359*	*131*	*212*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	7.8%	9.5%	7.6%	7.5%	8.4%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	20.2%	22.6%	19.7%	27.9%	17.8%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$975.7		$306.4	$87.9	$581.4

NAS Poverty definition [3]	Baseline					Increased AA Degrees, Higher Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*364*	*80*	*156*	*66*	*143*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	10.5%	9.8%	8.6%	14.0%	12.0%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,272.8		$319.0	$248.8	$705.0

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] One-half of the 600,000 CT adults under age 50 with a high school diploma but no higher degree are assumed to obtain an AA degree. For those who are already employed, earnings increase by 40 percent; among those who are non-disabled but not employed, 15 percent obtain a full-year job for 35 hours/week, $18/hour.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D5

IMPACT OF INCREASED ATTAINMENT OF GED DEGREES, HYPOTHESIZING LOWER EMPLOYMENT AND WAGE IMPACTS[1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]

	Baseline					Increased GED Degrees, Lower Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*291*	*85*	*154*	*35*	*103*
100<200% poverty	460	119	242	96	123	464	122	246	96	123
Total <200%	*756*	*207*	*400*	*131*	*226*	*755*	*206*	*400*	*131*	*225*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.4%	10.3%	8.5%	7.5%	8.6%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.7%	25.1%	22.0%	28.0%	18.9%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$1,023.0		$344.3	$87.4	$591.2

NAS Poverty definition [3]

	Baseline					Increased GED Degrees, Lower Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*384*	*87*	*167*	*66*	*152*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	11.0%	10.6%	9.2%	14.0%	12.7%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,335.5		$365.3	$248.3	$721.9

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] The simulation assumes that all adults under age 50 who do not have a high school diploma or equivalent obtain a GED. For those who are already employed, wages are assumed to increase by 6 percent; there are no new jobs.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D6

IMPACT OF INCREASED ATTAINMENT OF GED DEGREES, HYPOTHESIZING HIGHER EMPLOYMENT AND WAGE IMPACTS[1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]	Baseline					Increased GED Degrees, Higher Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*282*	*81*	*148*	*34*	*102*
100<200% poverty	460	119	242	96	123	455	120	237	97	121
Total <200%	*756*	*207*	*400*	*131*	*226*	*737*	*201*	*385*	*131*	*222*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.1%	9.8%	8.1%	7.3%	8.5%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.2%	24.4%	21.2%	28.0%	18.6%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$994.4		$324.5	$87.4	$582.5

NAS Poverty definition [3]	Baseline					Increased GED Degrees, Higher Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*375*	*83*	*160*	*66*	*150*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	10.8%	10.1%	8.8%	14.0%	12.6%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,305.9		$349.0	$247.8	$709.1

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] The simulation assumes that all adults under age 50 who do not have a high school diploma or equivalent obtain a GED. For those who are already employed, wages are assumed to increase by 25 percent; among those who are non-disabled and not working, 10 percent obtain a full-year job working 35 hours/week for $14/hour.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D7

IMPACT OF INCREASED POST-SECONDARY JOB TRAINING, HYPOTHESIZING LOWER EMPLOYMENT AND WAGE IMPACTS[1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]	Baseline					Increased Job Training, Lower Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*293*	*87*	*157*	*35*	*102*
100<200% poverty	460	119	242	96	123	453	116	235	96	122
Total <200%	*756*	*207*	*400*	*131*	*226*	*746*	*203*	*392*	*131*	*223*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.4%	10.6%	8.6%	7.5%	8.5%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.5%	24.8%	21.6%	28.0%	18.7%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$1,026.5		$348.3	$87.9	$592.2

NAS Poverty definition [3]	Baseline					Increased Job Training, Lower Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*387*	*89*	*172*	*66*	*149*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	11.1%	10.8%	9.5%	14.0%	12.5%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,338.6		$366.4	$248.8	$723.5

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] One-half of the 600,000 CT adults under age 50 with a high school diploma but no higher degree are assumed to obtain job training. For those who are already employed, earnings increase by 6 percent; there is no new employment.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D8

