FIGHTING POVERTY with JOBS:
Projecting the Impacts of a National Subsidized Employment Program

A joint policy report from the Center on Poverty and Social Policy at Columbia University and the Georgetown Center on Poverty and Inequality

Key Findings

Under the national subsidized jobs program that we model:

- Over 3.5 million people would move out of poverty.
- The poverty rate among eligible workers would drop from 60.3 percent to 53.2 percent.
- Among those enrolled in the program, poverty would be cut nearly in half— falling from 60.8 percent to 34.3 percent.
- If take-up among those eligible is higher than the 20 percent assumed in our model, the program's anti-poverty impacts could be even greater, both for program participants and for the nation as a whole.

Authors:

Sophie Collyer
Christopher Wimer
Isaac Santelli
Columbia University

Casey Goldvale
Kali Grant
Indivar Dutta-Gupta
Sophie Khan
Georgetown University

Jobs are at the heart of our nation's debates around poverty and economic security. In the United States, one's access to basic assistance and benefits increasingly depends on work, and yet we do not ensure employment for all who are willing and able to work.[1] Many workers also face one or more significant barriers to employment. As a result, even during periods of economic expansion, millions of people in the U.S. who want full-time jobs cannot find them.[2] For example, as of April 2019, nearly 12 million people in the United States were unemployed or underemployed.[3] Despite evidence that subsidized employment helps many workers and their families by safeguarding against periods of poverty and unemployment, particularly long-term unemployment that further compromises ones' ability to find work, there is no permanent federal subsidized employment program in the U.S.[4] In recent months, several policy makers have come up with ambitious jobs programs including Representative Ro Khanna, and Senators Cory Booker, Kirsten Gillibrand, and Bernie Sanders. Our analysis is modeled on a national, comprehensive subsidized employment program put forth by California Rep. Ro Khanna in the Job Opportunities for All Act (see description below).[5] Using Rep. Khanna's proposal as a model, this brief aims to quantify the potential of a national subsidized jobs proposal to reduce poverty and enhance economic security.[i] The analysis also estimates the costs associated with significant portions of the proposal.

Suggested Citation: Collyer, Sophie, Indivar Dutta-Gupta, Casey Goldvale, Kali Grant, Sophie Khan, Issac Santelli, and Christopher Wimer. (2019). Fighting Poverty with Jobs: Projecting the Impacts of a National Subsidized Employment Program. New York and Washington DC: Columbia University Center on Poverty and Social Policy and the Georgetown Center on Poverty and Inequality.

[i] This brief estimates the impacts of the proposal's primary funding stream: federal matching grants to states. For more information about the proposal's overall funding structure, see Box 1.

CENTER ON POVERTY & SOCIAL POLICY at Columbia University

CENTER ON POVERTY and INEQUALITY GEORGETOWN LAW

ECONOMIC SECURITY and OPPORTUNITY INITIATIVE

Evidence from over 40 years of subsidized employment programs in the U.S. indicates that subsidized employment is a proven but underutilized anti-poverty strategy.[6] Numerous studies (including rigorous evaluations) show that subsidized jobs programs can increase short-term and, in some cases, long-term employment and earnings, as well as lead to other positive non-labor market outcomes.[7] While more experimentation is still needed to best meet the needs of workers with the most serious barriers, enough is known currently for the U.S. to design and operate a large-scale subsidized jobs program in a variety of economic conditions.

The Job Opportunities for All Act

Under the Job Opportunities for All Act,[8] eligible workers must be at least 18 years old and a) have been out of work for more than 90 days, or b) have had earnings below the federal poverty level for the previous six months. Worker placements would last 3- to 18-months, and could be with for-profit, nonprofit, and public employers. Placements could be extended up to an additional 12 months in special cases, such as for employer-sponsored training and education programs or for people with particularly acute employment barriers. In addition to on-the-job training and work experience, participating workers would have access to critical wraparound services, including but not limited to screening, matching, and job preparation services; transportation assistance; child care; and counseling. Participating employers would receive subsidies covering up to 120 percent of wage costs (150 percent for unionized jobs) to offset wages, training, and overhead costs for the length of placement. The bill also includes important safeguards against so-called "bad actors," including provisions that bar existing worker displacement and caps on placements.

Program Structure and Funding

Subsidized employment under the Job Opportunities for All Act would consist of two separate-but-complementary grant structures with parallel funding streams. The first would be a formula grant with generous federal matching funds for states that apply and satisfy grant requirements. State matches would be based on a more generous version of Medicaid's Federal Medical Assistance Program (FMAP), with the federal government covering 75-100 percent of state spending on subsidized employment programs. This brief estimates the impacts of the state matching funding stream.

Even with such a generous match, some states may still choose to not participate or may neglect areas of need within their state. Acknowledging this possibility, the proposal also offers competitive funds to local entities (including municipalities and nonprofits with demonstrated linkages to local government), prioritizing programs in areas of need neglected by participating and, especially, non-participating states.

Methodology

To simulate the effects and costs of Rep. Khanna's proposal, we use national survey data from the 2016 Current Population Survey's (CPS) Annual Social and Economic Supplement (ASEC), the large Census Bureau household survey used to calculate annual poverty statistics.

