

# Modeling the impact of public benefits on family budgets in Allegheny County, PA

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# What is the FRS?

- Calculates a family's net resources at various earnings levels. The calculation is (resources) – (expenses):
  - Resources = earnings + interest on savings + SSI + child support + TANF + SNAP + EITC + refundable portion of CTC
  - Expenses = Federal income taxes after nonrefundable credits + payroll taxes + state and local income taxes + sales taxes + child care costs + rent costs + utility costs + food costs + transportation costs + health care costs + disability-related costs + afterschool care costs + debt payments
- Produces graphical output that can model public benefits, marginal tax rates, and minimum wages.

# What is the FRS?

- Public benefits the FRS currently models:
  - Medicaid/CHIP
  - TANF
  - CCDF subsidies
  - SSI/SSP
  - WIC
  - HCVP (Section 8)
  - LIHEAP
  - Child support
  - Pre-K and afterschool, where available
  - Free and reduced price meal programs
  - Federal, state, and local tax credits (e.g. EITCs, CTCs, CDCTCs, and Premium Tax Credits)
  - Public transportation
  - Lifeline

# How our collaboration began

- Seth H. presented poster about the FRS at RECS 2018
- Seth C. knew of interest in a similar tool for Pittsburgh
- Seths worked together to tailor an FRS spreadsheet for Allegheny County.

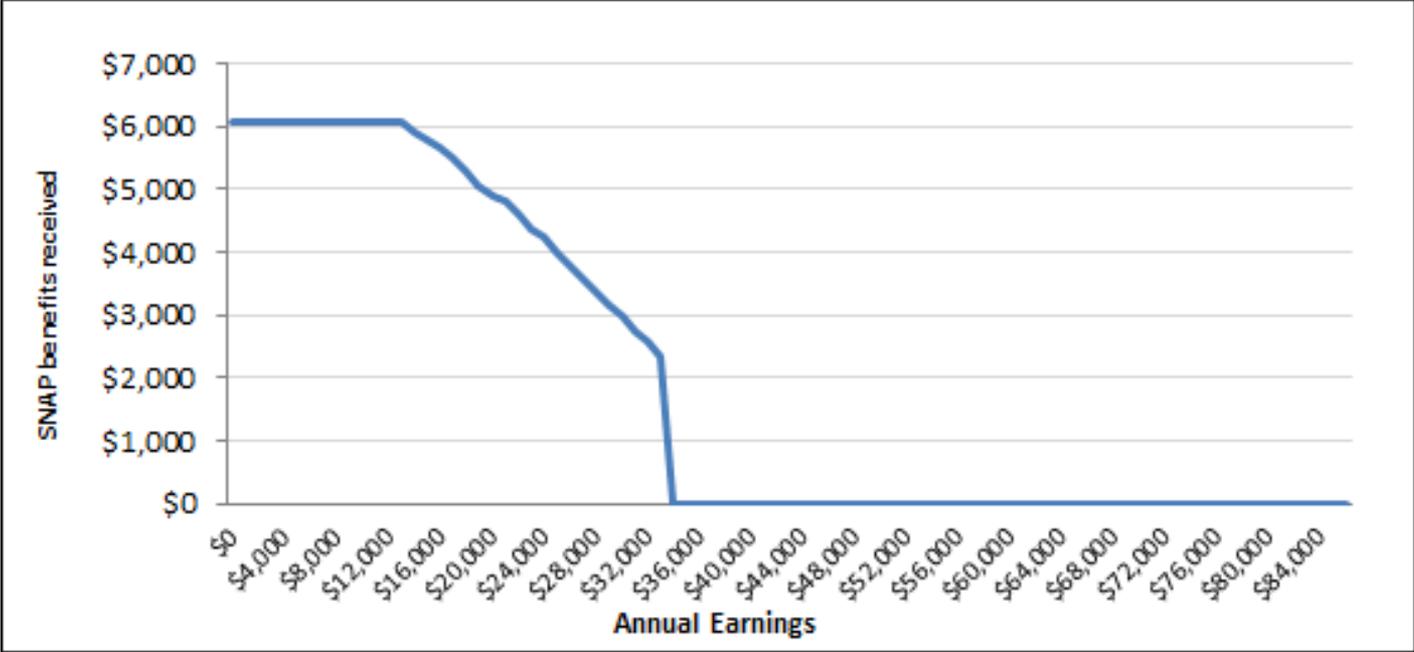
# Public benefits in Allegheny County, PA

