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START AT THE BEGINNING

A PERSON-CENTERED DESIGN AND EVALUATION FRAMEWORK
FOR POLICIES TO BOOST HOUSEHOLD CASH FLOW AND BEYOND



**FINANCIAL
SECURITY**
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Introduction

POLICIES TO BOOST HOUSEHOLD INCOME ARE BOTH TIMELY AND OVERDUE

As part of the federal response to the ongoing COVID-19 health and economic crisis, the American Rescue Plan Act (ARPA) signed into law in March 2021 was unprecedented in the resources that it offered households to meet their basic needs and stabilize their finances. Everyone across America needs access to both privately and publicly administered benefits that enable routinely positive cash flow, build personal wealth, and protect them against large shocks.¹ With a large share of US households facing challenges meeting basic needs in the midst of the pandemic, the ARPA focused on the starting point of financial security—routinely positive cash flow—by prioritizing interventions that boosted income and helped households manage their expenses.

A key part of this temporary support was the expansion of the Child Tax Credit (CTC), an existing policy to deliver increased cash flow to US families, now expanded to address the scale of the problem to more effectively meet the needs of families.² While this policy intervention was born from crisis, it is poised to meet a long unmet need among US families. Even before the economic fallout from COVID-19, the JPMorgan Chase Institute estimated that 65 percent of

households lacked the liquid savings to cover six weeks of income necessary to weather a simultaneous income loss and expenditure shock.³ It's within this state of fragility that millions of workers—many of whom were already living paycheck to paycheck—lost that paycheck.⁴

In many ways, this expansion of the CTC was deeply conventional. As in previous economic downturns, direct cash payments to households has been a cornerstone of the federal response. Yet, by making the benefit—increased from \$2,000 per child under 16 to \$3,000 per child ages 6 to 17 and \$3,600 per child under 6—fully available to families with little or no wage income and a portion payable on a monthly basis, it resembled the closest thing to a “guaranteed income” ever seen in the US. Though a guaranteed income floor for families with children, commonly called a “child allowance,” is a standard part of social policy in many industrialized nations, for the first time in the US, the federal government would be providing around 35 million families with children predictable additional household income a month—with no strings attached.⁵

The results were immediate. Consistent with extensive research on the impact of interventions to boost household income,⁶ after the first CTC payments hit families' bank accounts in July, food insufficiency and debt dropped while savings and financial security went up.⁷



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THE ROLE OF WELL-DESIGNED POLICIES TO BOOST HOUSEHOLD INCOME

The financial hardships households faced in the midst of the pandemic reveals the scale of the precarity that millions of households were experiencing well before the crisis began. This highlights the urgency of the need to reimagine our system of benefits—both public and private—to effectively and equitably support households to recover from this pandemic and build security for



A key principle to achieve this vision of a new system of benefits is “people-centricity”—ensuring that the design and delivery of benefits start with the lived experience and expertise of the people these policies are intended to serve.



the future. The Aspen Institute Financial Security Program (Aspen FSP)’s Benefits 21 initiative is dedicated to integrating and modernizing our system of benefits to ensure all households have financial security and can live economically dignified lives.⁸ A key principle to achieve this vision of a new system of benefits is “people-centricity”—ensuring that the design and delivery of benefits start with the lived experience and expertise of the people these policies are intended to serve.

For more information on the central role of benefits, read “A Modernized System of Benefits is the foundation for an Inclusive Economy.” To learn more about Benefits21, visit aspeninstitute.org/programs/benefits21.

In recognition of the growing momentum and interest from US-based policymakers in designing public benefits that boost household cash flow and provide US families with the foundational stability from which they can thrive and progress toward longer term financial security, this paper provides policymakers with a new tool: a Person-Centered Policy Design and Evaluation framework, based on the lived experience and expertise of the people these policies are intended to support.

This person-centered framework is the product of an ongoing partnership between Springboard

To Opportunities (Springboard), a nonprofit organization in Jackson, Mississippi, and Aspen FSP to “center the margins” in policy design and evaluation, taking a people-centric approach to institutionalize the voice and influence of impacted communities at every step of the policymaking process.⁹ In April 2021, Springboard kicked off its third year providing \$1,000 per month to women participating in the Magnolia Mother’s Trust (MMT), the longest running guaranteed income program in the United States and the only initiative specifically targeting Black women with extremely low incomes living in affordable housing.

