

Data Appendix
State Safety Net Database v2.1
May 31, 2024

Citation:

Please cite any use of the State Safety Net Database.

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Purpose:

Simulate welfare generosity across states over time for a constant sample using federal and state program rules.

Approach:

Overview. The state safety net database is generated using state and federal safety net program rules for tax credits, the TANF (Temporary Assistance for Needy Families) program, and SNAP (Supplemental Nutrition Assistance Program). The rules for these programs are applied to a constant sample of families as if that sample lived in each state and year and as if they claimed the full benefit amount for which they were eligible. Benefit amounts in dollars are averaged by state and year and reported as an index of generosity in thousands of 2022 dollars.

Simulated sample. The simulated sample consists of non-disabled, non-immigrant, single-parent families. The underlying data used in the simulation is a sample of families from the 2010-2019 Annual Social and Economic Supplements of the Current Population Survey, pooled and weighted using survey weights. To be in the sample, families must have at least one child under 19 have an unmarried reference person age 18 to 64, and have no family member 65 and up. Families for which earnings are missing are excluded, as are families with any work-limiting disabilities among those 15 and up. Families that include any non-citizens or naturalized citizens are also excluded. The family benefit unit consists of the unmarried reference person and their children under age 19, plus any additional children ages 19-23 who are full-time students. Other household members are disregarded for the purposes of the program benefit calculations. The simulated sample is then replicated as if families lived in each state and in each year 2001 through 2022. Earnings are based on prior calendar year reported income and inflation-adjusted so that the real value is the same in each simulated year for a given family. Thus, the simulated sample has a consistent distribution of demographic characteristics and real earnings for each state and year, so that output differences across states and over time stem only from changing program rules.

Tax credit calculation. We use the National Bureau of Economic Research Taxsim program (<https://taxsim.nber.org/taxsim35/>) to impute federal EITC, state EITC, and the refundable portion of the Child Tax Credit (described as the ACTC) for each family based on their family structure, earnings, and simulated state and year. We do not incorporate sources of income other than earnings into the tax

calculation. State taxes are not yet incorporated for the 2022 tax year, so Taxsim uses inflated version of 2021 state tax laws.

TANF calculation. We impute monthly TANF benefits for families by coding state-year-specific information from the 2023 release of the Urban Institute Welfare Rules Database (<https://wrd.urban.org/wrd/Query/query.cfm>). First, we check whether families meet TANF eligibility standards for new applicants based on earnings (assuming monthly earnings are 1/12 annual earnings) and family structure. If so, we impute benefits assuming they are in their first month of program participation on July 1 of the relevant year, and multiply these monthly benefits by 12. We do not incorporate work requirements into the eligibility or benefit calculation. The Welfare Rules Database has been updated through 2021 so we assume rules carry forward when imputing 2022 benefits. When there are multiple sets of rules within a state, we use those that apply to the majority of the population. Families are assumed to fully access the TANF program to the extent possible based on their earnings and family structure.

SNAP. We impute SNAP eligibility according to federal rules on July 1st of the relevant year using earnings and family structure. TANF income is considered part of income when determining eligibility, so SNAP benefits tend to be reduced for families that are imputed to be TANF-eligible. Pandemic EBT is not considered part of the SNAP program for the purposes of the index, but Covid-era SNAP emergency allotments are incorporated.

Indices. All annual benefit levels for the simulated sample are averaged by state-year, and converted to 2022 dollars. The cash index sums TANF as well as the federal EITC, state EITC, and refundable portion of the CTC. The food index is the average imputed SNAP benefit in the state-year. The indices do not measure benefit amounts for any particular family, but reflect a measure of generosity the safety net rules. Administrative burdens or other reasons for incomplete take-up are not considered.

In addition, a version of the indices that represents the purchasing power of benefits in states is available starting in 2008. Index values are adjusted using a state-specific cost of living index, the Bureau of Economic Analysis Regional Price Parities 2022 series (<https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area>). These variables include the `_rs` suffix.

Output. The excel version of the state-year file is called `safetynet_index_v2_1` and only includes the variables shown in the safety net interactive: cash, food, cash and food combined, the state cost of living adjusted versions, and the within-year ranks for the states. The Stata state-year level dataset is called `sna_styr_s_v2_1.dta`. It additionally includes the components of the cash variable: federal EITC, state EITC, ACTC, and TANF. N=1122.

Variables. Each index and rank variable has two versions: 1) adjusted to 2022 dollars, 2) adjusted to 2022 dollars and state COLA adjusted (suffix `"_rs"`)

<code>state</code>	State FIPS code
<code>cash</code>	TANF, ACTC, state, and federal EITC combined
<code>fedeitc</code>	Federal EITC
<code>steitc</code>	State EITC
<code>actc</code>	ACTC
<code>tanf</code>	TANF

food	SNAP
cashfood	Cash and Food combined
cash_share	% of benefits that are cash
st_directed	State-directed payments
fed_directed	Federally directed payments
reftc	Refundable tax credits
ctc	Child Tax Credit
rk_cash	State rank - Cash benefit amount, 2022 dollars"
rk_food	State rank - Food benefit amount, 2022 dollars"
rk_cashfood	State rank - Cash + Food benefit amount, 2022 dollars"
rk_cash_share	State rank – Cash Share, % of benefits that are cash

Changes from earlier version:

The previous version of the database (v 1.1, released in November 2023) was based on a different simulated sample. That version used a sample of families from the 2001-2019 Current Population Survey which was incorrectly described in the documentation as being from 2010-2019. Version 2.1 uses the 2010-2019 sample, which has a somewhat different profile in terms of earnings and family structure. Therefore, the mean calculated benefits by state and year are different from the prior version. In the current version, children’s earnings have also been excluded. In addition, the TANF rules for Wisconsin have been adjusted to reflect the fact that the program does not function as a traditional cash welfare program – we have imputed a benefit value of zero for Wisconsin.

Additional information:

Contact CtrEcSec “at” [brookings.edu](https://www.brookings.edu).