



The Economic Safety Net

**Section V of the
2006-2007 Travis County Immigrant Assessment**

**Conducted by
Travis County Health and Human Services & Veterans Service
Research and Planning Division**

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The Economic Safety Net Overview

Community Goal

While the goals for other sections of this assessment focus on improving community conditions, this section addresses a community interest in maintaining a basic level of financial security for all families and individuals. The community's goal in this area is reflected in the following statement:

To eliminate the effects of poverty and promote self-sufficiency.
(Basic Needs Coalition, 2007)

It is in the interest of the entire Travis County community for residents to be self-sufficient, thus fully contributing to the prosperity of the community.

Highlights

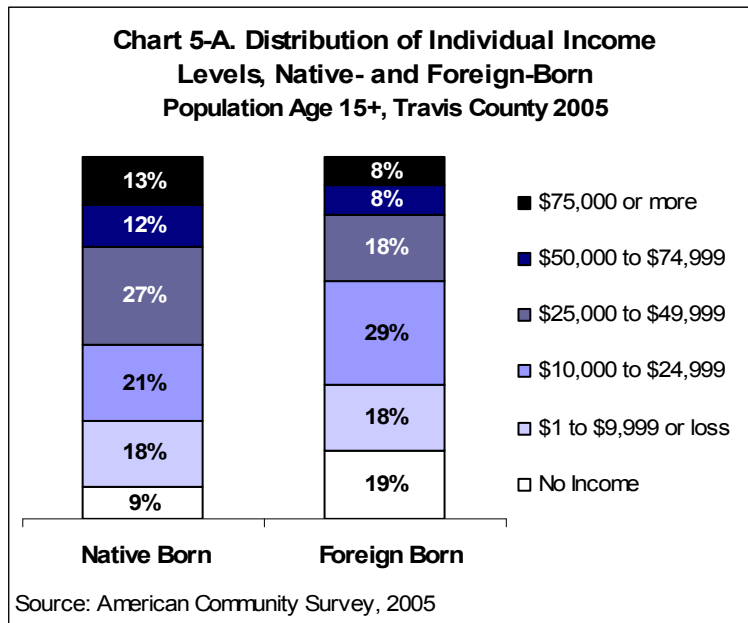
- Nationally, immigrants are more likely than the native born to live in poverty, regardless of household composition. In Travis County, almost one-quarter (23%) of immigrants live below the federal poverty level, compared to 14% of the native-born population.
- A "safety net" of federal benefits exists to help needy individuals and families meet their basic needs through cash assistance and services. For many immigrants, regardless of legal status, this economic safety net is weakened due to more restrictive eligibility requirements, particularly for programs that are federal means-tested public benefits (Supplemental Security Income, Food Stamps, Temporary Aid to Needy Families, Medicaid, and the Children's Health Insurance Program).
- Immigrants' eligibility for public benefits can be quite complex. Beyond the requirements of each program, additional eligibility requirements for immigrants include criteria around type of immigrant status, when an immigrant entered the U.S., whether one belongs to a number of groups for whom there are exceptions/exemptions, and in some cases, the income and resources of an immigrant's "sponsor" in the U.S. For some benefit programs that are operated at the state level, states may have additional and/or different eligibility criteria.
- Among eligible low-income children, the citizen-children of non-citizen parents receive public benefits at lower rates than the children of native born parents. Their benefit receipt is mitigated by confusion or fears that can act as deterrents for non-citizen parents.