We first identify the likely eligible population in the data, defined as adults ages 18 to 64 who have either been unemployed for at least 90 days or are in families with incomes less than 100 percent of the official federal poverty line.[ii] Next, we make an assumption that 20 percent of eligible adults would take up the program if offered.[iii]

Once eligibility and take-up are estimated, we make further assumptions about the number of weeks simulated participants will work in subsidized jobs offered through the program. Because the proposal stipulates that program participants' wages must be at least equal to the prevailing minimum wage in their state, we assume that workers' distribution of weeks worked in the program will match the distribution of existing minimum-wage workers in the current labor market.[iv]

In Appendix B, we show alternative results under different assumptions with respect to program take-up levels and lengths of program participation. These results include take-up rates greater than 20 percent and upper bound estimates of participants working all available weeks. Additional detail on our data and methods can be found in the Appendix A.

Estimated Impact on Poverty

A national subsidized employment program would have sizeable targeted poverty effects. Under the Rep. Khanna proposal, the poverty rate among eligible workers would drop from 60.3 percent to 53.2 percent. Reductions are even larger when we restrict the population not just to those eligible but to those for whom we simulate enrollment (in this case, we assume that 1 in 5 eligible adults enrolls in the program). Among participating workers, poverty is cut nearly in half, from 60.8 percent to 34.3 percent. This is quite a large effect, and suggests that if take-up were substantially higher than our conservative estimate of 20 percent, subsidized employment could make an even greater dent in overall total population poverty rates. Table 1 shows other topline results of our simulation. Importantly, the program also would reduce the total U.S. population poverty rate from 14.3 percent to 13.2 percent—a larger impact than the poverty reduction from any federal program aside from Social Security and refundable working family tax credits (Figure 1).[v] This translates to 3.5 million individuals moving out of poverty due to subsidized employment.

[ii] The ASEC does not provide monthly poverty rates during a given year so we took as eligible anyone in poverty (under the Supplemental Poverty Measurement, or SPM) in 2015. See Appendix A for a discussion of this assumption.

[iii] Ultimately this percentage is unknown, and will depend on many factors if the proposal became law, including the type and quality of jobs made available, opportunities in the local labor markets faced by eligible adults, work-family considerations, and many other factors. For the purposes of this estimate, we assume a fairly conservative participation rate of 20 percent among eligible adults. In the appendix we explore how results would differ under an even more conservative estimate of 10 percent, a less conservative estimate of 30 percent, and a substantially larger estimate of 50 percent take-up.

[iv] There is no perfect assumption to guide the choice of a reasonable number of weeks worked. An obvious upper bound would be that participants work all available weeks for which they are eligible in a calendar year. We believe, however, that such a scenario is implausible, and instead assume that, realistically, some workers may exit their subsidized job for private labor market opportunities, others may not be able to remain in their job, possibly due to illness or other responsibilities, for all available weeks, and others may work fewer weeks for other reasons.

[v] (Under the scenario in which 20 percent of eligible workers in the U.S. takes up the program, and participants work similarly to existing minimum wage workers.)

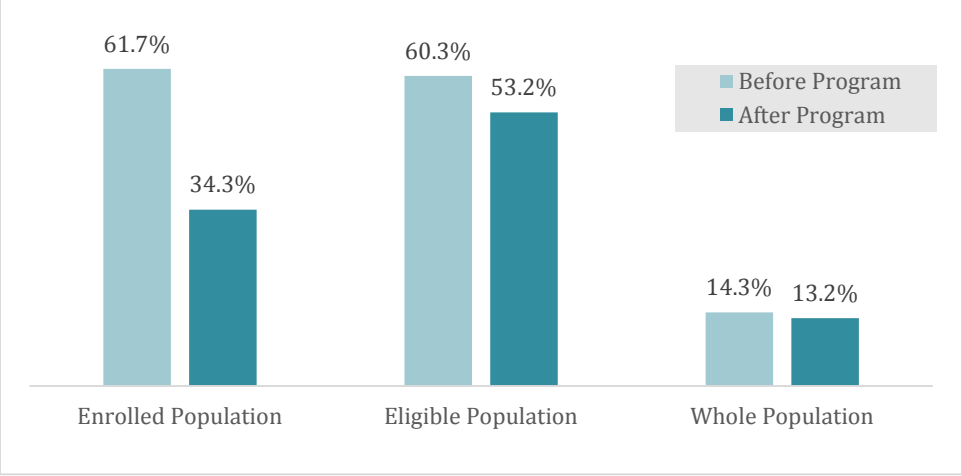
Table 1. Poverty Impacts of the Job Opportunities for All Act

Program Participation	Enrolled Population		Eligible Population		Whole Population		Cost Net Taxes and Transfers (Billion $)
	SPM Poverty Rate Before Program	SPM Poverty Rate After Program	SPM Poverty Rate Before Program	SPM Poverty Rate After Program	SPM Poverty Rate Before Program	SPM Poverty Rate After Program	
10% Enrollment	61.2%	35.7%	60.3%	56.8%	14.3%	13.8%	$24.1
20% Enrollment	61.7%	34.3%		53.2%		13.2%	$48.6
30% Enrollment	61.1%	32.7%		49.7%		12.7%	$72.1
50% Enrollment	60.5%	30.5%		42.7%		11.8%	$117.3

Direct public costs of the modeled formula grant to states would amount to roughly $48.6 billion per year. As shown in the appendix, this is roughly equivalent to the cost when we assume that enrollees work approximately 75 percent of available weeks (see Appendix B). Annual program costs will vary with enrollment rates, and like the Supplemental Nutrition Assistance Program (SNAP) and other countercyclical programs, enrollment trends would be responsive to need and would thus be higher or lower as the business cycle varies. Costs could be mitigated if enrollees draw less in other benefits like SNAP or choose to forego them entirely. Longer-term costs are also likely to vary as some enrollees may go on to transition into the unsubsidized labor market, generating downstream tax revenues that reduce long-term costs. Overall, there are indirect savings that could result from a national subsidized employment program such that the net cost of the program would be lower than estimated.