- Public benefits are administered by state government, not counties
- State supplemental SSI payments
- No state-level EITC
- Pittsburgh MSA uses small-area Fair Market Rents for Section 8

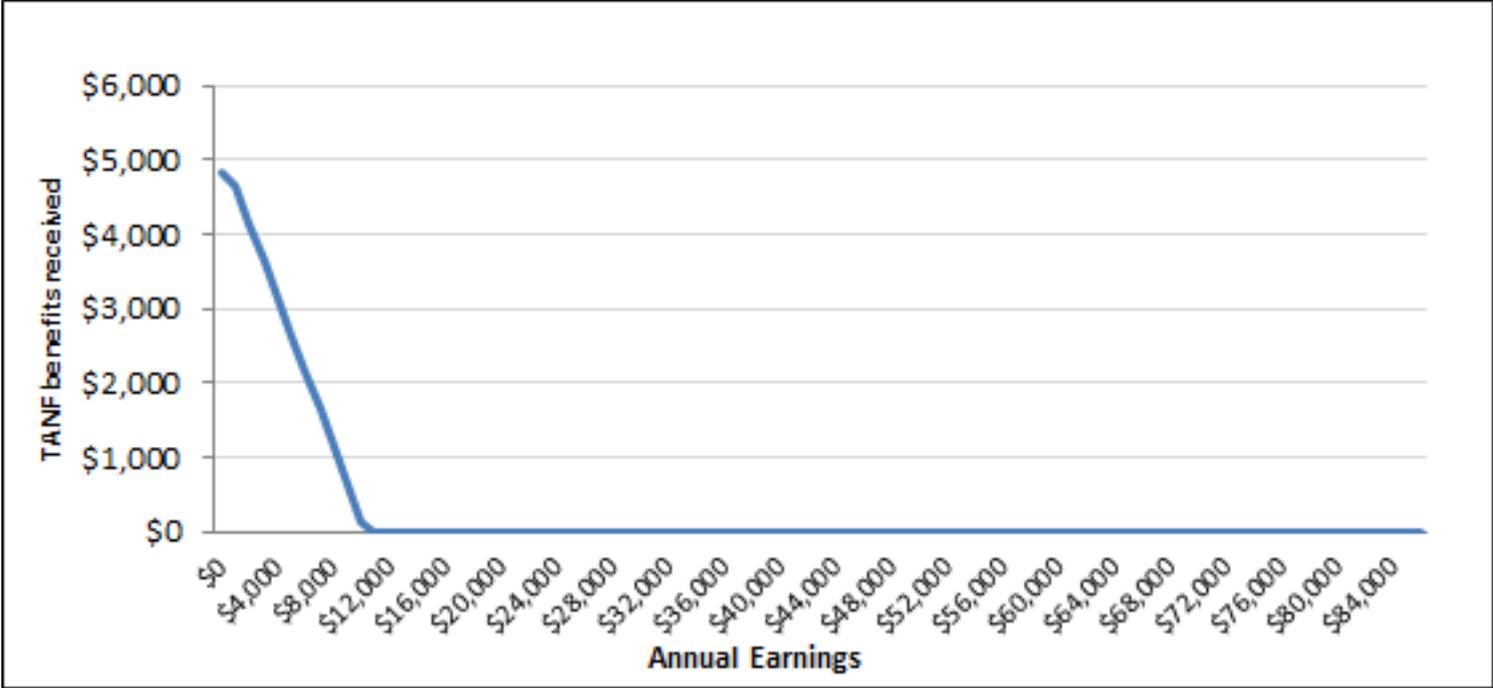
# Budget simulation

- Budget simulation for the following Allegheny County family:
  - Single mother, age 26
  - Two children, ages 1 and 3
  - Receives child support for one child; NCP's earnings are \$30,000 per year
  - Works up to 40 hours per week, Monday through Friday, 9 am to 5 pm
  - Takes public transit to work
  - Breastfeeds the infant child
  - Pays \$100 per month on outstanding debt
  - Has \$800 in savings account
  - Uses STAR level 1 center-based child care
  - Receives a Housing Choice Voucher
  - Lives in an apartment with gas heating
  - 3 year-old is not enrolled in public pre-K
  - Starting hourly wage is \$12.50 per hour

