

## 2020 Poverty Projections: Comparing the Effects of Provisions in the HEALS and Heroes Acts

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The Health, Economic Assistance, Liability Protection and Schools (HEALS) Act under consideration by the US Senate would support families who are struggling during the pandemic-induced recession, but it would provide substantially less support than the [Health and Economic Recovery Omnibus Emergency Solutions \(HEROES\) Act](#) passed by the House of Representatives in May 2020. [Projections of poverty rates](#) for the final five months of 2020 suggest that key provisions of the HEROES Act would keep 12.2 million people from falling below the poverty level. Using a similar method, we project that two key provisions of the HEALS Act would together keep 7.7 million people above the poverty level in that same period, August through December. We measure poverty in this analysis by calculating five-twelfths of the annual poverty level and comparing it with the total of (1) a family's projected cash income, (2) the HEALS Act stimulus payment, and (3) the value of SNAP benefits over the final five months of the year.

### Background

The two key provisions of the HEALS Act we consider are (1) modified extensions to the supplementary unemployment insurance (UI) payments that were authorized in the [CARES Act](#) but that expire on July 31, 2020, and (2) a second round of economic stimulus payments. The HEROES Act contains similar provisions but allocates more support to more families. The HEALS Act reduces the federal UI supplement from \$600 a week to \$200 a week for August and September; for October through the end of the year, it would be set such that it raises a person's total UI benefit to 70 percent of his or her prior earnings, with a maximum supplement of \$500 a week. In contrast, the HEROES Act extends the supplementary \$600 UI payment beyond the end of 2020. For the stimulus payment, the HEALS Act provides a \$1,200 payment to taxpayers with incomes below \$75,000 for an individual and below \$150,000 for a couple. Those families would also receive \$500 for all dependents of any age. The HEROES Act provision is similar, but it provides \$1,200 for up to three dependents of any age and allows taxpayers using Individual Taxpayer Identification Numbers rather than Social Security numbers to receive payments. The HEROES Act also includes an expansion of SNAP benefits; the HEALS Act does not.

### Projected Reductions in Poverty

The antipoverty impacts of the HEALS Act provisions are smaller than those of the HEROES Act (table 1). The HEROES Act UI provisions would keep a projected 3.6 million people out of poverty compared with 1.8 million from the HEALS Act UI provisions. Similarly, the HEROES Act stimulus payments would reduce the projected number of people with income below the poverty level by 8.3 million, compared with 6.2 million for the HEALS Act stimulus payments. Focusing on individuals in families that experienced a pandemic-related job loss, we project the HEROES Act UI provisions would keep 3.0 million families out of poverty for the final five months of 2020 compared with 1.6 million under the HEALS Act UI provisions. Similarly, the HEROES Act stimulus payments would keep 2.3 million of these individuals out of poverty compared with 1.6 million with the HEALS Act stimulus payments.

## Projected Reductions in Poverty Rates under Key Provisions of the HEALS and HEROES Acts

	People (millions)		Percent	
	HEALS	HEROES	HEALS	HEROES
<b>All people</b>				
All provisions	7.705	12.158	20%	32%
UI	1.832	3.600	5%	9%
Stimulus	6.173	8.335	16%	22%
SNAP	NA	1.677	NA	4%
<i>All provisions by race and ethnicity</i>				
White non-Hispanic	3.569	4.940	21%	29%
Black non-Hispanic	1.496	2.393	20%	32%
Hispanic	1.898	3.706	19%	36%
AAPI non-Hispanic	0.376	0.560	19%	28%
<i>UI</i>				
White non-Hispanic	0.853	1.451	5%	9%
Black non-Hispanic	0.321	0.707	4%	9%
Hispanic	0.494	1.094	5%	11%
AAPI non-Hispanic	0.080	0.176	4%	9%
<i>Stimulus</i>				
White non-Hispanic	2.892	3.387	17%	20%
Black non-Hispanic	1.214	1.566	16%	21%
Hispanic	1.476	2.598	14%	25%
AAPI non-Hispanic	0.301	0.402	15%	20%
<i>SNAP</i>				
White non-Hispanic	NA	0.691	NA	4%
Black non-Hispanic	NA	0.365	NA	5%
Hispanic	NA	0.474	NA	5%
AAPI non-Hispanic	NA	0.051	NA	3%
<b>People in families experiencing job loss</b>				
All provisions	2.952	4.500	28%	43%
UI	1.644	3.048	16%	29%
Stimulus	1.583	2.310	15%	22%
SNAP	NA	0.467	NA	4%
<i>All provisions by race and ethnicity</i>				
White non-Hispanic	1.325	1.768	30%	40%
Black non-Hispanic	0.526	0.808	33%	50%
Hispanic	0.812	1.489	23%	42%
AAPI non-Hispanic	0.150	0.230	27%	41%
<i>UI</i>				
White non-Hispanic	0.774	1.263	18%	29%
Black non-Hispanic	0.277	0.564	17%	35%
Hispanic	0.441	0.916	12%	26%
AAPI non-Hispanic	0.075	0.161	13%	28%
<i>Stimulus</i>				
White non-Hispanic	0.717	0.893	16%	20%
Black non-Hispanic	0.287	0.391	18%	24%
Hispanic	0.429	0.803	12%	22%
AAPI non-Hispanic	0.080	0.115	14%	20%
<i>SNAP</i>				
White non-Hispanic	NA	0.186	NA	4%
Black non-Hispanic	NA	0.104	NA	6%
Hispanic	NA	0.126	NA	4%
AAPI non-Hispanic	NA	0.023	NA	4%

Source: Urban Institute projections as of July 31, using the Urban Institute's Analysis of Transfers, Taxes, and Income Security model.

Note: AAPI = Asian American and Pacific Islander; NA = not applicable. Non-Hispanic people who do not identify as white, Black, or AAPI or who identify with multiple races are included in the total but not shown separately because of sample size limitations. Our measure of poverty for August to December defines family resources as cash income plus the value of SNAP and the value of the stimulus projected to be received between August and December and compares that amount to five-twelfths of the official poverty threshold. Earnings, benefits, and stimulus payments received between January and July are not included in August–December resources.

The projected antipoverty impacts of the two approaches also vary by racial and ethnic group. For example, among Black non-Hispanic people in families that experienced a job loss, we project the HEROES Act provisions would cut poverty in half, while the HEALS Act provisions would reduce poverty 33 percent. For Hispanic people in families that experienced a job loss, the HEROES Act would cut the projected poverty rate 42 percent; the HEALS Act would cut it 23 percent.

Both the HEALS Act and the HEROES Act provide support to families struggling during the pandemic. The HEROES Act carries a higher price tag than the HEALS Act, but it provides more support to more families. We project that for the final five months of 2020, the HEROES Act would keep almost 60 percent more individuals out of poverty than the HEALS Act (12.2 million versus 7.7 million).