Income and Poverty

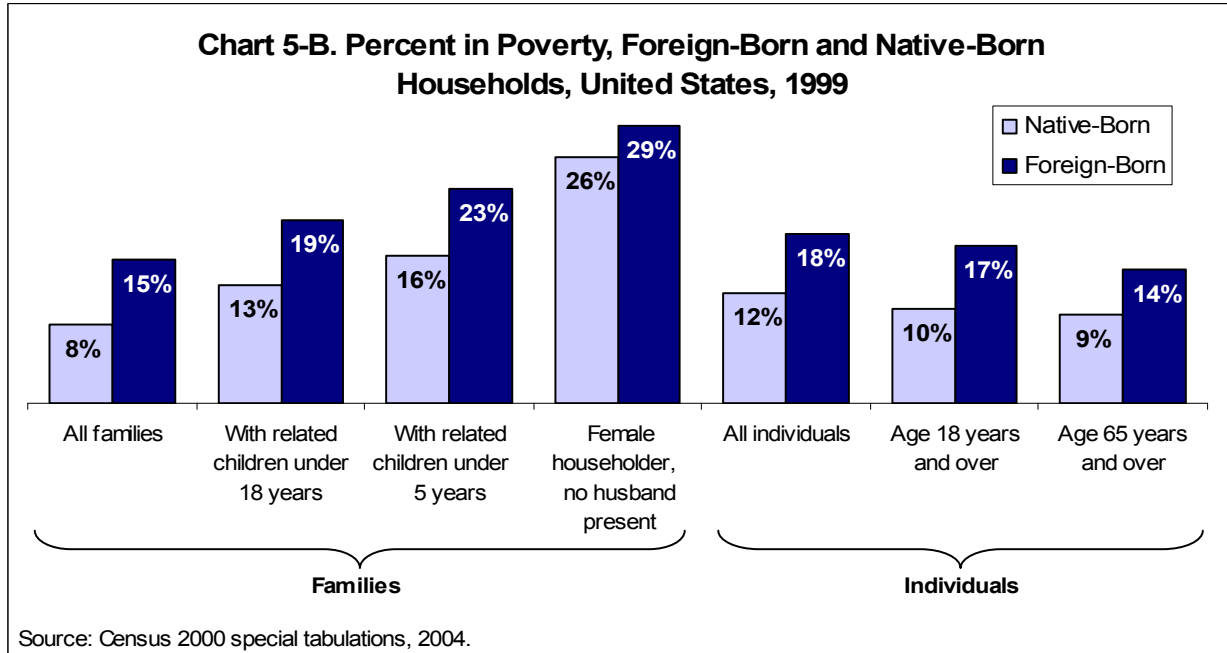
Residents who are in or near poverty face economic challenges that may require assistance in order for them to meet their basic needs. In the Austin/Travis County area, basic needs are frequently defined as food, clothing and housing assistance (rent, mortgage and utilities), according to the service providers that coordinate local basic needs services. (For a more detailed discussion on housing and immigrants, refer to the Housing section of this assessment.) The following discussion focuses on immigrants and their access to economic safety nets available at local, state and federal levels.

Income and Poverty: Numbers and Trends

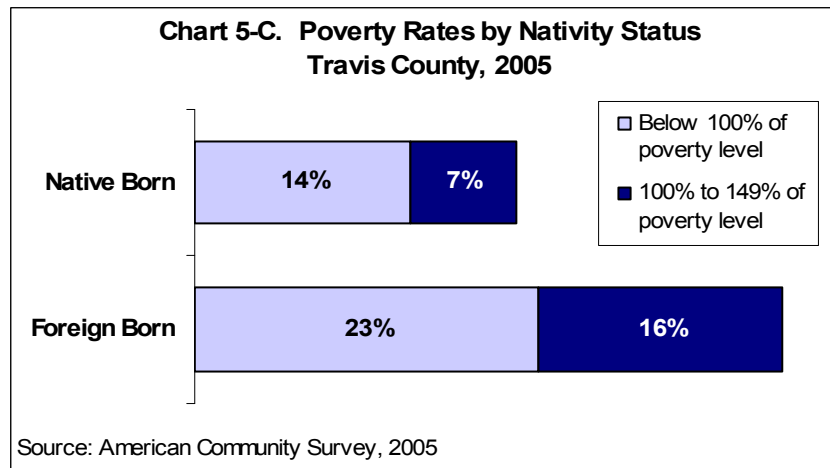
On average, immigrants make slightly lower earnings than the native born in the U.S. (Lipman, 2005). This disparity is visible in Travis County (see Chart 5-A) where immigrants are heavily represented among lower income groups: Two-thirds (66%) have individual incomes less than \$25,000, compared with only 48% of the native born. They are also more than twice as likely as native-born persons to have no reported income. (American Community Survey 2005)



Accordingly, immigrants are at a higher risk for experiencing poverty. According to the last decennial census, immigrants nationwide are more likely than native-born persons to live in poverty, regardless of household composition (see Chart 5-B). Some of the highest rates of poverty (29%) were found in families where the head of household was a foreign-born female and no husband was present.