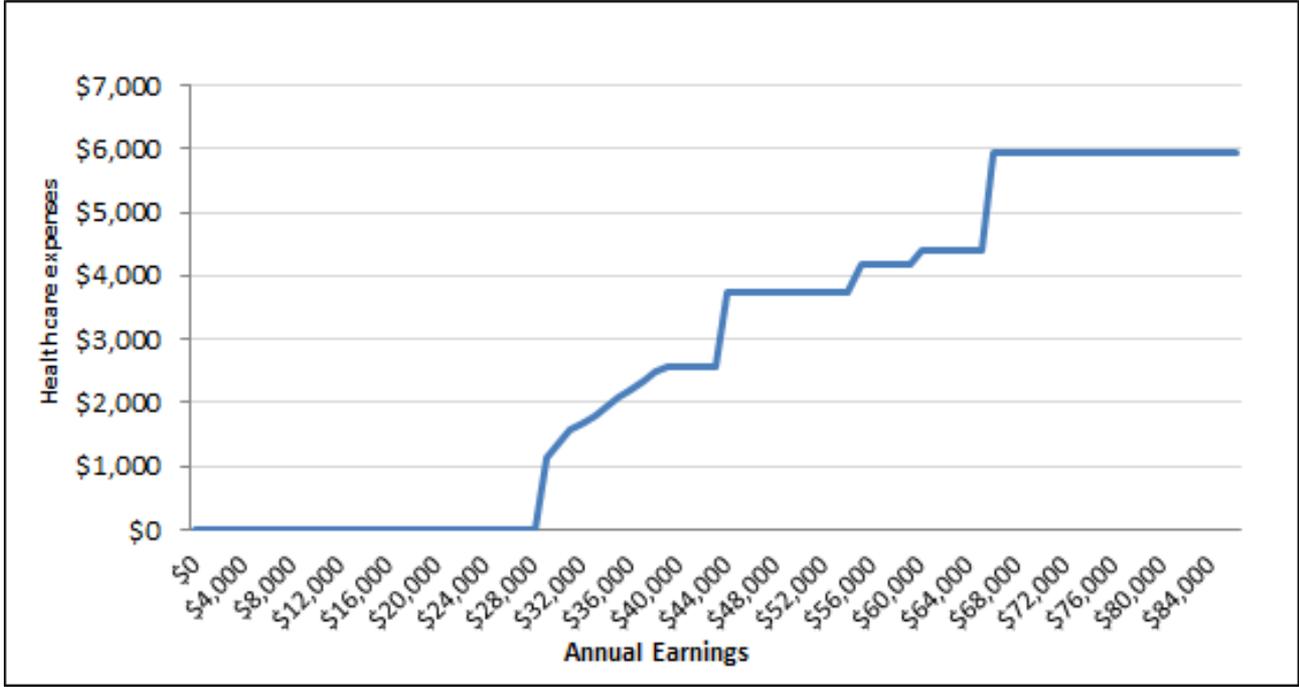
# Budget simulation - SNAP



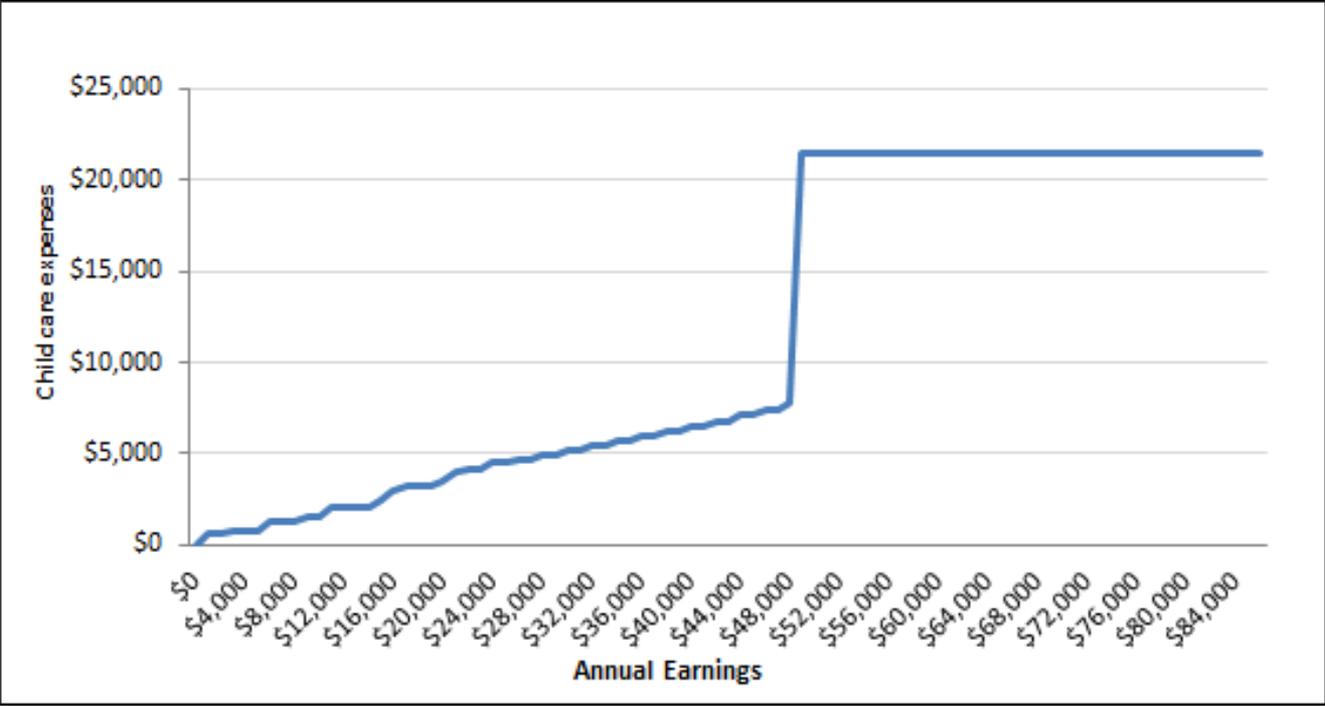
