



# Innovations in Income Supports

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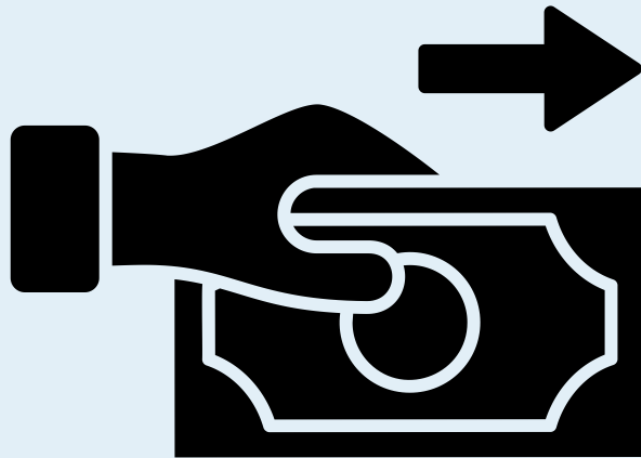
SEPTEMBER 5, 2024

# Resilient Families Hub

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- FEDERAL POLICY ALIGNMENT AND COORDINATION
- BUILD A NATIONAL LEARNING AGENDA
- POINT OF CONTACT FOR STATE AND LOCAL GOVERNMENTS, OTHER STAKEHOLDERS
- INITIATIVE OF THE OFFICE OF MANAGEMENT AND BUDGET'S FACING A FINANCIAL SHOCK INTERAGENCY PROJECT
- SITS IN THE OFFICE OF FAMILY ASSISTANCE

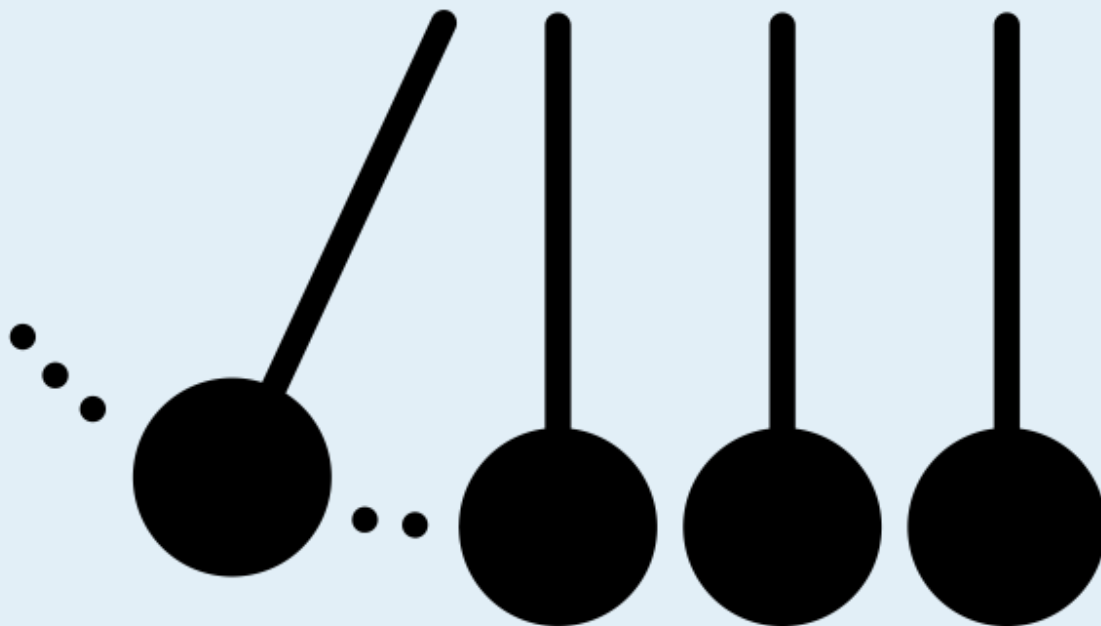




## What do we mean by direct cash?

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When we use the term “**direct cash**” we’re talking about payments made *directly* to individuals or families, by either a government or non-profit organization, for the purposes of promoting economic stability and mobility at the household level.