Figure 1. The Job Opportunities for All Act would reduce poverty among program participants

Change in 2016 SPM poverty rates with a 20% take-up rate among the eligible population



Source: Authors' calculations using the 2017 CPS ASEC

Who Would Benefit from National Subsidized Employment?

As of April 2019, nearly 12 million adults were unemployed or underemployed. This includes 5.8 million officially unemployed workers[9] (2.1 million of whom are long-term unemployed workers[10]), and 1.4 million workers not included in the official unemployment rate who are marginally attached to the labor force.[11] For many of these workers, they experience serious or multiple barriers to work such as caregiving responsibilities; poor health; discrimination due to factors such as race/ethnicity, disability, age, gender identity, and sexual orientation; mismatched skills and training; prior criminal justice system involvement; limited social and economic resources; or lack of suitable work opportunities.[12]

Within our simulated eligible population, more than one-third of people have children (37 percent) and nearly half of eligible women are parents (45 percent). Nearly 1 in 6 have a disability (16 percent) and nearly 2 in 3 are people of color (64 percent). More than 20 percent have less than a high school degree, which is roughly double the national rate.

Even among people who do work, many lack sufficient, quality employment. As of April 2019, 4.7 million people were working part-time but preferred full-time work,[13] and, as of 2016, 7.6 million workers had annual incomes below the poverty threshold, despite spending over half the previous year in the labor force.[14]

Estimated Impact on Unemployment

Another outcome of interest when evaluating the impacts of jobs programs is the unemployment rate. In Table 2, we examine how the subsidized employment program outlined in the Job Opportunities for All Act would impact annual unemployment statistics—specifically, the share of people who were unemployed (i.e., were looking for work or on layoff) for 1 week, 1 month, 3 months, and 6 months of the year.[vi] We see that the program would have the largest impact on the share of individuals who were unemployed for 3 months of the year—falling from 5.4 percent to 4.6 percent with a program take-up rate of 20 percent, and to 3.5 percent with a program take-up rate of 50 percent. The program would also reduce the long-term unemployment rate (over 6 months unemployed) by 34 percent (from 2.9 percent to 1.9 percent) with 50 percent program take-up. A supplemental analysis shows that long-term unemployment would be eliminated with full program take-up. The program would not have as large of an impact on the share of workers who were unemployed for one week or one month of the year (as being unemployed for more than 90 days is a prerequisite for program enrollment except for those who have earnings below the federal poverty level). For a more detailed explanation on the calculations, see Appendix A.

Table 2. Unemployment Impacts of the Job Opportunities for All Act

	No Jobs Program	10% Jobs Program Take-Up	20% Jobs Program Take-Up	30% Jobs Program Take-Up	50% Jobs Program Take-Up
Unemployed for 1 week	10.0%	9.9%	9.8%	9.7%	9.5%
Unemployed for more than 1 mo.	8.1%	7.9%	7.8%	7.7%	7.6%
Unemployed for more than 3 mos.	5.4%	5.0%	4.6%	4.2%	3.5%
Unemployed for more than 6 mos.	2.9%	2.7%	2.5%	2.3%	1.9%

[vi] We look at annual statistics (as opposed to monthly unemployment statistics) because our model is based on annual measures of unemployment, specifically the number of people unemployed within a calendar year.

Conclusion

The volume and breadth of subsidized employment programs over the past four decades in the U.S. suggests there is substantial unmet need and sustained (often bipartisan) interest in services that connect disadvantaged workers with job and training opportunities.[15] A national subsidized jobs proposal presents an opportunity to reach millions of U.S. workers left behind in today's economy, especially as the United States' national antipoverty strategy increasingly centers on work. Our main simulation of the national subsidized jobs proposal put forth in the Job Opportunities for All Act projects the poverty rate being halved for participants. Results also show a marked aggregate reduction in the national poverty rate. The cost of $48.6 billion in our simulated model, while not insignificant, is lower than existing antipoverty programs like SNAP[16] and, when viewed at the scale of the federal budget, which is projected to exceed $4 trillion in fiscal year 2018,[17] is a relatively modest-cost investment. Furthermore, as the program is adjustable in terms of scale, take-up rate, and other factors, if we were to adopt a more ambitious version of the proposal with more robust participation than what we modeled here, poverty could be cut even more dramatically both for program participants and for the nation as a whole.

Acknowledgements

This brief is made possible with the support of The JPB Foundation and the Annie E. Casey Foundation. We also thank Sonia Huq for her help with preparing this report.