This framework distills information from interviews and focus groups with dozens of women served by Springboard from 2016 to 2021 with direct knowledge of and experience with programs to boost household cash flow and merges these unique insights with research providing further context and directions for responsive reforms.¹⁰ Finally, the paper applies this framework to three policies specifically designed to boost the household incomes of families with children—the expanded Child Tax Credit, the original Child Tax Credit, and Temporary Assistance for Needy Families (TANF)—to see how well each meets performance goals of a person-centered approach to such policies.

“PERSON-CENTRICITY” MUST BE THE GUIDING PRINCIPLE OF POLICIES TO BOOST HOUSEHOLD INCOME

A clear take-away from applying this person-centered framework is that there isn’t just one way to provide cash, but there are good ways and bad ways. This insight comes at a poignant moment in the evolution of policies to boost household income. While the expansion underway of unconditional, unrestricted cash assistance to families with children is historic in its own right, it also coincides with the 25th anniversary of “welfare reform” and its establishment of the Temporary Assistance for Needy Families (TANF) program. In the popular imagination, TANF has performed the role of “cash welfare” over this time,

But, as this analysis documents, TANF is in fact designed in ways that are deeply misaligned with the needs of families it is ostensibly intended to serve, and often it imposes a series of obstacles and conditions while providing little in return to help families stabilize.

The promise, then, of the expanded CTC isn't just that it is providing cash to families, but in *how it is doing so*. By deconstructing existing policies to boost household cash flow into their component parts and evaluating these elements based on their impacts on families—according to the criteria

that *matter to them*—this paper aims to mark this historic policy moment by establishing a new set of person-centered features to guide the design of policies to boost household cash flow. In short, this paper aims to start at the beginning, with the people policies should be serving and the foundational need that supports their financial security. Finally, the paper proposes a set of recommendations to policymakers, private sector leaders, advocates, and researchers to apply this framework to advance our collective goal to ensure all US households are able to live economically dignified lives.

Presenting the Person-Centered Design and Evaluation Framework

Operationalizing our belief that policy design and evaluation need to expand beyond dollars and cents this section introduces the “Person-Centered Design and Evaluation Framework.” This framework provides: (1) the foundational insights underpinning the three core performance goals structuring the framework, and (2) the design components corresponding to each performance goal, including core design elements and effective practices for implementation.

KEY NOTE

This analysis brings more commonly recognized aspects of policy design and evaluation, such—as the amount of benefits a participant can receive and under what conditions—into conversation with the impact of those design choices on the people who experience them and the meaning they make of them, especially the ways that their interaction with these systems shapes their perception of their social and political identity.

The latter dimensions are absent from traditional approaches to policy evaluation, which tend to disregard the extent to which policies deliver

both resources and messages about who is receiving them and why. These messages are consequential because they are often internalized by prospective recipients. These messages shape their expectations for how they will be served by a given policy and potentially whether or not to pursue it, and, further, their expectations for their ability to influence the institutions that create and administer these policies.¹¹ Moreover, these messages contribute to narratives about poverty in ways that can either bolster or undermine public and political support for a robust social safety net, with long-term consequences for both participants and society more broadly.

As such this framework fills a gap in what policymakers have been missing in traditional assessments, models a way to get those insights, and provides a way to operationalize those insights. If a similar approach were to be implemented as a standard part of policy administration—and trigger an automatic reassessment where policy performance was falling short—the assessment could function as a powerful accountability tool for ensuring that policy design aligns with the needs and positive user experience of the people they impact.

Foundational Insights for the Person-Centered Design and Evaluation Framework: I'Esha's Story

While her story is individual, I'Esha's experiences are hardly unique. Her story illustrates that policies that boost household cash flow are critical, but often unpredictable, insufficient, present risk, and don't support long-term progress. From her story, and those of the other women who informed this report, we derive three foundational insights for our person-centered framework.

Like millions of other parents across the country, the last year brought I'Esha, a participant in the Magnolia Mother's Trust Guaranteed Income program, a set of experiences that were both wholly unexpected in her own life and yet broadly shared among others parenting in a pandemic. A mother of two, a 12-year-old daughter and 7-year-old son, I'Esha had been working as housekeeping supervisor at a hotel chain in Jackson as well as a cashier at a convenience store when COVID-19 began surging. Though trained in the culinary arts—with a particular talent for Italian cooking—in the absence of open positions in her field, she was glad to have two stable jobs as she continued to seek out opportunities to pursue her passion. Or, stable until they weren't.

First, in May, I'Esha became one of the pandemic's millions of employment casualties when she was laid off from her job at the convenience store. Then, in June, she herself became sick with COVID. Thankfully, she had family in the area to provide a home for her children while she quarantined, and her sister, a nurse, to drop off food and medicine outside her door. Though she was grateful for the support, she admits, "Having to depend on someone to take care of me was difficult." Also difficult was the 3-week separation from her children where their only contact was through FaceTime and they didn't seem to understand what was happening.