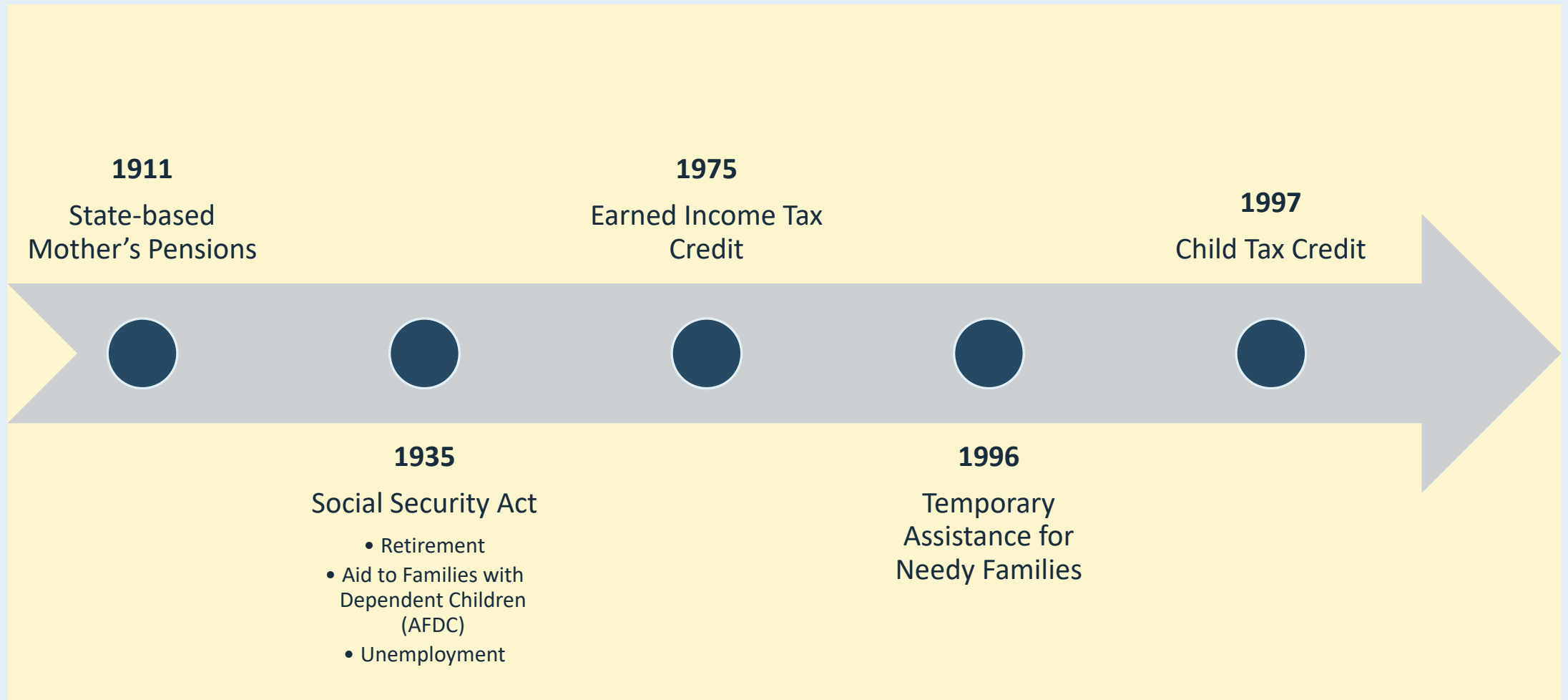


## Direct Cash Impacts

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- Reduces poverty, increases economic stability (Miller, 2016; West, 2020)
- Positive outcomes for children in households that receive direct cash (Bullinger, 2023; Barr, Eggleston, & Smith, 2022; Copeland, 2022)
- No/minimal impact on labor (Jones & Marinescu, 2018; Ananat, 2021)
- Money is spent on necessities (Stanford, 2020; Liebman, 2022)

# History of U.S. Direct Cash Programs



# Recent Direct Cash Innovations

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**ADVANCE CHILD TAX CREDITS**