In Travis County in 2005, 23% of immigrants were below the federal poverty level, compared to 14% of the county’s native-born population (see Chart 5-C). This translates into approximately 33,500 foreign-born persons below poverty (household income at or below \$9,570 for an individual or \$19,350 for a family of four). Approximately 23,900 more foreign-born persons were near poverty (between 100% and 149% of federal poverty guidelines). (American Community Survey, 2005)



For many immigrant individuals and families who experience poverty, it is not a result of unemployment. Rather, most immigrant families are “working poor,” meaning that the parents are employed and do work, but the household still experiences poverty or conditions near poverty. Even in families where both parents work, almost one-quarter of children of immigrants are low-income (more than twice the rate for children of native-born parents)

(Capps, Fix, Ost, Reardon-Anderson & Passel, 2005). These demographics are largely due to trends in immigrants' workforce and education levels. (For more discussion of workforce and education factors affecting immigrants, refer to those respective sections of this report.)

The Federal Safety Net and Immigrants' Access

To help meet basic needs, many low-income individuals and families rely on public benefits (services or cash supplements provided by federal or state government). For immigrants, regardless of legal status, this economic safety net is weakened due to more restrictive eligibility requirements, particularly for programs that are federal means-tested public benefits.

Historical View of Immigrants' Eligibility

In the 1970s and 1980s, policies in public benefit programs reflected similar treatment of legal immigrants and citizens concerning their daily life in U.S. society, with some rights extended to undocumented individuals as well. During this period, the U.S. Supreme Court determined that for public benefit programs, the federal government, unlike the states, did have authority to make eligibility distinctions on the basis of nativity and citizenship; but the federal government did not opt to do so. (Fix & Zimmermann, 1999)

The 1990s marked the onset of a more restrictive era in immigration-related policies, one which more narrowly defined immigrants' membership in U.S. society. Most notably, the Personal Responsibility and Work Opportunity and Reconciliation Act of 1996 (also known as the Welfare Reform Act or the "welfare law") restricted legal immigrants' eligibility for certain programs. It did so by creating two categories of legal immigrants—those who had entered the U.S. before its passage, and those who arrived after. The 1996 legislation prescribed different eligibility requirements for each group, particularly in relation to public benefits that are "federal means-tested public benefits."

Federal Public Benefits

The term "federal public benefit" refers to "any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by the United States or by funds of the United States" (Nielsen, 2004, part III-B). Dozens of federal programs fall under this definition of a public benefit, but only five of these programs are "federal means-tested public benefits." These five programs are described briefly below.

- 1. Supplemental Security Income (SSI)**, administered by the Social Security Administration: SSI provides cash assistance to people who are elderly, blind or disabled, and who are low-income and have limited resources. SSI is funded by federal general tax revenues (not Social Security taxes) and unlike Social Security benefits, SSI benefits are not based on prior

individual or family work history. Eligibility requirements are set by the federal government. (Social Security Administration, 2006)