In July, I'Esha's health had improved and her job at the convenience store was once again

available, so she was able to resume both jobs, though she continues to have difficulty breathing. Then, life proceeded as normally as possible under the circumstances. Until, once again, she had to stop working in early 2021, this time due to experiencing a high-risk pregnancy that required her to stay on bed rest. "I didn't know what I was going to do since it would be October before I could work again."

Finally, in April, a hopeful change: I'Esha learned she would be among the moms served by Springboard To Opportunities to receive \$1,000 a month for the next year through the Magnolia Mother's Trust. "I can take care of all the expenses in my household and it feels great that I don't have to worry about if my lights are going to be cut off." If it weren't for the MMT, "I'd be in a really bad place...It's not a struggle for us right now. We can do more of what we want to do."

In the near-term, this means being able to commemorate the victories that took place despite a tumultuous year. Indeed, over the summer, the MMT helped make it possible for I'Esha's boyfriend to take the kids to Florida, where they joined his family at the beach to celebrate I'Esha's daughter making the honor roll. Though I'Esha wasn't able to join herself due to her confinement to bed, her daughter brought the beach to her, and they worked together to turn a bag of sandy shells into an art project.



...receiving MMT and expecting the expanded Child Tax Credit have constructed both a floor for supporting her family's immediate needs and a runway for planning for the future.



In the long run, she’s eager to move her family into a home of their own. After a shooting at a convenience store near their current community, this has taken on urgency. “I don’t want my kids to live in fear. They can’t go outside and play now.” Despite the disruptions in her employment income over the previous year, receiving the MMT and expecting the expanded Child Tax Credit have constructed both a floor for supporting her family’s immediate needs and a runway for planning for the future. Indeed, she hopes by the time she returns to work in October after her baby is born, her family will be able to settle into a neighborhood close to her sister with a yard her children can run around in and schools where they’ll get a better education. “To go from full-time employed mom to an unemployed mom, receiving MMT is what kept me going. Everyone should be able to get that.”

**FOUNDATIONAL INSIGHT #1:
PREDICTABLE PARTICIPATION
AND PAYMENTS ARE THE
UNDERPINNING OF EFFECTIVE
BENEFITS—BUT MANY POLICIES
DO NOT PROVIDE THEM.**

As meaningful as resources provided by cash-based programs can be—as experienced by I’Esha and other women served by Springboard—they can also impose steep costs, from their time to their dignity to additional financial hardship, when administered through traditional safety net policies. Previously, for example, I’Esha sought out TANF when she was still pursuing her education. She found the stipulations of maintaining eligibility in the program unmanageable while also meeting the demands of schoolwork and raising a family, and incommensurate with the monthly benefit of a mere \$120. “Why is it so hard to get something that’s out there?” she reflected.

This sentiment was shared by Jasmine, a mom interviewed in 2017, who explained that when programs imposed so many requirements on people who were often already struggling, it could set them up to become trapped in a vicious cycle:

“I mean, if there is funding for child care, or whatever the case may be, I don’t feel like it should have as many requirements,” Jasmine said. “Say, if they have a job and it’s hard for them to get child care, then they don’t have anybody to watch their child, and they end up getting fired from the job. The cycle’s going to keep going. It’s just, bad things are going to continue to happen to that person.”

This paradox of uncertainty imposed by programs ostensibly designed to provide stability was acutely felt by Tamika, a mother of three who lost her job as a child care provider in April 2020 due to shutdowns during COVID. Though she had applied for Unemployment Insurance, she didn’t start receiving it until August—after her initial application was rejected for being incomplete. Though it was paid retroactively, the months of waiting had been tough. “Every little bit helps, but it’s a process,” she said. “Then you could be in the process of losing everything in that process.”

Insight For Design

I’Esha, Nicole, and Tamika’s experiences, like those of nearly all the women informing this report, coalesce around a threshold question for the design of policies to boost household cash flow: How do we design a system that allows families to feel confident that they will receive what they need, when they need it, for as long as they need it, and with minimal barriers to receiving and keeping it?

**FOUNDATIONAL INSIGHT #2:
DIGNIFIED DELIVERY IS ESSENTIAL
FOR ENSURING THE GOALS OF
POLICIES HOLD UP IN PRACTICE.**

For I’Esha, there were strong parallels between the Magnolia Mother’s Trust and what she understood of the forthcoming Child Tax Credit that put her at ease: the IRS had sent her a letter notifying her that she would be receiving \$250 each month for each of her children, directly deposited into her bank account. It was that

simple. It was a “program for parents” that was designed with their needs in mind, especially the monthly installments.