**GUARANTEED INCOME**

**NRST TANF**

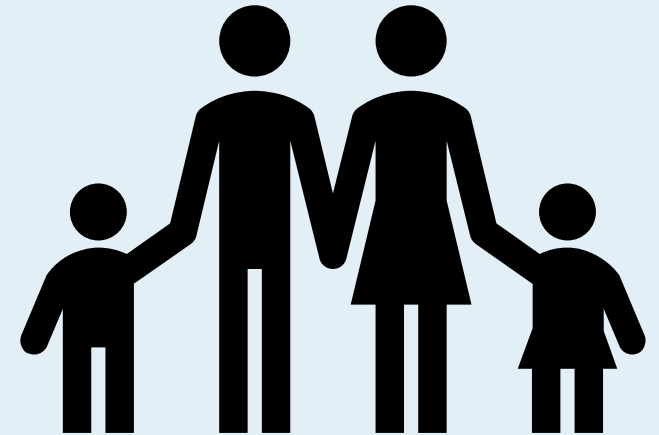
**DIRECT RENTAL ASSISTANCE**

**STIMULUS PAYMENTS**

**CASH BENCHMARKING**

# Advance Child Tax Credits

- As part of the American Rescue Plan Act, the federal government provided **Advance Child Tax Credit (CTC)** in 2021. This temporary measure:
  - made the credit fully refundable
  - increased the value of the benefit
  - provided the credit in advanced monthly installments, sending the money via direct deposit into households' bank accounts.



# State Tax Credits

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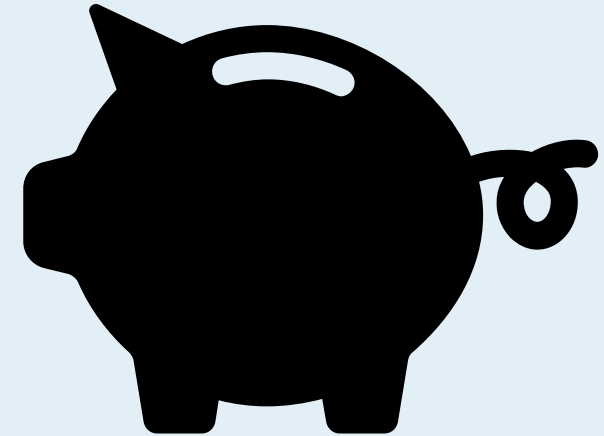
- **CTCS**

- 14 states, plus the District of Columbia, have their own child tax credits
  - In 2023-24 alone, 11 states + DC either created a new child tax credit or improved on an existing one

- **EITCs**

- 31 states plus the District of Columbia offer an EITC
  - In 2023-24 alone, 14 states + DC improved their EITCs

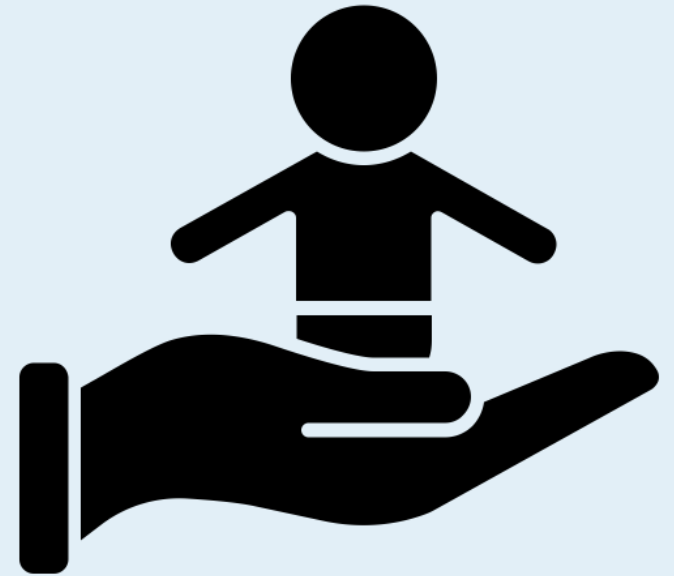
- These tax credits target low-and-moderate income workers and families, support those caring for children, and are important policies towards improving equity