2. **Food Stamps**, administered by the Department of Agriculture: The Food Stamps program provides low-income individuals and families with coupons or electronic benefits that can be used at grocery stores to purchase food items. Eligibility is based on federal poverty income guidelines and set by the federal government. Food stamp allotment is based on household size, and, for some areas, local food prices. The program is operated by state and local welfare agencies, and overseen by the federal government. (U.S. Department of Agriculture, 2006; U.S. Department of Agriculture, 2007)
1. **Temporary Aid to Needy Families (TANF)**, administered by the Department of Health and Human Services: TANF is a block grant program, in which states receive federal dollars and “wide flexibility” to implement and design eligibility criteria for their own welfare programs¹⁸. TANF provides cash assistance to eligible low-income families, and recipients have work requirements and time limits on assistance (five years or less at state option). (Office of Family Assistance, 2006)
2. **Medicaid**, administered by the Department of Health and Human Services: Medicaid is a state-administered public health insurance program for low-income individuals and families who meet eligibility requirements. Eligibility requirements are set by federal and state laws, and usually relate to age, disability, pregnancy status, citizenship, legal status, and/or income and resources. (Centers for Medicare and Medicaid Services, 2006)
3. **Children’s Health Insurance Program (CHIP)**, administered by the Department of Health and Human Services: CHIP was created in 1997 as a supplement to Medicaid, in order to provide public health insurance to children whose families’ incomes are too high to qualify for Medicaid but too low to purchase private insurance. The program targets low-income children whose families have incomes below 200% of the federal poverty level, or incomes 50% higher than the state’s Medicaid eligibility threshold, although states have the option to expand coverage above those levels. CHIP is jointly funded by federal and state dollars, with capped federal funds provided to the states on a matching basis. States can use CHIP funds to expand Medicaid eligibility to children previously not qualified for it, to design a separate children’s health insurance program, or a combination of both. (Centers for Medicare and Medicaid Services, 2005).

Summary of Current Immigrant Eligibility

Immigrants’ eligibility for public benefits can be quite complex. Eligibility for immigrants include criteria around (1) one’s type of immigrant status, (2) on what date an immigrant entered the U.S., (3) whether one belongs to a number of groups for whom there are

¹⁸ As a result of the 1996 welfare law, TANF replaced the country’s former welfare programs (Aid to Families with Dependent Children, the Job Opportunities and Basic Skills Training program, and the Emergency Assistance program).

exceptions/exemptions, and, in some cases, (4) state-specific laws and (5) the income and resources of an immigrant’s “sponsor” in the U.S.

For the purposes of benefit eligibility, immigrants are defined as either “qualified” or “not qualified,” listed in Table 5-A. These categories only serve to distinguish immigrants with wider access to benefits from those who have much more restricted access. *These terms are unrelated to immigration law or legal status, and pertain only to benefit eligibility.* The use of the word “qualified” does not indicate automatic eligibility for any benefits, as those individuals and families who fall into the “qualified immigrants” category must still comply with program-specific eligibility requirements, such as those around income levels and poverty status.

Table 5-A. Examples of Qualified Immigrants and Not-Qualified Immigrants	
<p><u>Qualified Immigrants</u></p> <ul style="list-style-type: none"> • Lawful permanent residents • Refugees • Asylees • Persons granted withholding of deportation • Persons granted parole in the U.S. (by the Immigration and Naturalization Service or the Dept. of Homeland Security) for at least one year • Persons granted conditional entry (prior to April 1, 1980) • Cuban/Haitian entrants • Certain battered spouses and children • Victims of a severe form of trafficking 	<p><u>Not-Qualified Immigrants</u></p> <ul style="list-style-type: none"> • Temporary residents (legally referred to as “non-immigrants”) in the U.S. on time-limited visas to work, study or travel • Undocumented immigrants who entered as temporary residents and overstayed their visas or who entered without a visa • Individuals who are given temporary administrative status (e.g. stay of deportation, voluntary departure) until they can formalize permanent status • Individuals under deportation procedures

Note: This list is not exhaustive.

Source: Nielson, 2004; National Immigration Law Center, 2005a.

In general, qualified immigrants have wider access to public benefits than not-qualified immigrants. However, as a result of the 1996 welfare reform, qualified immigrants are further divided into two groups: Those who entered the U.S. before August 22, 1996 (the date on which the 1996 welfare law’s legislative change took effect) and those who arrived on or after August 22, 1996. In general, for qualified immigrants entering the country on or after August 22, 1996, there is a five-year ban on eligibility for federal means-tested public benefits (Neilson, 2004). Exceptions to the five-year ban are made for certain groups, including refugees, asylees, victims of trafficking, veterans, and members of the military on active duty and their spouses and unmarried dependent children (Neilson, 2004). While it does not include every exception, Table 5-B on the following pages summarizes general eligibility requirements for immigrants for some of the larger federal benefit programs.