IMPACT OF INCREASED POST-SECONDARY JOB TRAINING, HYPOTHESIZING HIGHER EMPLOYMENT AND WAGE IMPACTS[1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]	Baseline					Increased Job Training, Higher Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*288*	*86*	*152*	*35*	*102*
100<200% poverty	460	119	242	96	123	443	111	227	96	120
Total <200%	*756*	*207*	*400*	*131*	*226*	*730*	*197*	*379*	*131*	*221*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.3%	10.5%	8.3%	7.5%	8.5%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.0%	24.0%	20.9%	28.0%	18.6%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$1,014.8		$336.2	$87.9	$590.7

NAS Poverty definition [3]	Baseline					Increased Job Training, Higher Employment/Wage Impacts				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*381*	*86*	*168*	*66*	*148*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	11.0%	10.5%	9.2%	14.0%	12.4%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,317.5		$349.3	$248.8	$719.4

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] One-half of the 600,000 CT adults under age 50 with a high school diploma but no higher degree are assumed to obtain job training. For those who are already employed, earnings increase by 20 percent; among those who are non-disabled but not employed, 6 percent obtain a full-year job for 35 hours/week, $18/hour.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D9
IMPACT OF AN 85% PARTICIPATION RATE IN THE FOOD STAMP (SNAP) PROGRAM [1]
Using the NAS Poverty Definition and 2005 and 2006 Connecticut data [2]

Baseline

	Alternative (NAS) Poverty Definition				
			Persons by family type [3]		
	All Persons	Children	In families with children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*393*	*90*	*174*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0

85% of FSP-Eligible Households are Enrolled

	Alternative (NAS) Poverty Definition				
			Persons by family type [3]		
	All Persons	Children	In families with children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*384*	*88*	*169*	*66*	*151*
% poor (<100% poverty)	11.1%	10.7%	9.3%	14.0%	12.6%
Poverty gap (millions, 2006 $) [4]	$1,315.2		$356.1	$237.1	$722.0

Other key data	
Additional FSP h'holds (thou.)	42.2
Cost of new benefits (mill., 2006 $)	$40.8
Reduction in pov. gap (all fams.)	$33.6
Pct. of cost that reduces pov. gap	82.3%

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.
Notes:

[1] Currently, approximately 62% of households eligible for FSP benefits in CT appear to take those benefits in an average month. Although higher FSP enrollment would increase WIC and LIHEAP eligibility due to automatic eligibility for FSP households, this simulation assumes that there would be no increases in WIC or LIHEAP caseloads.

[2] The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living. (This simulation has no impact on the standard poverty definition.)

[3] Columns for persons by family type include both children and adults. Persons in families with both children and persons 65+ are in the "families with children" column.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

TABLE D10

IMPACT OF AN 85% ENROLLMENT RATE FOR SUBSIDIZED HOUSING, LIHEAP, AND WIC[1]

Using the NAS Poverty Definition and 2005 and 2006 Connecticut data [2]

Baseline

	Alternative (NAS) Poverty Definition				
			Persons by family type [3]		
	All Persons	Children	In families with children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*393*	*90*	*174*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0

Housing Subsidies, LIHEAP, and WIC Enroll 85% of Eligible Households

	Alternative (NAS) Poverty Definition				
			Persons by family type [3]		
	All Persons	Children	In families with children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*323*	*64*	*127*	*58*	*138*
% poor (<100% poverty)	9.3%	7.7%	7.0%	12.4%	11.5%
Poverty gap (millions, 2006 $) [4]	$1,074.9		$241.7	$219.0	$614.2

Other key data	
Additional h'holds with subs. housing (thou.)	112.3
Additional h'holds with LIHEAP (thou.)	89.9
Additional persons with WIC (thou.)	21.6
Cost of new benefits (mill., 2006 $) [5]	$670.2
Reduction in pov. gap (all fams.)	$273.9
Pct. of cost that reduces pov. gap	40.9%

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] Currently, CT appears to provide benefits to approximately 40 percent of households eligible for subsidized housing, approximately 50 percent of households eligible for LIHEAP, and approximately 60 percent of infants and children eligible for WIC.

[2] The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living. (This simulation has no impact on the standard poverty definition.)

[3] Columns for persons by family type include both children and adults. Persons in families with both children and persons 65+ are in the "families with children" column.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Increased costs for subsidized housing, LIHEAP, and WIC are offset slightly by reduced FSP benefits (due to lower levels of excess shelter deductions).