Appendix A. Methods

This appendix describes the steps we took to estimate the poverty impact and cost of the Job Opportunities for All Act. For the purpose of this model, we limit the universe of possible effects to those we might see during the first year the program is implemented through the formula grant (with state matching funds) component of the proposal.[vii]

We use the 2017 Current Population Survey's (CPS) Annual Social and Economic Supplement (ASEC) to model the Job Opportunities for All Act. This nationally-representative dataset reports poverty rates and annual employment rates for the 2016 calendar year. To estimate the proposal's impact, we (1) created a universe of eligible program participants, (2) enrolled a subset of eligible participants in the program and determined how many weeks they would participate under various assumptions, (3) adjusted participants' wage income by adding new income assumed to result from the participant's simulated job and adjusted unemployment income, (4) projected taxes paid and tax credits received by each participant using National Bureau of Economic Research's Taxsim program, (5) determined the poverty impacts, and (6) determined the costs associated with the federal-state component of the proposal. These steps are described in detail below.

I. Identifying eligible program participants

In order to create the universe, we defined two primary subgroups which made up the pool of potential program participants.

Unemployed for 90 Days of More: We identified people who were unemployed for 90 days or more using data on the number of weeks a worker was unemployed in calendar year 2016. Anyone unemployed for more than 13 weeks was classified as unemployed for 90 days or more.

People in Poverty: The policy makes eligible people who were in poverty for six months. The CPS does not provide monthly poverty rates during a given year so we took as eligible anyone in poverty in 2015. This assumes that:

- Anyone who was identified as in poverty in 2016 based on their total annual income would also have been considered poor in at least six months of calendar year 2016 when considering their monthly income against a monthly poverty threshold (equivalent to the annual threshold divided by 12).
- Anyone who was identified as not in poverty in 2016 based on their total annual income would also not have been considered poor in more than five months of calendar year 2016 when considering their monthly income against a monthly poverty threshold.

II. Enrolling eligible participants in the program and determining how many weeks they would participate

If passed, the Job Opportunities for All Act would establish the most ambitious jobs program in generations for those in poverty and those struggling to find work. Due to the unique nature of the proposal, we cannot reference established programs to gauge what program enrollment might look like and how long participants will remain enrolled. We have produced a series of estimates encompassing a range of enrollment rates and different lengths of program participation (that is, how

[vii] As mentioned in Box 1., the proposal also includes a complementary, parallel competitive grants funding structure through which a more expansive pilot program would also be instituted in five local areas. However, for the purposes of this analysist we have not incorporated this element of the proposal into our model as these localities and pilot programs have not yet been designated.

many weeks enrollees would participate in the program). Specifically, we offer estimates for four different enrollment levels: (1) 10 percent, (2) 20 percent, (3) 30 percent, and (4) 50 percent enrollment among eligible participants. For each enrollment level, we estimate the poverty impacts of the program if enrollees participated in the program for the lengths of time described below:

(1) **The number of weeks that enrollees participate in the program mimics the distribution of weeks worked by minimum wage workers we identified in the CPS.** Minimum wage workers were defined as those whose calculated wages were within $2 of their state's prevailing state minimum wage. We then examined the distribution of weeks worked by these minimum wage workers and defined the distribution of weeks worked by program enrollees to exhibit that same distribution.[viii]

(2) **Enrollees participate for all weeks they could possibly work in the program.**

a. For the long-term unemployed workers, we set their total maximum weeks in the program to be equivalent to 52 weeks net the weeks that they reported working in the CPS and the 13-week waiting period for an unemployed worker. For example, a long-term unemployed worker who worked for 15 weeks in 2016 would be assigned the maximum of 24 weeks available for program participation (52-15-13=24).[ix]

b. Workers who qualify for the program based on their poverty status were divided into three possible groups. For those who did not work at all in 2016, they were assigned 52 work weeks. For those who did work and who had a higher weekly salary than that which they could earn from the program,[x] we assumed that they would stay with their employer for those weeks they were employed; their total program weeks would be the difference between 52 weeks and number of weeks they were employed by their higher paying employer. If an eligible worker's weekly salary was less than they could earn working full-time in the program, we assume they would substitute to work the maximum 52 weeks they could work in the program.

(3) **Enrollees participate for 25 percent of the maximum number of weeks (see (2) above) they could participate in the program.**

(4) **Enrollees participate for 50 percent of the maximum number of weeks they could participate in the program.**

(5) **Enrollees participate for 75 percent of the maximum number of weeks they could participate in the program.**

[viii] Minimum wage workers in our sample worked an average 46 weeks per year. The minimum number of weeks worked by a minimum wage worker was 1 week and the maximum and median number of weeks worked was 52 weeks.

[ix] While some people might in theory drop out of the program, we assume here that the program concludes in one of two ways: either someone gets a job in the workforce beyond the program, or someone's job placement expires at 18 months, the maximum placement length. For the latter, this would happen in a following year and is thus beyond the model. For the former, we assume this happens with random probability which is explained later.

[x] This group was still in poverty because they usually worked very few weeks of the year.

III. Salary distribution and adjustments to unemployment income

The program wage floor is set to the prevailing minimum wage for a similar job wherever the jobs are located. In theory, a participant's program wage could be higher if an employer chose to pay participating workers more, but, for this simulation, we assume that each participant will be paid their state's minimum wage. To find a participant's annual earnings from the program, we calculated weekly earnings for 35 hours of work at their state-level minimum wages and then multiplied their weekly salary by the number of weeks that they participated in the program.