Eligibility can also be affected by a practice called *deeming*. All family-based immigrants and some employment-based immigrants must be “sponsored” by a family member. Sponsors must have incomes of at least 125% of the federal poverty income guidelines and sign an affidavit pledging assistance to maintain the immigrant’s annual income at 125% FPIG. When

determining eligibility for federal means-tested public benefits, a sponsor's income and resources may be added to the immigrant's income and resources. The 1996 welfare law extended sponsor-deeming to apply to major income and employment benefit programs (Food Stamps, public health insurance, SSI, and TANF) and to be applied to immigrant applicants until they naturalize as citizens or have worked in the U.S. for 10 years. (Neilson, 2004; Dinan, 2005)

As "not-qualified immigrants," undocumented persons (including children), who were not eligible for federal benefits prior to the 1996 welfare law, remain ineligible at present¹⁹, with the exception of programs that protect life and safety. These include: child and adult protective services; violence and abuse prevention; mental illness or substance abuse treatment; short-term emergency shelter or housing assistance; soup kitchens, food banks, senior nutrition programs, and school-based meal programs; and medical and public health services necessary to protect life or safety. (Center for Public Policy Priorities, 2007) The 1996 welfare law did extend many existing restrictions on undocumented persons' access to certain state-funded services.

Mixed status families and their children²⁰ warrant specific mention in terms of federal benefit eligibility. Children of immigrants are more likely than children of native-born parents to live in low-income families, regardless of the children's citizenship status. As such, these low-income children of immigrants experience higher rates of food insecurity, housing affordability problems, and lack of health insurance (all hardships that federal benefits can help to alleviate) compared with their counterparts who are born to native-born parents. (Dinan, 2005)

As citizens, native-born children in immigrant families do not face any eligibility bars related to their own immigrant or legal status, and their access to public benefits is not legally affected by the status of their parents. Their eligibility is only governed by whether they meet other program criteria (for example, restrictions around household income). However, in practice, parents' immigrant status greatly affects the benefit receipt of their citizen children, such that the eligible low-income children of immigrants receive benefits at lower rates than the children of native-born parents (Dinan, 2005).

Benefit receipt by eligible citizen children in immigrant families declined significantly following the passage of the 1996 welfare law. This "chilling effect" (Dinan, 2005, page 7) and the subsequent and consistently low rates of benefit receipt are related to several factors on the part of non-citizen parents. Due to the complexity of eligibility rules, many parents may have confusion or misconceptions about their children's eligibility for benefits. If parents have undocumented status, they may fear that interacting with government officials could result in their status being discovered and reported. Lastly, immigrant parents regardless of status may

¹⁹ Undocumented immigrants were not eligible for federal benefit programs prior to the passage of the 1996 welfare law. The 1996 legislation strengthened those existing restrictions, and expanded them to some state-funded services as well.

²⁰ For a general discussion of mixed status families, refer to the Profile of the Foreign Born section of this report.

fear that receiving benefits constitutes being a public charge²¹ and thus affects their ability to adjust legal status to lawful permanent residency, to naturalize as citizens, or to sponsor other immigrants. Although some of these fears are not informed by actual practices or policies, they nonetheless can act as deterrents for low-income immigrant families with benefit-eligible family members. (Dinan, 2005)

²¹ In immigration law, a public charge is a person who cannot support himself or herself and thus relies on government cash assistance. (Dinan, 2005, page 7)

