

**DOCUMENTATION FOR THE GENERIC CLEARANCE
FOR THE COLLECTION OF QUALITATIVE RESEARCH & ASSESSMENT**

TITLE OF INFORMATION COLLECTION: Marginal Tax Rates and Work Disincentives: Family Perceptions and Labor Force Decisions

INTERVIEWS

SMALL DISCUSSION GROUPS

FOCUS GROUPS

QUESTIONNAIRES

OTHER

DESCRIPTION OF THIS SPECIFIC COLLECTION

1. Intended purpose

The purpose of this exploratory project is to learn more about how poor and low-income families who receive federal means-tested programs understand the effects of changes in earnings on their eligibility and benefits, and thereby how they feel about increasing their earnings through more work or higher wages. It will do so through focus groups in three states with poor and low-income families who benefit from one or more federal means-tested programs. The main programs of interest are SNAP (Supplemental Nutrition Assistance Program, formerly food stamps), TANF (Temporary Assistance for Needy Families), housing assistance, EITC (Earned Income Tax Credit), child care subsidies, Medicaid, and CHIP (Children Health Insurance Program).

2. Need for the collection

Economists have used sophisticated quantitative methodology to examine the relationship between various assistance programs (e.g., SNAP, EITC) and labor force participation. However, little is known about families' own perceptions and understanding of how program benefits would change as a result of additional earnings.¹ The purpose of this study is to explore whether benefit programs create perceived work disincentives for recipients and the potential effect of perceived disincentives on subsequent labor force decisions. To address these questions, the study uses an in-depth qualitative approach to analyze family perceptions of the potential change in household resources due to hypothetical additional earnings. Perceptions of marginal tax rates among low-income families may mediate their subsequent labor force decisions.

3. Planned use of the data

¹ For an exception, see: J.L. Romich (2006). "Difficult Calculations: Low-Income Workers and Marginal Tax Rates." *Social Science Review*, 80.

Information gathered through this data collection will inform our understanding of how families perceive the likelihood that increased earnings may result in loss of benefits, and potentially inform future research.

4. Date(s) and location(s)

We are seeking approval through this mechanism for data collection by means of focus groups in California, Ohio, and Virginia, from March through August of 2019.

5. Collection procedures

The data collection will be conducted through nine focus groups held in selected areas in the three study states. The focus groups will be conducted by research staff from Insight Policy Research, which has extensive experience conducting focus groups with low-income populations receiving government services. Insight Policy Research has a contract with ASPE to conduct and report on this data collection.

6. Number of collections (e.g., focus groups, surveys, sessions)

There will be a total of nine focus groups, three in each of three states.

7. Description of respondents/participants

Participants will be low-income householders who receive federally funded government programs, including SNAP, TANF, housing assistance, EITC, child care subsidies, Medicaid, and CHIP. Participants must live with a child in the household and be currently working with earnings. They will be ethnically diverse. We are seeking a convenience sample of participants who meet the criteria to best inform the research aims.

8. Description of how results will be used

Contractor staff will identify the main themes from the group discussion and provide a summary memo to the federal project staff. The contractor will also provide audiotapes and transcripts to the federal project staff. The main themes and findings may contribute to our understanding of marginal tax rates and the quantitative research.

9. Description of how results will or will not be disseminated and why or why not

Depending on the themes identified in the focus groups and findings from other research, we expect that this work may inform interest among federal and state staff, and academic researchers on marginal tax rates and work incentives/disincentives for low-income families.

AMOUNT OF ANY PROPOSED STIPEND OR INCENTIVE

We plan to provide participants with \$50 to help with lost wages, given their time and effort in coming to and participating in the focus groups. They are low-income parents with children, and most will have hourly jobs. This amount is appropriate and effective, considering the high cost of living in many of the areas we are targeting and the length of the focus group (a total of 90 minutes).

BURDEN HOUR COMPUTATION (*Number of responses (X) estimated response or participation time in minutes (/60) = annual burden hours*):

Category of Respondent	No. of Respondents	Participation Time	Burden
Potential working parents receiving 1+ federal benefit: screener	135	10 min.	22.5 hours
Working parents receiving 1+ federal benefit: demographic form	72	15 min.	18 hours
Working parents receiving 1+ federal benefit: discussion	72	75 min.	90 hours
Total*	135	100	130.5

* The total of 135 includes participating persons that are screened but are not included in the focus groups, as well as those who are. Therefore, the total includes parents who are screened but ultimately will not participate in a focus group and parents who are screened and do participate in a focus group.

BURDEN COST COMPUTATION²

Category of Respondent	No. of Respondents	Hourly Rate	Response Time	Total
Potential working parents receiving 1+ federal benefit	135	\$24.16	22.5 hours	\$543.60
Working parents receiving 1+ federal benefit	72	\$24.16	108 hours	\$2609.28
Total*	135	\$24.16	130.5	\$3152.88

* The total of 135 includes participating persons that are screened but are not included in the focus groups, as well as those who are. Therefore, the total includes parents who are screened but ultimately will not participate in a focus group and parents who are screened and do participate in a focus group.

² Estimates for hourly burden are calculated as 80 percent of the Department of Labor (DOL) Bureau of Labor Statistics (BLS) 2017 mean hourly wage in the Oakland-Hayward-Berkeley Metropolitan Division (\$30.20), retrieved from: http://www.bls.gov/regions/west/news-release/occupationalemploymentandwages_oakland.htm#. Based on these data and calculations, the mean hourly wage for participants would be \$24.16.

OTHER SUPPORTING INFORMATION

REQUESTED APPROVAL DATE: February 28, 2019

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