Her expectations for a “program for parents” are much different than the treatment she’s experienced under programs serving people based on deficit-based identities. Since Mississippi is among the states that rejected the opportunity to expand Medicaid among low-income working families after the passage of the Affordable Care Act, l’Esha did not become eligible for the program until she became pregnant. While relying on services for people who were uninsured, like free clinics, l’Esha said, “you get what you pay for,” which for her included spending all day in a waiting room and receiving second-class care compared to people with insurance. Similarly, her experiences as a tenant in a public housing community for people living in poverty reflected management unresponsive to her needs. “I had to wait eight months to get the toilet fixed. We have to run into the house so the flies don’t get in.”

These experiences highlight a pervasive theme across women informing this report where the delivery of programs and services reinforced social and economic distinctions and subjected them to stigma, sub-par treatment, or even introduced risk into their lives. As Carla, a mom interviewed in 2017 described, the stigma attached to TANF negatively shapes both the type of jobs secured through Mississippi’s TANF Work Program (TWP), which connects participants with various types of “work activities” that satisfy the federal work requirement, and the experience working at those jobs.¹² “They send you to the worst jobs like they just want you to fail...and everybody knows when you come in that you work for TANF.” Further, some of the TWP jobs are essentially volunteer positions since the monthly TANF benefit is the only compensation.

Meager as the benefits may be, they are critical, which further increases the risks of exploitation. As Carla said, “You’re backed up against the wall, you can’t afford to lose this job.” In one TWP

placement as a teacher’s assistant at a private school, Carla was fired after declining when she was asked at the end of her shift if she “felt like cleaning the bathroom”—a duty that was not included in the job description. When she was unable to find a new job within the following 10 days, as her caseworker informed her was required, she was sanctioned and lost both TANF and SNAP benefits as a result.

Insight for Design

l’Esha and Carla’s experiences highlight the ways that programs intended to be a source of support can inflict harm or impose risk when the design of the program is built around stereotypes of people in poverty instead of the needs of the real people they are supposed to serve.

**FOUNDATIONAL INSIGHT #3:
CUMULATIVE AND COORDINATED
BENEFITS PROVIDE STABILITY AND
A RUNWAY—CONTRADICTIONARY
BENEFITS TRAP PEOPLE AND
UNDERMINE THE VALUE OF ANY
ONE BENEFIT.**

Families like l’Esha’s are currently navigating a patchwork of benefits with varying rules that often conflict or undermine each other. The predictability of the benefits l’Esha received through Magnolia Mother’s Trust—in addition to the resources she expected through the expanded Child Tax Credit—enabled her to envision and make plans for changes, like buying a house in a safer neighborhood with higher performing schools, that would set a better trajectory for her and her family. This combined benefit is distinct among many programs narrowly serving low-income families where resources gained in one area—either through employment income or public benefits—cancel out resources in other areas. This was a dynamic that l’Esha was familiar with. When she began receiving MMT, her SNAP benefits decreased from \$500 to \$200. And when she was laid off from her job at the convenience store, she



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declined to apply for Unemployment Insurance because she anticipated that it would lead to her rent increasing.

This punitive design, presumably intended to prioritize labor income over public benefits, in practice keeps families from realizing the full value of the efforts that they are making and leaves them vulnerable at times when they expect to be making traction. “You have to understand that full time workers still struggle,” l’Esha said. “It’s going to be very hard transitioning back to work knowing I’m gonna have to work extensive hours to pay the bills and take care of the children. Working people struggle too.” And, a year after her child is born, she will also face the expiration of her Medicaid coverage. “It’s horrible having to lose a job to have health insurance.”

The stories of the women who informed this research are punctuated with experiences where efforts to improve their lives in meaningful ways are thwarted by the instability of their immediate circumstances, or, too often, held in tension with their ability to smooth over the rough edges of living in poverty and make life more comfortable or enjoyable for their families now—such as by taking a vacation to the beach to celebrate a successful school year under extraordinary circumstances. As Tracee, a mom interviewed in 2017 observed, “It’s like you have to pick one.”

Insight for Design

For programs to be successful for l’Esha and other moms like Tracee, they need to relieve tension between short-term well-being and long-term goals and provide an expectation that progress will be supported and sustained, not counted against them.