Table 5-B: Immigrants' Eligibility Requirements for Selected Public Benefit Programs			
Program	Qualified Immigrants		Not Qualified Immigrants
	Entered the U.S. before August 22, 1996	Entered the U.S. on or after August 22, 1996	
Federal Means-Tested Public Benefits			
Supplemental Security Income (SSI)	Eligible if: <ul style="list-style-type: none"> • Receiving the benefit on Aug. 22, 1996 • Lawfully residing in the U.S. on Aug. 22, 1996 and become disabled • Lawful permanent resident with credit for 40 qualifying quarters²² worked • Have refugee or asylee status (eligible for first 7 years in the U.S.) • Veteran, active duty military, or their spouses and unmarried dependent children 	Eligible if: <ul style="list-style-type: none"> • Lawful permanent resident with credit for 40 qualifying quarters worked; can apply five years after entry to the U.S. • Have refugee or asylee status (eligible only for first 7 years in the U.S.) • Veteran, active duty military, or their spouses and unmarried dependent children 	Eligible if: <ul style="list-style-type: none"> • Receiving the benefit on Aug. 22, 1996 • Victims of trafficking and their beneficiaries, during first 7 years after getting status
Food Stamps	Eligible if: <ul style="list-style-type: none"> • Are under age 18 • Age 65 or older and were lawfully residing in U.S. on Aug. 22, 1996 • Had "qualified immigrant" status for 5 years • Lawful permanent resident with credit for 40 qualifying quarters worked • Have refugee or asylee status • Veteran, active duty military, or their spouses and unmarried dependent children 	Eligible if: <ul style="list-style-type: none"> • Are under age 18 • Had "qualified immigrant" status for 5 years • Lawful permanent resident with credit for 40 qualifying quarters worked • Have refugee or asylee status • Veteran, active duty military, or their spouses and unmarried dependent children 	Eligible if: <ul style="list-style-type: none"> • Victims of trafficking and their beneficiaries
Temporary Assistance for Needy Families (TANF)	Eligible	Eligible if: <ul style="list-style-type: none"> • Had "qualified immigrant" status for 5 years • Have refugee or asylee status • Veteran, active duty military, or their spouses and unmarried dependent children <p><i>Note: Texas is one of 5 states that, for this category of immigrants, makes TANF available only to:</i></p> <p>(1) LPRs with 40 qualifying quarters of work, (2) veteran/active duty military/spouse or children, or (3) refugee/asylee only during 5 years after obtaining status.</p>	Eligible if: <ul style="list-style-type: none"> • Victims of trafficking and their beneficiaries

²² After December 31, 1996, no quarter can be considered a qualifying quarter if the individual received a federal means-tested public benefit during the quarter. Quarters worked by parents when the applicant was a child, or by a spouse while married, may be counted by spouses and dependent children as satisfying the 40 quarter requirement. (Neilson, 2004)

Table 5-B: Immigrants' Eligibility Requirements for Selected Public Benefit Programs			
Program	Qualified Immigrants		Not Qualified Immigrants
	Entered the U.S. before August 22, 1996	Entered the U.S. on or after August 22, 1996	
Medicaid (excluding Emergency Medicaid services)	Eligible	Eligible if: <ul style="list-style-type: none"> • Had "qualified immigrant" status for 5 years • Have refugee or asylee status • Veteran, active duty military, or their spouses and unmarried dependent children <i>Note: Texas is one of 7 states that, for this category of immigrants, makes Medicaid available only to:</i> <ol style="list-style-type: none"> (1) LPRs with 40 qualifying quarters of work, (2) veteran/active duty military/spouse or children, or (3) refugee/asylee only during 7 years after obtaining status. 	Eligible if: <ul style="list-style-type: none"> • Victims of trafficking and their beneficiaries
Children's Health Insurance Program (CHIP)	Eligible	Eligible if: <ul style="list-style-type: none"> • Had "qualified immigrant" status for 5 years • Have refugee or asylee status • Veteran, active duty military, or their spouses and unmarried dependent children <i>Note: In Texas, the state-funded TexCare Partnership (a combined SCHIP and Medicaid program) covers "qualified" immigrant children up to 200% of FPIG.</i>	Eligible if: <ul style="list-style-type: none"> • Victims of trafficking and their beneficiaries
Selected Other Federal Public Benefits			
Emergency Medicaid	Eligible	Eligible	Eligible
HUD Public Housing and Section 8 Programs	Eligible except: <ul style="list-style-type: none"> • Certain Cuban/Haitian entrants • "Qualified" abused spouses and children <i>Note: For mixed status families, benefit is subject to prorating.</i>	Eligible except: <ul style="list-style-type: none"> • Certain Cuban/Haitian entrants • "Qualified" abused spouses and children <i>Note: For mixed status families, benefit is subject to prorating.</i>	Eligible if: <ul style="list-style-type: none"> • Victims of trafficking and their beneficiaries • Certain other very specific groups <i>Note: For mixed status families, benefit is subject to prorating.</i>
Social Security	Eligible	Eligible	Eligible if: <ul style="list-style-type: none"> • Lawfully present • Received assistance based on application filed before 12/1/1996.