# Budget simulation - TANF



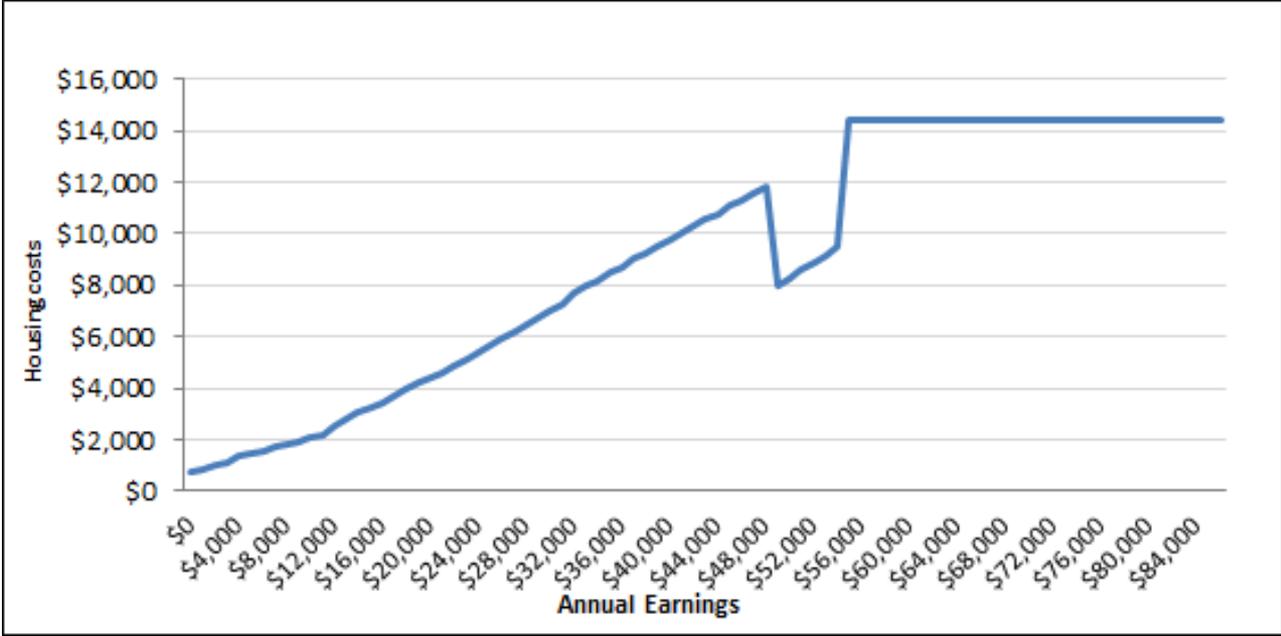
# Budget simulation - Health care expenses