TABLE D11
IMPACT OF AN OVERALL 85% ENROLLMENT RATE FOR MEDICAID/SCHIP[1]
Using the NAS Poverty Definition and 2005 and 2006 Connecticut data[2]

Baseline

	Alternative (NAS) Poverty Definition				
			Persons by family type[3]		
	All Persons	Children	In families with children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*393*	*90*	*174*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%
Poverty gap (millions, 2006 $)[4]	$1,348.8		$371.9	$248.8	$728.0

85% Overall Enrollment Rate for Medicaid and SCHIP

	Alternative (NAS) Poverty Definition				
			Persons by family type[3]		
	All Persons	Children	In families with children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)					
<100% poverty	*390*	*89*	*173*	*63*	*154*
% poor (<100% poverty)	11.2%	10.9%	9.5%	13.4%	12.9%
Poverty gap (millions, 2006 $)[4]	$1,324.7		$369.9	$233.8	$721.0

Other key data
New Medicaid enrollees (thou.) 97.0

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.
Notes:

[1] Currently, CT appears to enroll approximately two-thirds of the individuals eligible for Medicaid or SCHIP in an average month. However, most of the eligible individuals who are not enrolled appear (in the CPS) to have some other type of insurance. With the methods being used for this analysis, new public coverage can affect poverty only to the extent that individuals were previously uninsured.

[2] The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living. (This simulation has no impact on the standard poverty definition.)

[3] Columns for persons by family type include both children and adults. Persons in families with both children and persons 65+ are in the "families with children" column.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

Table D12

IMPACT OF ONE POSSIBLE DESIGN OF A POST-TANF WAGE SUPPLEMENT [1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]	Baseline					Post-TANF Wage Supplement				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*293*	*87*	*155*	*35*	*104*
100<200% poverty	460	119	242	96	123	463	121	245	96	123
Total <200%	*756*	*207*	*400*	*131*	*226*	*756*	*207*	*400*	*131*	*226*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.4%	10.5%	8.5%	7.5%	8.7%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.8%	25.2%	22.0%	28.0%	19.0%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$1,010.5		$328.8	$87.9	$593.7

NAS Poverty definition [3]	Baseline					Post-TANF Wage Supplement				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*390*	*89*	*172*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	11.2%	10.8%	9.5%	14.0%	12.9%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,331.2		$354.4	$248.8	$728.0

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.

Notes:

[1] The policy should be considered as illustrative of the potential effects of a wage supplement. Details of policy design will impact the anti-poverty effects. The modeled policy provides a supplement equal to the difference between the worker's actual wage rate and $10/hour. Workers already earning at least $10/hour do not benefit. The policy would apply to the first year after leaving TANF; approximately 3,000 families per year leave TANF in CT with earnings.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

Table D13

IMPACT OF CASE MANAGEMENT FOR TANF LEAVERS (5 YEARS AFTER IMPLEMENTATION) [1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]

	Baseline					Case Management for Former TANF Recipients				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*295*	*88*	*157*	*35*	*104*
100<200% poverty	460	119	242	96	123	462	120	243	96	123
Total <200%	*756*	*207*	*400*	*131*	*226*	*756*	*207*	*400*	*131*	*226*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.5%	10.7%	8.6%	7.5%	8.7%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.8%	25.2%	22.0%	28.0%	19.0%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$1,013.9		$332.2	$87.9	$593.7

NAS Poverty definition [3]

	Baseline					Case Management for Former TANF Recipients				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*391*	*89*	*173*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	11.3%	10.8%	9.5%	14.0%	12.9%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,331.6		$354.7	$248.8	$728.0

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.