Design Components of the Person-Centered Framework

Building from the foundational insights established in the previous section, this section (1) defines and describes the three **performance goals** for policies intended to boost household cash flow and core **design elements** that correspond to each performance goal, and (2) identifies the **effective design practices** for implementing those elements and discusses how those choices support the performance goal. The framework presented below is designed to provide policymakers, private sector leaders, advocates, and researchers with a structured way to design, evaluate, and refine policies and programs intended to stabilize household finances.

PERSON-CENTERED FRAMEWORK FOR APPLICATION IN POLICY DESIGN AND EVALUATION

Performance Goal	Design Elements and Effective Practices to Achieve Goal
<p>Predictable Participation and Payments</p> 	<ul style="list-style-type: none"> ✓ Sufficiency: High benefits with a dynamic assessment of need can help families achieve sufficiency. ✓ Funding Structure: Programs funded as entitlements reliably provide benefits to all who are eligible and are responsive to changing economic conditions. ✓ Administrative Structure: Federalized programs are best able to provide predictable, sufficient, and equitable support to all families who need it. ✓ Conditions for Participation: Detaching conditions for participation, such as work requirements, from benefits would prioritize the financial well-being of families. ✓ Population Scope: Universal programs offer the broadest scale for impact, reduce documentation requirements, and support a positive social identity and political engagement. ✓ Program Procedures: Automatic programs, which determine eligibility through a process requiring little to no action by the recipient, are most likely to get cash to families that need it.
<p>Dignified Delivery</p> 	<ul style="list-style-type: none"> ✓ Payment Access and Use: Mainstream delivery systems and financial products prioritize recipients' full autonomy and access to their funds with the least costs or barriers. ✓ Payment Frequency: Providing families the discretion to determine when they receive benefits gives them the autonomy and flexibility to more confidently manage their household needs. ✓ Payment Integrity: Payments that are protected from threats, such as audit or garnishment, ensure participants get the fullest possible benefit with the least risk of loss.
<p>Cumulative and Coordinated Benefits</p> 	<ul style="list-style-type: none"> ✓ Benefit Continuity: Ensuring that benefit amounts remain consistent provides financial stability, consistency, and supports long-term planning. ✓ Interoperability: Programs that disregard other benefits as income when determining eligibility and benefits support the financial traction of families. ✓ Consideration of Wealth: Eliminating asset limits allow families to develop a financial runway for the future and buffer when disruptions in income or expenses occur.

PERFORMANCE GOAL #1: PREDICTABLE PARTICIPATION AND PAYMENTS



The foundational purpose of policies meant to boost household cash flows—either by delivering supplemental or replacement income or reducing the cost to a household of basic needs like housing, food, child care or medical care—is to provide a foundation for near-term stability and long-term security. In order for such a program to achieve this core function, recipients must be able to reliably access a sufficient level of benefits with relative ease.

Design Element: Sufficiency. Sufficiency is achieved when benefits allow a family to have income that is typically higher than the cost of their basic expenses.

✓ **Effective Design Practice: High Benefits and Dynamic Assessment of Needs.** Conditions for sufficiency are most likely to be met when benefits are relatively high and needs are assessed dynamically, such as through adjustments for inflation. Sufficient benefit levels are associated with myriad advantages, including a substantial body of evidence showing that even small increases in household income during childhood can yield lifelong health and economic benefits.¹³ High benefit levels also communicate that a family's needs are understood and responded to.



I can take care of all the expenses in my household and it feels great.

– *I'Esha*



Design Element: Funding Structure. Funding structure pertains to the terms under which funding for a given program are made available and it fundamentally shapes whether families can

rely on receiving the support for which they qualify and whether that support will be adequate and consistent.

✓ **Effective Design Practice: Entitlement.**

Programs funded as entitlements provide benefits to all who are eligible and with a greater degree of political protection. Entitlements are responsive to changing economic conditions and provide an expectation of eligibility and access. Block grant (or discretionary) programs establish fixed funding, which encourages strict eligibility requirements and constrains responsiveness during economic downturns, often subjecting families to lengthy waitlists and benefit cuts. Block grant programs also create an incentive for implementing agencies to ration support through burdensome eligibility processes.



Mississippi is a state known for racism. It always has been.

– *Brenita*



Design Element: Administrative Structure.

The administrative structure of a program determines at what level or levels of government decisions are made about eligibility, benefit size, and other factors.