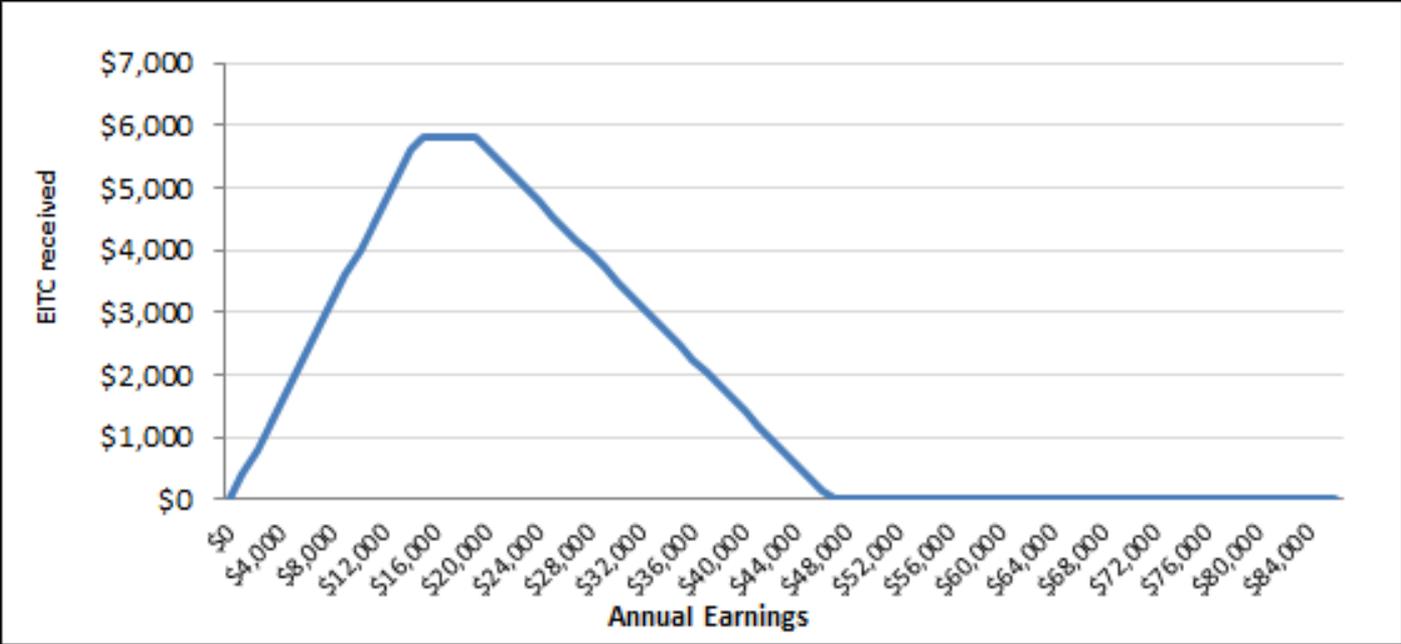
# Budget simulation - Child care expenses