Notes:

[1] The simulation assumes that case management services are focused on TANF recipients who have earnings at the point that they leave the TANF program. We assume that the impacts are similar to those observed in the Riverside, California "PASS" program -- an increase in the employment rate of 4 percentage points, and an increase in total earnings of approximately 11 percent (two thirds of that coming from the employment increases). We assume that the program has been in place for five years, offered to approximately 3,000 families per year, and that the employment effects persist.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

Table D14

IMPACT OF FULL PAYMENT OF ALL CHILD SUPPORT AWARDS FOR LOW-INCOME FAMILIES [1]

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]

	Baseline					Close Gap Between Child Support Awards and Payments				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*293*	*85*	*154*	*35*	*104*
100<200% poverty	460	119	242	96	123	459	119	241	96	123
Total <200%	*756*	*207*	*400*	*131*	*226*	*752*	*204*	*395*	*131*	*226*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	8.4%	10.4%	8.5%	7.5%	8.7%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	21.6%	24.8%	21.7%	28.0%	19.0%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$1,010.2		$328.6	$87.9	$593.7

NAS Poverty definition [3]

	Baseline					Close Gap Between Child Support Awards and Payments				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*387*	*87*	*169*	*66*	*154*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	11.1%	10.6%	9.3%	14.0%	12.9%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$1,329.4		$352.5	$248.8	$728.0

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the 2006 and 2007 ASEC data.

Notes:

[1] All families are assumed to receive the full amount of child support that they are due. No changes are made to child support awards, however. Further, we do not model the potential impacts on the families of the individuals who pay child support. If an individual pays more support without an increase in earnings, the available income of his/her family would fall; if that individual obtains a new or better job due to a fatherhood program, the income of the family in which s/he resides could increase, even after subtraction of the child support payment.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.

TABLE D15

COMBINED IMPACT OF (1) GUARANTEED CHILD CARE SUBSIDIES, (2) INCREASED AAs, GEDs, AND JOB TRAINING; AND (3) INCREASED ENROLLMENT IN SNAP, WIC, LIHEAP, HOUSING, AND MEDICAID [1]

Including Employment Impacts Due to Child Care, and Higher Assumptions of Impacts of Education/Training Options

Using 2005 and 2006 Connecticut data [2]

Standard Poverty Definition [3]

	Baseline					Child Care, Education/Training, and Progam Participation Policies				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor or low income (thou.)										
<100% poverty	*296*	*88*	*158*	*35*	*104*	*241*	*61*	*109*	*35*	*98*
100<200% poverty	460	119	242	96	123	439	116	230	96	113
Total <200%	*756*	*207*	*400*	*131*	*226*	*680*	*177*	*339*	*131*	*211*
% poor (<100% poverty)	8.5%	10.7%	8.7%	7.5%	8.7%	6.9%	7.4%	6.0%	7.5%	8.2%
% poor or near-poor (<200%)	21.8%	25.2%	22.0%	28.0%	19.0%	19.6%	21.6%	18.7%	27.9%	17.7%
Poverty gap (millions, 2006 $) [4]	$1,032.6		$351.0	$87.9	$593.7	$879.8		$220.8	$87.9	$571.1

NAS Poverty definition [3]

	Baseline					Child Care, Education/Training, and Progam Participation Policies				
			Persons by family type [5]					Persons by family type [5]		
	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families	All Persons	Children	In fams. w/ children	In fams. w/ person 65+	In other families
Number poor (thou.)										
<100% poverty	*393*	*90*	*174*	*66*	*154*	*261*	*41*	*84*	*58*	*119*
% poor (<100% poverty)	11.3%	10.9%	9.6%	14.0%	12.9%	7.5%	4.9%	4.6%	12.3%	10.0%
Poverty gap (millions, 2006 $) [4]	$1,348.8		$371.9	$248.8	$728.0	$912.6		$135.3	$207.3	$570.0

Source: The Urban Institute, tabulations using the TRIM3 microsimulation model and the CY 2005 and 2006 ASEC data.

Notes:

[1] See section IV of report and notes to Tables D2, D4, D6, D8, D9, D10, and D11 for simulation details.

[2] CT estimates were created for 2005 and 2006 separately; each CT estimate is the average of the 2005 and 2006 results.

[3] The standard poverty definition compares cash income to the official poverty thresholds. The alternative poverty definition counts the value of transfer benefits in income and subtracts tax liability and work-related expenses. The alternative poverty thresholds are based on the latest consumer expenditure data and are adjusted for geographic differences in cost of living.

[4] The poverty gap is the amount of money that would be needed to lift all families currently below poverty up to the poverty threshold. Figures apply to families with children, families without children but with elderly members, and other families.

[5] Columns for persons by family type include both children and adults. Persons in families with both children and elderly are in the "families with children" column.