As we moved some people into jobs, we adjusted the unemployment insurance (UI) income of those who received unemployment benefits. We assumed that long-term unemployed people would continue to get benefits while waiting to become eligible for the program but would not receive benefits after enrollment or after subsequent exit from the program. To adjust the unemployment benefits of long-term unemployed people, we took the number of weeks during which someone was unemployed or imputed the number of weeks if someone had strictly positive UI income but had no recorded weeks unemployed.[xi]

We then divided their total UI income by the number of weeks they were unemployed to determine their weekly unemployment benefit at the time that they were unemployed. We then took the weekly unemployment benefit and multiplied this by 13 weeks (the length of their waiting period for subsidized jobs program eligibility) to compute a new unemployment benefit. For people who qualified for the program based on poverty status, we took away all unemployment benefits because they would not have to go through the delay period of unemployment to enroll in the program.

IV. Calculating tax liabilities for program participants

Income and payroll taxes were recalculated for participants' projected income using the National Bureau of Economic Research's TAXSIM program.

V. Calculating poverty impacts and cost

To estimate the poverty impacts of the program, we added the new income that program participants would receive net taxes and prorated unemployment benefits to their family's total resources, as measured under the Supplemental Poverty Measure.[xii] The poverty rate was then calculated by determining the number of people who would fall below the Supplemental Poverty Measure (SPM) poverty threshold after adjusting family resources to reflect changes in income from program participation.

The federal-state program cost was computed as 120 percent of total income that participants would receive from the program net taxes and savings from unemployment benefits, since, for the most part, employers receive subsidies for 120 percent of wages for program participants.

[xi] In a few cases someone would have a positive value for unemployment benefits while having a zero value for weeks unemployed (CPS 2016 has 1,010 occurrences of individuals with zero weeks unemployed but positive benefits). For these individuals, we imputed weeks unemployed by subtracting the number of weeks they reported having worked from 52, or total weeks in the year.

[xii] Families are equivalent to Supplemental Poverty Measure units which the Census Bureau defines as including all individuals living at the same address who are related, unrelated children cared for by and living with the family, including foster children, and cohabiting adults and their children.

VI. Calculating unemployment impacts

To calculate the unemployment impacts for the Job Opportunities for All Act, we first determined the number of weeks that a worker looked for work or was laid off in the calendar year – this included both workers who worked and workers who did not work but looked for employment during that calendar year.[xiii] We then calculated the share of workers who were unemployed (defined as looking for work and/or laid off) for 1 week, 1 month, 3 months, and 6 months of the calendar year. Next, we reduced the number of weeks that workers were unemployed during the year (as calculated) by the number of weeks that we estimated they would participate in the subsidized jobs program for each of the different program take-up rates that we modeled. Finally, using these adjusted lengths of unemployment, we recalculated the share of workers who were unemployed for different lengths of time during the year for each of the program take-up scenarios that we modeled to determine what the unemployment rate would have been had the program been available to workers in that year.

VII. Additional considerations

Although not included in our simulation, the competitive grants component of the proposal (see Box 1.) would help maximize opportunities for subsidized employment and also incur fairly substantial costs. The size of this available funding would be determined partially by the difference between the number of Americans counted as unemployed or underemployed under the U-6 unemployment measure[xiv] and the number of workers served by the state-federal program.

To complete the formula, the difference—or unemployed population not currently served by a state subsidized employment program—would be multiplied by the average cost per participant in the federal-state program ($9,000-$9,300). Based on this formula and our range of participation estimates for the federal-state funding stream, up to $90 billion would have been dedicated to the competitive grants fund in 2016. Depending on the volume and merit of competitive grant applications, the amount actually spent out of this fund could be much lower than the amount available.

[xiii] We determined the length of unemployment using the *wksunem1* and *nwlookwk* variables included in the IPUMS CPS microdata. The first is defined as the number of weeks that a person who worked during the prior calendar year looked for work or was on layoff during that year; the second is representative of the number of weeks a person who did not work during the calendar year spent looking for work.

[xiv] The U-6 measure adds the number of unemployed workers, workers who are part-time for economic reasons, and marginally attached workers together.

Appendix B. Additional Results

Table B1. Demographic Composition of the Program-Eligible Population

	Proportion of Eligible Population
Race/Ethnicity	
White, Non-Hispanic	46%
Black, Non-Hispanic	19%
Other, Non-Hispanic	9%
Hispanic	26%
Total	100%
Sex	
Male	45%
Female	55%
Total	100%
Age	
18 to 30	43%
31 to 50	37%
50 to 64	20%
Total	100%
Educational Attainment (Highest Level)	
Less than High School	21%
High School Graduate	33%
Some College/Associates Degree	30%
College Graduate	16%
Total	100%
Work Limiting Disability*	
No Work Limiting Disability	84%
Has Work Limiting Disability	16%
Total	100%
Parental Status	
Does Not Have Children	63%
Has Children	37%
Total	100%

*Defined as workers who report a work-limiting disability, quit their job because of a sickness or disability, received disability income, or reported a difficulty related hearing, vision, mobility, self-care, cognitive functioning, or a physical difficulty.