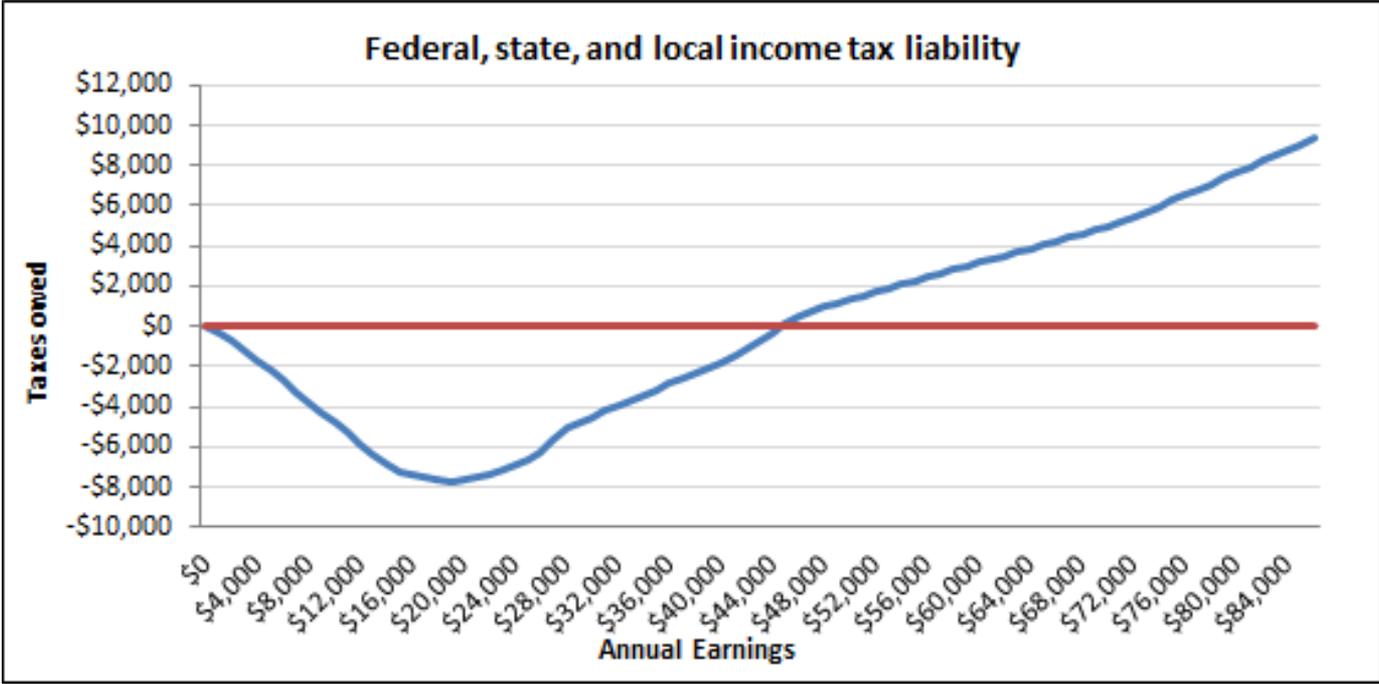
# Budget simulation - Housing costs



# Budget simulation - EITC



# Budget simulation - Taxes



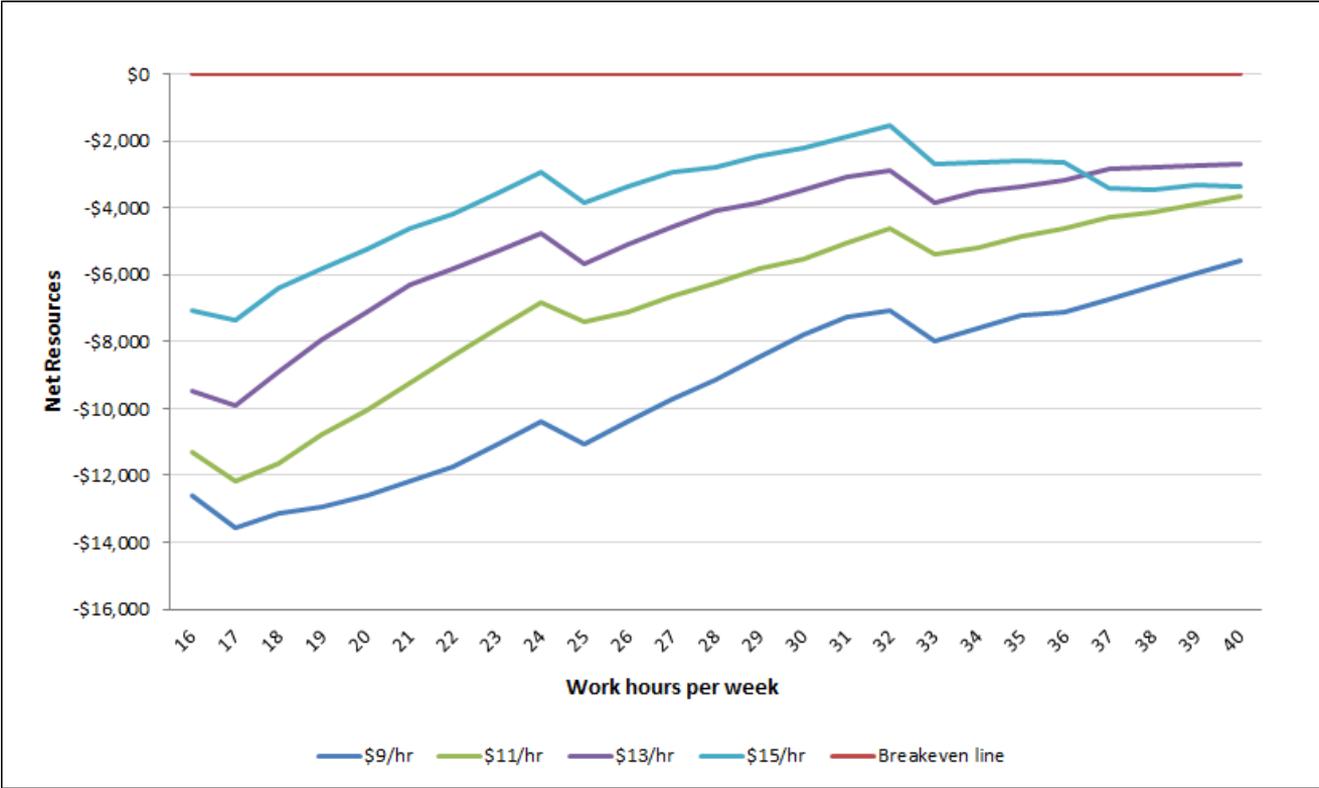
# Other components of net resources

- Earnings from wages
- LIHEAP, incorporated in housing costs
- Food expenses, based on USDA low cost food plan
- “Other necessities”, such as clothing, personal care items, household repairs, and telephone costs.
- Lifeline subsidy, incorporated into “Other necessities” calculation
- Sales taxes
- Costs related to disability, such as additional equipment people might need in order to work
- After school child care costs
- Debt payments

# Budget simulation - Net resources



# Simulation of minimum wage increase



# Next steps

- Allegheny County is part of federal project to develop a new FRS geared towards use by human services clients and case workers.
- Long-term vision for FRS is to create open source code for localities to use to maintain their own versions of the tool
- NCCP is open to collaborations to create new locally-tailored versions of the FRS.

## Using the FRS online



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### Family Resource Simulator

The Family Resource Simulator illustrates the impact of “work supports”—such as earned income tax credits and child care assistance—on the budget of a hypothetical family. Based on the answers provided on steps 1 through 7, the Simulator generates graphs that show how family resources and expenses change as earnings increase. Create your own scenario by following the steps below or see [sample results](#). A related tool, the [Basic Needs Budget Calculator](#), allows users to see how much income is necessary to cover a family’s basic expenses.



**1** Select state and city (or county).



---Select a State---

---Select a Location---

### also of interest

- ◆ Read about how the Family Resource Simulator was used to model potential policy changes in [Colorado and Ohio in 2015](#) and in [Florida in 2016](#)
- ◆ Learn more about the policies included in the Family Resource Simulator on our [Work Supports](#) page and related [publications](#).
- ◆ Learn more about [Low-Wage Work](#)

# Thanks!

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