✓ **Effective Design Practice: Federalized.** For policies boosting household cash flow to provide predictable and sufficient support equitably and at the scale of families needing these resources, key standards for eligibility and minimum thresholds for benefits supporting sufficiency must be in place and apply regardless of where families live. State-administered programs provide a variance of standards, support, and introduce additional opportunities for administrative requirements and racially exclusionary practices.¹⁴ Both historically and in the present day, states with larger Black populations consistently provide lower benefits while imposing stricter conditions on program accessibility.¹⁵

Design Element: Conditions for Participation.

Conditions determine the availability of benefits based on satisfying certain behavioral requirements—such as working, job searching, or ensuring children meet specific school attendance requirements.

✔ **Effective Design Practice: Unconditional.**

To both have the maximum impact on families’ financial well-being and avoid playing into narratives about the “undeserving poor,” ensuring that policies to boost household cash flow are unconditional should be a priority. Attaching significant conditions to the receipt of assistance vastly limits the accessibility of benefits while often subjecting low-income households to stigmatizing and onerous documentation requirements to prove conditions are being satisfied.¹⁶ Work requirements provide a common example: conditioning benefits on employment or “work activities” often requires participants to accept work on any terms, creating fertile ground for exploitation while doing little to facilitate a transition to long-term employment.¹⁷ At the same time, work requirements typically apply a narrow definition of work that disregards the substantial levels of unpaid labor produced within families and communities, such as caregiving.



To go from a full-time employed mom to an unemployed mom and receiving MMT is what kept me going. Everyone should be able to get that.

– I’Esha



Design Element: Population Scope. Population scope defines the communities or classes—such as caregivers, elderly people, members of the military, etc.—eligible to participate in a program.

✔ **Effective Design Practice: Universal.**

Universal programs offer myriad advantages, from offering the broadest scale for impact to reducing the need for documentation requirements. Universal programs also coalesce a shared social identity and promote a positive experience of government that encourages political engagement, both factors making it more likely that their benefits will endure and remain a predictable source of assistance for families.¹⁸

Importantly, universality can also apply to a spectrum of design choices. Universal programs can apply specifically to their availability among a specific population—such as all caregivers, rather than selectively available to “parents” or those below a certain income threshold—as well as accommodate a benefit distribution among eligible participants. Under “targeted universalism,” for example, benefits are available to a large or entire population but structured progressively to provide the greatest support to those households with greater financial need and phase out at higher income levels—an approach proven successful at reducing child poverty under European child allowance policies.¹⁹ Additionally, policies can be administered universally on the front-end and means-tested on the back-end through taxation for higher-income households, so that the families who need these resources the most do not have to bear the documentation burden.²⁰

Design Element: Program Procedures.

The ease or difficulty eligible households encounter when seeking to access cash benefits can powerfully shape a program’s reach and effectiveness.

✔ **Effective Design Practice: Automatic.**

Automatic programs, which generally determine eligibility and distribute benefits through a process requiring little to no action by the recipient, are most likely to

quickly get cash to the families that need it. Burdensome program procedures—from lengthy applications or complex tax forms to in-person interview requirements and frequent recertification processes—deter and exclude eligible households from receiving the benefits they qualify for.²¹ These burdens compound when there is a lack of coordination across programs serving similar populations. Moreover, these bureaucratic hoops devalue low-income households’ time while discounting common constraints; for example, since many low-income people have inadequate access to transportation and limited flexibility for taking time off work, visiting multiple offices in person to satisfy varying program requirements can be difficult if not impossible.



They want to know all my business to receive the bare minimum of help.

– I’Esha



**PERFORMANCE GOAL #2:
DIGNIFIED DELIVERY**



The ways that families access and redeem their payments create a financial, social, and political experience. Methods of delivery that affirm the dignity, agency, and belonging of families utilize systems and products that promote inclusion, align payments with the needs of the household, and are protected from seizure that could impose risk.

Design Element: Payment Access and Use.

Design decisions about how cash payments are disbursed have substantial consequences for recipients’ ability to access and use their benefits;

these decisions can also subtly reinforce notions of recipients’ trustworthiness and deservingness (or lack thereof).

✔ **Effective Design Practice: Mainstream Systems and Products.** Payment methods that prioritize recipients’ full autonomy and access to their funds—rather than those that require households to devote significant time, effort, and even money to access their benefits—must be a priority to realize the goal of dignified delivery.²² Mainstream payment systems, such as the distribution of benefits through direct deposit to a bank account, facilitate a dignified and flexible user experience. They may enable recipients to access their benefits automatically and offer robust consumer protections, the ability to withdraw funds or check balances without fees, and access to a broad network of ATMs. In contrast, marginalized payment systems, such as electronic benefit transfer (EBT) and electronic payment cards with limited functionality, often include restrictions on access—such as prohibitions from benefit withdrawal from casinos, liquor stores, or strip clubs—that reflect assumptions about beneficiaries based on stereotypes, exacerbating rather than mitigate lower-income households’ exclusion from the financial mainstream.²³

Design Element: Payment Frequency. The frequency with which policies to boost household cash flow are disbursed can either constrain or expand the options households have for directing those resources at their discretion.