Source: Authors' calculations using the 2017 CPS ASEC

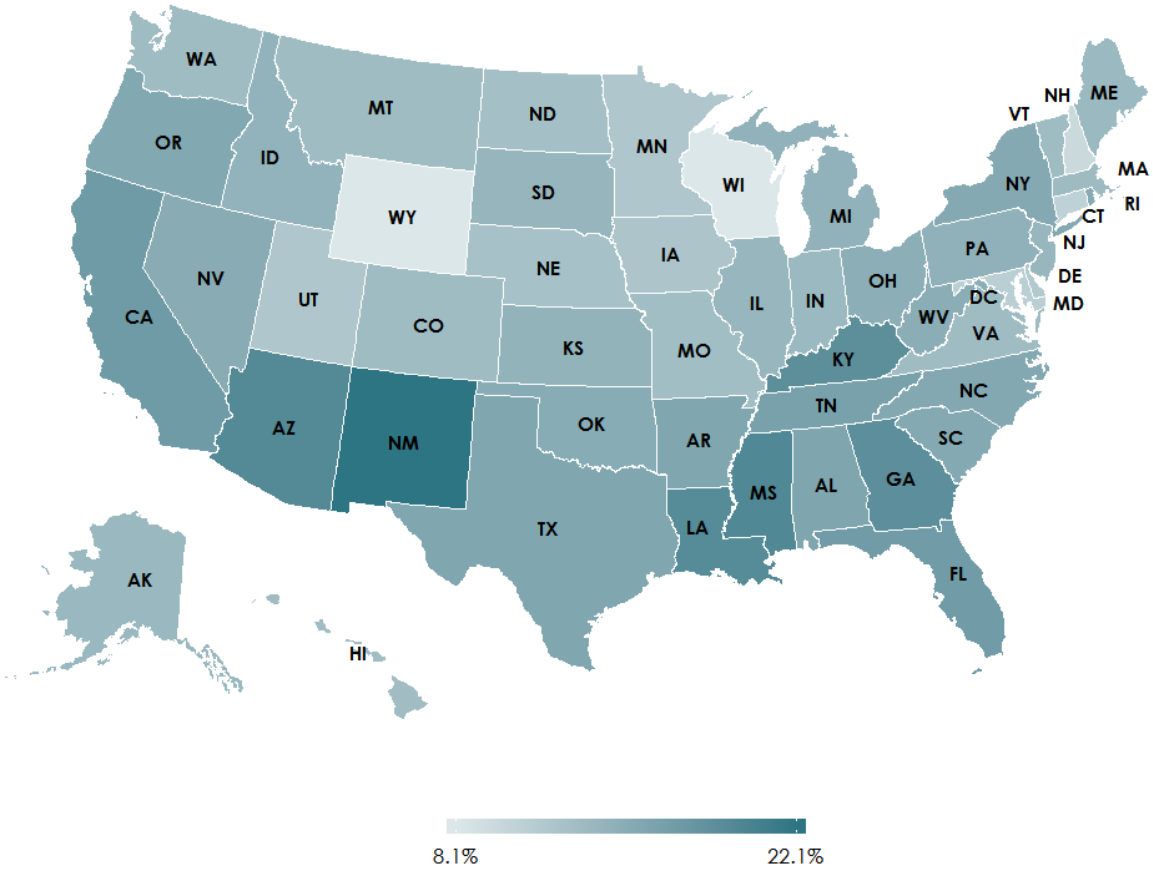
Table B2. Number of Eligible Participants by State

State	Number of Eligible Participants	Total State Population Size	Population Size: Ages 18-64
Alabama	480,000	4,830,000	3,020,000
Alaska	60,000	710,000	440,000
Arizona	790,000	6,720,000	4,080,000
Arkansas	280,000	2,950,000	1,770,000
California	4,270,000	39,080,000	24,850,000
Colorado	450,000	5,390,000	3,420,000
Connecticut	240,000	3,570,000	2,250,000
Delaware	70,000	960,000	600,000
District of Columbia	80,000	680,000	470,000
Florida	2,060,000	20,080,000	12,110,000
Georgia	1,190,000	10,100,000	6,350,000
Hawaii	110,000	1,390,000	840,000
Idaho	140,000	1,660,000	980,000
Illinois	1,090,000	12,700,000	7,860,000
Indiana	530,000	6,510,000	3,910,000
Iowa	230,000	3,100,000	1,890,000
Kansas	240,000	2,840,000	1,690,000
Kentucky	490,000	4,380,000	2,630,000
Louisiana	550,000	4,600,000	2,870,000
Maine	110,000	1,340,000	810,000
Maryland	410,000	5,900,000	3,740,000
Massachusetts	580,000	6,790,000	4,380,000
Michigan	870,000	9,860,000	6,050,000
Minnesota	390,000	5,450,000	3,260,000
Mississippi	350,000	2,950,000	1,790,000
Missouri	470,000	5,960,000	3,630,000
Montana	80,000	1,020,000	610,000
Nebraska	140,000	1,860,000	1,110,000
Nevada	270,000	2,860,000	1,780,000
New Hampshire	80,000	1,290,000	820,000
New Jersey	780,000	8,940,000	5,630,000
New Mexico	260,000	2,010,000	1,180,000
New York	1,900,000	19,690,000	12,300,000
North Carolina	960,000	9,880,000	6,180,000
North Dakota	60,000	760,000	470,000
Ohio	1,050,000	11,440,000	7,090,000
Oklahoma	360,000	3,900,000	2,380,000
Oregon	390,000	3,990,000	2,500,000
Pennsylvania	1,110,000	12,570,000	7,680,000
Rhode Island	100,000	1,040,000	660,000
South Carolina	450,000	4,790,000	2,910,000
South Dakota	70,000	850,000	500,000
Tennessee	670,000	6,610,000	4,080,000
Texas	2,660,000	27,430,000	16,860,000
Utah	210,000	3,000,000	1,760,000
Vermont	50,000	610,000	380,000
Virginia	680,000	8,220,000	5,160,000
Washington	580,000	7,190,000	4,390,000
West Virginia	160,000	1,800,000	1,070,000
Wisconsin	470,000	5,730,000	3,540,000
Wyoming	40,000	570,000	340,000
Total	30,070,000	318,580,000	197,080,000

