

1 **Supplementary Material**

2 Authors may submit supplementary files to be made available alongside their article. Supplementary material is available
3 online only on the article's webpage (it is not published in the PDF of the article). Supplementary files are not copy-edited
4 nor proofread by the Editorial Office, and it is the authors' responsibility to guarantee the scientific accuracy of these
5 files.

6 **1. Appendix Tables.**

7 **Table A.** Proposed Unit Size and Household Size Rules

Unit size: Number of bedrooms	Minimum number of people in household	Maximum number of people in household
0	1	1
1	1	2
2	2	4
3	4	6
4	6	8
5	8	10
6	10	12

8 Source: This table is a partial reproduction of a table on page 5-42 of the *Housing Choice Voucher Program Guidebook*
9 produced by the U.S. Department of Housing and Urban Development.

10

11 **2. Variance to 2014 Calculations**

12 Total cost estimate was \$121.61 billion in 2014, and \$100.75 billion in 2021.

13 Because the number of children, marriage status, and income all factor into the amount of EITC a family receives, the
14 data available to estimate program participation at the metropolitan area level is limited and varies by year. In 2014,
15 tax filer data is available by the number of children in the family and by income bins. However, for 2021, the IRS only
16 provides tax filer data separated by much larger income bins than 2014 and no data for the number of children. We
17 used the proportion of children from the 2014 filer data for 2021. We thus ran the simulations and provided results for
18 both 2014 and 2021.

19 There are at least two possible reasons for the decrease in cost from 2014 to 2021: first, the housing supplement was
20 calculated based on higher annual incomes in 2021 because the tax filer data from the IRS was separated by larger
21 income bins, and second, income may have increased more than EITC requirements, leading to a decrease in families
22 eligible for the EITC. The cost of the proposed program will vary as the economy continues to fluctuate and EITC rules
23 get updated. Potentially, the large federal financial outlays to support families during the COVID-19 pandemic including
24 the child tax credit, which may contributed to lower EITC participation.

25

26 **3. Adjustments to counter risk points**

27 There are many ways one might structure the program to retain the strong work emphasis. For example, one could
28 establish a minimum annual income that must be earned before a worker could receive the housing supplement. This
29 minimum could be established relative to the maximum amount of income a worker could receive and still participate
30 in the program. This proration could occur in a step-like fashion. For example, if the maximum annual income for a
31 worker was \$40,000, one might establish that a worker must earn \$20,000 before the housing supplement would kick
32 in.

33 One might also pro-rate the housing benefit such that the amount of FMR relief received by a worker’s family is linked
34 to the amount of income relative to the maximum income threshold. For example, the worker might receive 10% of the
35 housing supplement if the worker’s annual income was up to 30% of the maximum threshold, 30% of the supplement if
36 income was between 30% and 50% of the maximum threshold, 60% of the supplement if income was between 50% and
37 80% of the threshold, and 100% if income was more than 80% of the threshold. One might also combine these to create
38 a tiered system with a minimum floor. However, these are only suggestions. Each adjustment makes the program
39 slightly more complicated and makes implementation and monitoring somewhat more difficult. A robust discussion to
40 consider an optimal approach is welcomed.

41 **4. Childless EITC 2021 Temporary revision**

42 With the temporary increase from the American Rescue Plan Act of 2021, workers who have no children and have
43 incomes below roughly \$21,400 (\$27,400 for a married couple) received a small EITC benefit. This temporary benefit
44 only covered the 2021 tax year and was not reauthorized by Congress.

45 This estimate derives from 2021 EITC data since our simulation is based on 2021 figures with data from the Urban
46 Institute and Brookings Institution Tax Policy Center EITC Parameters 1975 to 2023.
47 <https://www.taxpolicycenter.org/statistics/eitc-parameters>. In 2023, the average household income of HCV recipients
48 was \$17,835 and 67% had incomes under \$20,000; only 28% of recipients relied on wages as a major source of income.
49 In 2023, households contributed an average of \$450 toward rent while HUD contributed an average of \$1,068 (HUD,
50 2023).