✔ **Effective Design Practice: Customizable.** Providing families the discretion to determine when they receive benefits gives them the autonomy and flexibility to more confidently manage their household needs. Regular, monthly payments can help offset households’ recurring expenses and prevent the accrual of debt, especially for very low-income households, whereas annual lump-sum payments can provide a one-time infusion households can use to pay down debt or put

down a deposit on an apartment, car, or even a house.²⁴ While benefit disbursement schedules are typically fixed and inflexible, enabling families to customize their receipt of benefit according to their needs and preferences would better support the goal of dignified delivery.



We shouldn't have to wait one time a year to receive the CTC. We have children for 12 months a year.

– I'Esha



Design Element: Payment Integrity.

Resources from policies intended to boost household-cash flow can be intercepted in a number of ways that diminish its value, such as garnished by creditors, state agencies, or retracted due to a burdensome audit.

Effective Design Practice: Protected.

Payments that are protected ensure participants get the fullest possible benefit with the least risk of loss. Whether recipients of cash benefits can expect risk—either financial or legal—from receiving their payments plays a fundamental role in both deciding to pursue these programs and their ability to use these payments to meet critical needs. The threat or experience of being audited can deter households from seeking support they qualify for in the future, leaving them even worse off financially.²⁵ Likewise, having benefit payments garnished to cover debts or child support arrears can increase household stress and directly undermine programs' potential to lessen financial hardship. According to a recent ProPublica analysis of data from the federal Office of Child Support Enforcement, \$1.7 billion in child support collected from fathers in 2020 was seized by federal and state governments as repayment for mothers and children having been on welfare.²⁶

**PERFORMANCE GOAL #3:
CUMULATIVE AND COORDINATED
BENEFITS**



Benefits should complement, rather than detract from, the financial value of work and personal resources within a household so that families experience sustained progress and have traction when possible setbacks occur. In order for policies to achieve this goal, they must provide families with the expectation that gains they make in any of those areas will be additive and contribute to their household's financial security.

Design Element: Benefits Continuity. The amount of a benefit can change as a family's financial situation changes, typically phasing-in as income increases, plateauing, and then phasing-out.

Effective Design Practice: Standard Benefit

Size. Prioritizing benefits continuity—by ensuring that benefit amounts remain consistent until households reach an income threshold that far exceeds the poverty level—can provide households with the stability and consistency that promotes an establishment of long-term financial plans and overall improvement of participants' financial lives. In contrast, the use of protracted phase-ins and narrow phase-outs leads to destabilizing variation in benefit size and often subjects recipients to an abrupt loss of benefits, or a "benefits cliff." While these design choices are frequently intended to prioritize wage income over public sources of income, prior research has shown that more generous and consistent benefits are associated with better employment outcomes. For example, while there is extensive research documenting the role of the EITC in increasing the entry of low-income mothers into the workforce, this increase is strongest for those eligible for the maximum benefit.²⁷ The increase is weakest for those in the phase-in range or for those with no income at all, who would stand the most to gain from the full benefit.²⁸

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Let's say you work for someone and your hours fluctuate. If you're not getting a certain amount of hours, you could be cut off the program. And you know it's not your fault, it's your job.

– Tracee

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Design Element: Interoperability. Programs typically establish an income threshold under which households may earn and be qualified for receiving benefits. Some non-wage forms of income, such as Unemployment Insurance and Social Security, can count against this threshold for programs, such as SNAP, and either result in a reduction of benefits or total loss of eligibility.

✓ **Effective Design Practice: Disregarded as Income.** Benefits that are disregarded as income allow recipients to contribute to other areas of their financial lives without the fear and reality of penalties that accompany benefits being counted as income. In contrast, calculating income puts forms of benefits in tension with each other and prevents households from receiving the full scale of benefits for which they would otherwise be eligible. Recipients must either choose to forego pursuing benefits that would jeopardize their participation in a current program, or, as many households encountered during the pandemic, experience an unexpected loss of benefits. Not only does this dynamic create a financial tradeoff between forms of needed benefits but creates a perception of these systems as indifferent to their well-being or posing a potential risk.

Design Element: Treatment of Wealth.