Source: Authors' calculations using the 2017 CPS ASEC

Figure B1. Under the Proposed National Subsidized Employment Program, There are Eligible People Living in Every State

Share of population ages 18-64 eligible for program participation by state in 2016



Source: Authors' calculations using the 2017 CPS ASEC

Table B3. Poverty Impacts under Different Take-up Rates

Take-Up Rate	Length of Participation	Total Cost (Billion $)	Enrolled Population		Eligible Population		Whole Population	
			SPM Poverty Rate Before Program	**SPM Poverty Rate After Program**	**SPM Poverty Rate Before Program**	**SPM Poverty Rate After Program**	**SPM Poverty Rate Before Program**	**SPM Poverty Rate After Program**
10% Enrollment	Enrollees Take Up All Available Weeks	$30.5	61.2%	27.9%	60.3%	55.8%	14.3%	13.6%
	Enrollees Take Up 25% of Available Weeks	$7.6		59.0%		60.0%		14.2%
	Enrollees Take Up 50% of Available Weeks	$15.3		49.9%		58.7%		14.0%
	Enrollees Take Up 75% of Available Weeks	$22.9		40.2%		57.4%		13.8%
20% Enrollment	Enrollees Take Up All Available Weeks	$61.7	61.7%	27.1%	60.3%	51.2%	14.3%	13.0%
	Enrollees Take Up 25% of Available Weeks	$15.4		59.5%		59.7%		14.2%
	Enrollees Take Up 50% of Available Weeks	$30.9		50.7%		57.4%		13.8%
	Enrollees Take Up 75% of Available Weeks	$46.3		40.2%		54.6%		13.4%
30% Enrollment	Enrollees Take Up All Available Weeks	$92.0	61.1%	24.9%	60.3%	46.6%	14.3%	12.3%
	Enrollees Take Up 25% of Available Weeks	$23.0		58.4%		59.4%		14.1%
	Enrollees Take Up 50% of Available Weeks	$46.0		48.8%		55.7%		13.6%
	Enrollees Take Up 75% of Available Weeks	$69.0		38.4%		51.7%		13.0%
50% Enrollment	Enrollees Take Up All Available Weeks	$151.0	60.5%	22.1%	60.3%	37.4%	14.3%	11.0%
	Enrollees Take Up 25% of Available Weeks	$37.7		57.5%		58.5%		14.0%
	Enrollees Take Up 50% of Available Weeks	$75.5		46.9%		52.2%		13.0%
	Enrollees Take Up 75% of Available Weeks	$113.2		34.9%		45.2%		12.0%