Table 5-B: Immigrants' Eligibility Requirements for Selected Public Benefit Programs			
Program	Qualified Immigrants		Not Qualified Immigrants
	Entered the U.S. before August 22, 1996	Entered the U.S. on or after August 22, 1996	
Medicare "Premium Free" Part A (hospitalization)	Eligible	Eligible	Eligible if: <ul style="list-style-type: none"> • Lawfully present, and eligibility is based on authorized employment
Medicare "Premium Buy-in" Part B	Eligible if: <ul style="list-style-type: none"> • Lawful permanent resident and have resided continuously in the U.S. for 5 years 	Eligible if: <ul style="list-style-type: none"> • Lawful permanent resident and have resided continuously in the U.S. for 5 years 	Not Eligible
Programs that Protect Life and Safety	Eligible	Eligible	Eligible

Sources: National Immigration Law Center, 2005b; Neilson, 2004.

The Local Safety Net for Basic Needs Services

In Travis County, a network of nonprofit agencies, faith-based organizations, City of Austin Neighborhood Centers, and Travis County Community Centers provide some combination of emergency food, rent, mortgage, utility and clothing assistance (basic needs services) for residents in need. In general, these services are intended to assist families through a crisis rather than to serve as ongoing supports.

Eligibility for services varies by provider. For example, some food pantries will provide a bag of groceries without requiring income or residency documentation (Basic Needs Coalition, 2006). Other basic needs providers, such as Travis County, require that clients meet income guidelines and show proof of Travis County residency²³ (Travis County Health and Human Services, 2003).

Eligibility for services is often tied to the funding source. Typically, services or benefits directly funded with federal dollars usually require proof of citizenship. In general, other funding sources (that are not direct federal dollars) exclude citizenship status from consideration for service provision. For example, in 2005 the Texas Department of Housing and Community Affairs issued a memo which stated that applicants could not be denied services through the Community Services Block Grant (CSGB)²⁴, Comprehensive Energy Assistance Program (CEAP) or Weatherization Assistance Program (WAP)²⁵ for not providing a social security number or for not having proof of citizenship status (Texas Department of Housing and Community Affairs, 2005).

Local Findings: Meeting Basic Needs and Using the Local Basic Needs Safety Net

Some participants in local immigrant focus groups shared their difficulties meeting basic needs. When asked to describe a challenging day, one individual explained that every day is a challenge for her. While she commented that wages are better in the U.S., she said rent and other basic needs are so costly that she finds it difficult to provide “little extras” for her family. Other participants spoke of the challenge balancing their own basic needs with the desire to save and send money to relatives in their home countries. For example, one person said, “A typical day for me is trying to earn enough money [and] saving it to send back home.”

Focus group participants had varying experiences accessing local social services. Many agreed with one person who stated, “Travis County has lots of services for immigrants which is not true of all cities.” Others praised the specific services they had received—for example, “Every day at 11:00 or 11:30 AM, they bring me food, rain or shine, Monday through Friday. They’ve never failed me since I arrived here in Austin.” In one focus group, three of eight participants had their children enrolled in the local Head Start agency and expressed satisfaction with the services they received through that agency. One individual explained: “I am very thankful for the help and services that my family and I have received. These are not available in my home country.” Others indicated that they or others they know are not always aware of or able to access services. One person said, “This county has a lot of resources, but some people don’t know how to access them.”

²³ Travis County residency is defined as having lived in Travis County for a minimum of 60 days prior to application assistance. (Travis County Health and Human Services, 2003)

²⁴ CSBG is a funding source for City of Austin Neighborhood Centers.

²⁵ CEAP and WAP are funding sources for Travis County Community Centers.