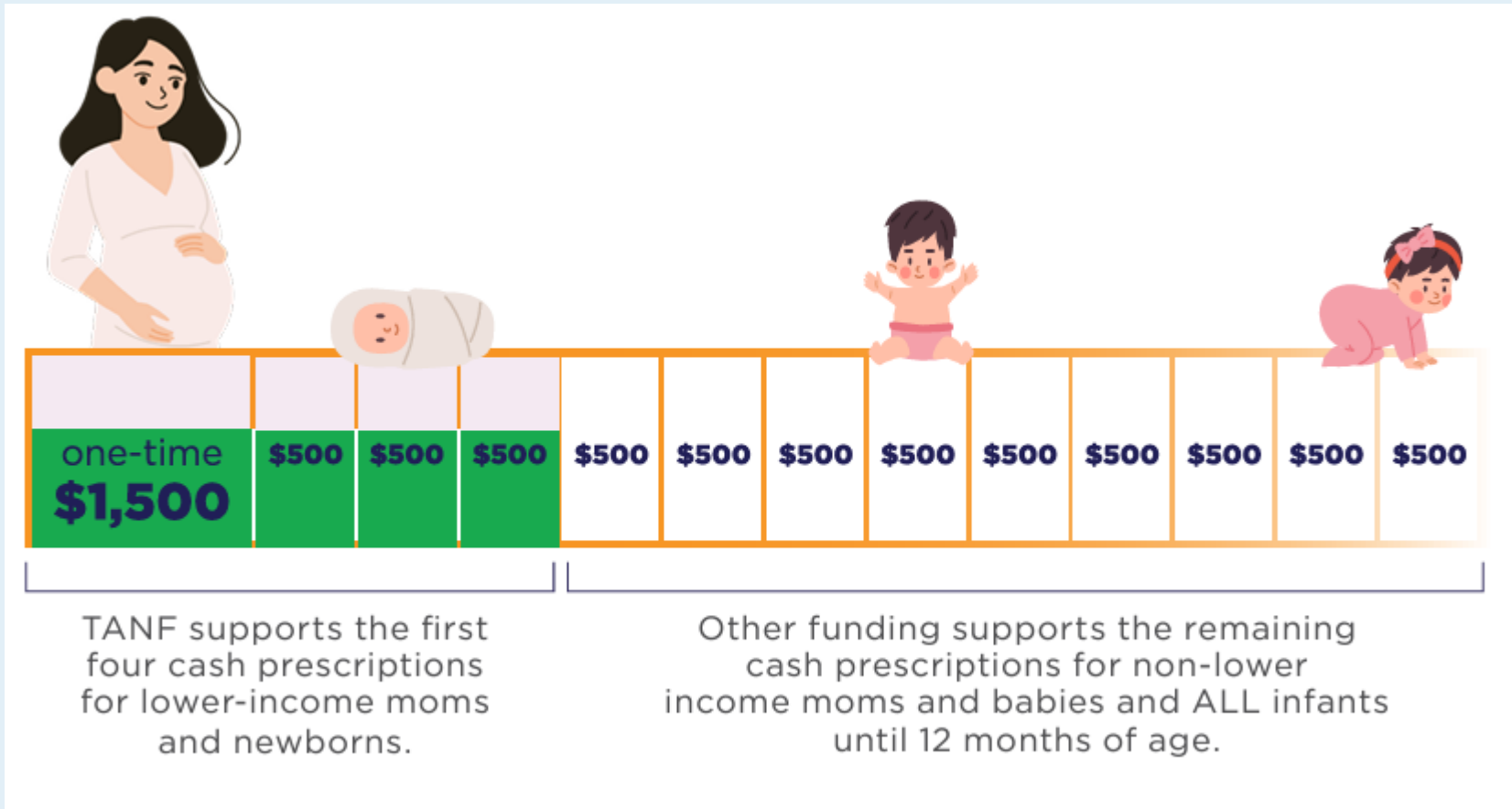


# TANF NRST Programs

- Non-Recurring Short-Term benefits is a mechanism with TANF that allows states to provide four months of unconditional cash payments to families facing acute economic distress.
- NRSTs are separate from the traditional TANF cash assistance program and do not come with conditions such as work requirements
- Recipients do not need to be part of the state's TANF cash assistance program (though they must fall under TANF's income eligibility)
- RxKids out of Flint, MI is a prime example



# RxKids Model



# Direct Rental Assistance (DRA)

- HUD and local PHAs are exploring potential pilots that would provide cash directly to renters, instead of giving vouchers to landlords
- Use rigorous research arm to compare DRA to the traditional Housing Choice Voucher program
- Pilots would assess how direct cash impacts:
  - Access to housing
  - Housing quality
  - Administrative burden/number of families served



# Guaranteed Income

- Recurring payments target based on income (most pilots target ~100%-300% FPL)
- The money is unconditional
- Payments are guaranteed – people do not lose the benefit if their other sources of income increase
- More than 150 guaranteed income pilots happening throughout the US
- Many funded by ARPA