[1] "Where the Work-for-Welfare Movement is Heading." The Pew Charitable Trusts, 25 January 2018. Available at https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2018/01/25/where-the-work-for-welfare-movement-is-heading.
[2] "Employment Situation Summary." Bureau of Labor Statistics, 2 November 2018. Retrieved 7 November 2018. Available at https://www.bls.gov/news.release/empsit.nr0.htm.
[3] Authors' calculations based on BLS U-6 unemployment rate.
[4] Dutta-Gupta, Indivar, et al. "Working to Reduce Poverty: A National Subsidized Employment Proposal." *The Russell Sage Foundation Journal of the Social Sciences*, *4*(3), 64–83, February 2018. Available at https://www.georgetownpoverty.org/wp-content/uploads/2018/02/RSF-SE-Report.pdf.
[5] "RELEASE: KHANNA, WATSON COLEMAN FOCUS ON JOBLESS WORKERS WITH NEW BILLS." Office of U.S. Representative Ro Khanna, 24 July 2018. Available at https://khanna.house.gov/media/press-releases/release-khanna-watson-coleman-focus-jobless-workers-new-bills.
[6] Dutta-Gupta, Indivar, et al. "Lessons Learned from 40 Years of Subsidized Employment Programs." Georgetown Center on Poverty and Inequality, 13 April 2016. Available at https://www.georgetownpoverty.org/wp-content/uploads/2016/07/GCPI-Subsidized-Employment-Paper-20160413.pdf.
[7] *Ibid*
[8] "Job Opportunities for All Act, H.R.6485." 115th Congress, 24 July 2018. Available at https://www.congress.gov/bill/115th-congress/house-bill/6485.
[9] "A-9. Unemployed persons by age, sex, and marital status, seasonally adjusted." Bureau of Labor Statistics, 2 November 2018. Retrieved 7 November 2018. Available at https://www.bls.gov/web/empsit/cpseea09.htm.
[10] "A-12. Unemployed persons by duration of unemployment, seasonally adjusted." Bureau of Labor Statistics, 2 November 2018. Retrieved 7 November 2018. Available at https://www.bls.gov/web/empsit/cpseea12.htm.
[11] "Table A-16. Persons not in the labor force and multiple jobholders by sex, not seasonally adjusted." Bureau of Labor Statistics, 2 November. Retrieved 7 November 2018. Available at https://www.bls.gov/news.release/empsit.t16.htm
[12] Dutta-Gupta, Indivar, et al. "Lessons Learned from 40 Years of Subsidized Employment Programs." Georgetown Center on Poverty and Inequality, 13 April 2016. Available at https://www.georgetownpoverty.org/wp-content/uploads/2016/07/GCPI-Subsidized-Employment-Paper-20160413.pdf.
[13] "Table A-8. Employed persons by class of worker and part-time status." Bureau of Labor Statistics, 5 October 2018. Retrieved 15 October 2018. Available at https://www.bls.gov/news.release/empsit.t08.htm.
[14] "A profile of the working poor, 2016." Bureau of Labor Statistics, July 2018. Retrieved 15 October 2018. Available at https://www.bls.gov/opub/reports/working-poor/2016/home.htm.
[15] Pavetti, LaDonna, Liz Schott, and Elizabeth Lower-Basch. "Creating Subsidized Employment Opportunities for Low-Income Parents: The Legacy of TANF Emergency Fund." Center on Budget and Policy Priorities and Center for Law and Social Policy, 6 February 2011. Available at https://www.cbpp.org/sites/default/files/atoms/files/2-16-11tanf.pdf; Farrell, Mary, et al. "Subsidizing Employment Opportunities for Low-Income Families: A Review of State Employment Program Created Through the TANF Emergency Fund." Government Printing Office, December 2011. Available at https://www.acf.hhs.gov/sites/default/files/opre/tanf_emer_fund.pdf.; Luhby, Tami. "A Stimulus Program Even a Republican Can Love." *CNN Money*, 9 July 2010. Available at https://money.cnn.com/2010/07/09/news/economy/stimulus_job_subsidies/.; Delaney, Arthur. "Robert Dold's Unemployment Bill Offers $7,000 Subsidy For Hiring Long-Term Jobless." *The Huffington Post*, 9 October 2012. Retrieved 2 October 2018. Available at https://www.huffingtonpost.com/2012/10/09/robert-dolds-unemployment_n_1951616.html; Haskins, Ron. "Poverty and Opportunity: Begin with Facts." Testimony before the Committee on the Budget, U.S. House of Representatives, 28 January 2014. Available at https://budget.house.gov/uploadedfiles/haskins_house_budget_1.28.14.pdf; Floyd, Ife. "Subsidized Jobs Need Dedicated Funding." Center on Budget and Policy Priorities, 20 April 2016. Available at https://www.cbpp.org/blog/subsidized-jobs-need-dedicated-funding; "U.S. Senators Tammy Baldwin and Cory Booker Introduce Bold Legislation." Office of U.S. Senator Tammy Baldwin. U.S. Congress, 15 July 2016. Available at https://www.baldwin.senate.gov/press-releases/the-stronger-way-act; "U.S. Senators Tammy Baldwin and Cory Booker Introduce the Stronger Way Act in Milwaukee." Office of U.S. Senator Tammy Baldwin, 6 October 2017. Available at https://www.baldwin.senate.gov/press-releases/stronger-way-2017.
[16] "What is SNAP? An Overview of the Largest Federal Anti-Hunger Program." Peter G. Peterson Foundation, 26 September 2018. Retrieved 1 November 2018. Available at https://www.pgpf.org/blog/2018/09/what-is-snap.
[17] "Monthly Budget Review for September 2018." Congressional Budget Office, 5 October 2018. Retrieved 1 November 2018. Available at https://www.cbo.gov/system/files?file=2018-10/54551-MBR.pdf.

A joint policy report from the Center on Poverty and Social Policy at Columbia University and the Georgetown Center on Poverty and Inequality

AUTHORS:

Sophie Collyer
Indivar Dutta-Gupta
Casey Goldvale
Kali Grant
Sophie Khan
Isaac Santelli
Christopher Wimer

ABOUT US

The Center on Poverty and Social Policy (CPSP) at the Columbia School of Social Work produces cutting-edge research to advance our understanding of poverty and the role of social policy in reducing poverty and promoting opportunity, economic security, and individual and family-wellbeing. The center's work focuses on poverty and social policy issues in New York City and the United States. For the latest policy briefs, go to povertycenter.columbia.edu.

The Georgetown Center on Poverty and Inequality (GCPI) works with policymakers, researchers, practitioners, advocates, and people with lived experience to develop effective policies and practices that alleviate poverty and inequality in the United States. GCPI conducts research and analysis, develops policy and programmatic solutions, hosts convenings and events, and produces reports, briefs, and policy proposals. GCPI also develops and advances promising ideas and identifies risks and harms of ineffective policies and practices, with a cross-cutting focus on racial and gender equity. For additional information, go to georgetownpoverty.org.

We are committed to using our expertise to produce rigorous and high-quality research to inform public decision-making on policies related to poverty.

Have an idea for a policy simulation for our teams?

Contact us:

CPSP at Columbia
cpsp@columbia.edu

GCPI ESOI at Georgetown
gcpiesoi@georgetown.edu

Follow us on Twitter:

@CpspPoverty

@GCPIEconSec

Suggested Citation:
Collyer, Sophie, Indivar Dutta-Gupta, Casey Goldvale, Kali Grant, Sophie Khan, Issac Santelli, and Christopher Wimer. (2019). Fighting Poverty with Jobs: Projecting the Impacts of a National Subsidized Employment Program. New York and Washington DC: Columbia University Center on Poverty and Social Policy and the Georgetown Center on Poverty and Inequality.

CENTER ON POVERTY & SOCIAL POLICY at Columbia University

CENTER ON POVERTY and INEQUALITY GEORGETOWN LAW | ECONOMIC SECURITY and OPPORTUNITY INITIATIVE