

Caught in the Gaps



How the pitfalls of cash assistance programs perpetuate economic insecurity for New Yorkers



About

FPWA's new report explores various gaps in New York's cash assistance programs, Family Assistance (FA) and Safety Net Assistance (SNA).

It offers an analysis of issues created by the programs' restrictive eligibility thresholds, administrative barriers, and overall failure to provide recipients with enough assistance to meet their needs.

Our Findings:

Finding #1: FA and SNA reach only a small percentage of New Yorkers experiencing poverty.

In 2020, approximately only 20% of New Yorkers living below the exceptionally low Federal Poverty Level (FPL) received FA or SNA.¹ The FPL is a woefully unrealistic tool for assessing the means and needs of individuals and families today. FA and SNA's reach is so limited in part because eligibility for FA and SNA has historically been tied not just to the FPL but also to another flawed measure called the "standard of need," which purports to calculate the cost of basic needs given a household's size and county. These measures have restricted eligibility so that many New Yorkers are disqualified even if their earnings are below the FPL.

We are encouraged that the 2022-2023 New York State budget included changes to allow more households to remain eligible, but the state should go further and adopt a more accurate eligibility threshold.



Finding #2: The extremely low asset limits for FA and SNA prevent individuals and families from qualifying.

FA and SNA have asset limits that restrict applicants from having even modest savings. **During 2020 and 2021, over 4,000 applicants in New York State were denied assistance specifically because of asset limits.**² This is especially troubling considering these households were denied during the pandemic, when assets became a critical lifeline for many.

Finding #3: The application and recertification requirements prevent New Yorkers from accessing FA and SNA.

Around half of all application denials are caused by issues related to the application process itself (e.g. if an applicant was unable to submit all the extensive paperwork required or was unable to attend the mandatory interview). Further, around half of all cases closed at recertification are because of some issue related to this process (e.g. if an applicant did not submit recertification materials on time). **Since 2017, an annual average of over 122,000 applicants were denied due to the application process, and an additional approximately 120,000 recipients lost benefits due to problems pertaining to the recertification process.**³



Finding #4: Work requirements prevent individuals and families from maintaining FA and SNA, lead to punitive measures such as sanctions, and fail to help households achieve economic security.

From 2016 to 2021, nearly 118,000 New Yorkers were penalized with reduced benefits—or sanctioned—due to work requirements.⁴

Research also indicates that the requirements cycle recipients into low-wage jobs and fail to improve their long-term economic stability.⁵ This is true in New York, where the average hourly wage for FA and SNA recipients is below \$15 outside of New York City.⁶ Furthermore, unequal enforcement of work requirements also harms people of color disproportionately.

Finding #5: The program’s high churn rate undermines financial stability for recipients.

“Churn” refers to the on-again, off-again enrollment pattern that characterizes many individuals’ experiences with benefits programs. **In New York State, approximately 1 in 4 adults who exit FA or SNA ultimately re-enter within one year.⁷**

This amounts to tens of thousands of adults, and tens of thousands more children, who continue to experience poverty and economic volatility after exiting the program.

Finding #6: The FA and SNA benefit levels are far below the Self-Sufficiency Standard.

FA and SNA are not enough to cover basic needs, and even the maximum benefit is well below the Self-Sufficiency Standard, a tool developed by the Center for Women’s Welfare at the University of Washington that measures the cost of basic needs in each county. According to the Standard, for a family of three in New York County, **the maximum benefit covers less than 8% of the household’s basic needs.** Further, the maximum benefit is even far below the FPL: In New York State as of 2021, the maximum benefit for a family of three was still only at 43.1% FPL.⁸

Finding #7: The grant’s allowance for housing is far lower than the cost of housing in all counties.

The FA and SNA grants include a “shelter allowance,” which is supposed to serve as housing assistance but is far below the actual cost of housing in every county. For example, **it is only a fraction of HUD’s Fair Market Rent (FMR) estimates, covering just 27% of HUD FMR in Albany County and 19% in Bronx County.**

Finding #8: Asset limits prevent economic security and mobility for FA and SNA recipients.

FA and SNA recipients are subject to the restrictive asset limit rule while receiving cash assistance. The limit for recipients was recently increased to \$10,000, but even at the higher threshold, recipients are relegated to economic insecurity as a condition of maintaining their eligibility.

Recommendations

The report offers several recommendations:

- increasing the FA and SNA benefit
- expanding eligibility
- eliminating the asset test
- simplifying the application and recertification processes
- reforming work requirements
- implementing a trauma-informed care approach for service delivery

The report also puts forth recommendations for broader structural reforms:

- replacing the FPL with an accurate poverty measure
- raising wages
- investing in affordable housing
- establishing universal access to affordable child care
- exploring guaranteed income proposals



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¹ U.S. Census Bureau. (2020).
² Data obtained via Freedom of Information Law (FOIL) request. (2022)
³ New York State Office of Temporary and Disability Assistance (OTDA). (n.d.).
⁴ Data obtained via FOIL request. (2022).
⁵ Pavetti, L. (2018). CBPP.
⁶ Data obtained via FOIL request.
⁷ Data obtained via FOIL request.
⁸ Safawi, A. & Reyes, C. (2021). CBPP.

Read the full report at
fpwa.org/caughtinthegaps