Wealth is the balance of assets and debt on a household's balance sheet.

✓ **Effective Design Practice: Disregard Assets.**

Personal resources provide families with the financial runway to plan for the future and security to maintain progress when disruptions in income or expenses occur. In the absence of these personal resources, families may either cut back on necessities, such as food, or take on debt. Asset limits within program eligibility assessments prohibit households from having above a certain threshold of savings to participate and can force families to spend down their savings to qualify for needed benefits. Additionally, asset limits neglect to account for the burden of debt and negative net worth households may be struggling with, instead, penalizing them for having a car or a bank account, which can further trap them in a place of financial precarity.

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I'm trying to save as much as possible. I know I want to be a homeowner.

– Brenita

Application of the Person-Centered Framework

This section takes the Person-Centered Policy Design and Evaluation Framework established in the previous section and applies it directly to three existing policies intended to boost household cash flow for families with children: the Expanded Child Tax Credit, the Original Child Tax Credit, and the Temporary Assistance for Needy Families program (**detailed analysis of each is included in the Appendix**). In doing so, the following charts provide:

- 1. Analytical information for each program's performance against these person-centered criteria; and**
- 2. A comparative analysis across programs using apples-to-apples criteria.**

These assessments offer a tool for policymakers, advocates, and researchers to use in identifying reform measures in any given program that might improve the delivery of policies for boosting household cash flow to families, as well as determining the value of any one reform measure in the context of a policy's overall performance. For example, simply increasing benefit levels within a program that is laden with administrative and time burdens for recipients may ultimately yield little value to recipient families. Instead, for families to experience a net gain, other features may need to be reformed in tandem, or, alternatively, a new direction may be needed altogether.

Importantly, these charts also reveal a positive evolution in the design of policies to boost household cash flow against the performance goals as defined by the people they are intended to serve. By evaluating these policies against this framework, this analysis also provides a direction for additional steps that policymakers can take to design policies to boost household cash flow that are more effective and person-centered.

The Expanded Child Tax Credit, Original Child Tax Credit, and Temporary Assistance for Needy Families policies each deliver resources to boost household cash flow to families with children, yet diverge significantly from each other in their design. Applying the Person-Centered Design and Evaluation Framework provides a clear basis for comparing how these design differences impact their performance, highlighting in particular the positive evolution of policy design from TANF to the Expanded CTC.

GAUGING THE EFFECTIVENESS OF THREE POLICIES

WHEN APPLIED, THE PERSON-CENTERED FRAMEWORK SHOWS HOW EFFECTIVE POLICIES PERFORM ACCORDING TO CRITERIA MOST IMPORTANT TO THE FAMILIES THEY ARE INTENDED TO SERVE.

Performance Goal	Design Elements	TANF	Original CTC	Expanded CTC
Predictable Participation and Payments 	Sufficiency	Ineffective	Partially Effective	Effective
	Funding Structure	Ineffective	Effective	Effective
	Administrative Structure	Ineffective	Effective	Effective
	Conditions for Participation	Ineffective	Partially Effective	Partially Effective
	Population Scope	Ineffective	Partially Effective	Effective
	Program Procedures	Ineffective	Partially Effective	Partially Effective
Dignified Delivery 	Payment Access and Use	Ineffective	Partially Effective	Effective
	Payment Frequency	Partially Effective	Ineffective	Effective
	Payment Integrity	Ineffective	Ineffective	Ineffective
Cumulative and Coordinated Benefits 	Benefit Continuity	Ineffective	Partially Effective	Effective
	Interoperability	Partially Effective	Effective	Effective
	Consideration of Wealth	Ineffective	Effective	Effective

The shades of blue range from dark to light, to assess and display whether a policy's design element was either effective, partially effective or ineffective in enhancing the performance and experience of a policy on families.

POLICY 1: TANF CONTAINS MANY DESIGN PRACTICES INEFFECTIVE AT PROMOTING HOUSEHOLD CASH FLOW.

In contrast to the Original CTC, which provided numerous design elements capable of adopting Effective Design Practices, the prospects for TANF are bleak. Since the design of the policy largely defaults to ineffective design practices, any positive reform in isolation would be significantly constrained in the positive impact it could have. And, since existing design choices have limited the number of families eligible for the program, positive reforms will also have a muted impact due to the narrow population of participants.

Performance Goal	Design Elements	TANF
Predictable Participation and Payments 	Sufficiency	<i>Ineffective</i>
	Funding Structure	<i>Ineffective</i>
	Administrative Structure	<i>Ineffective</i>
	Conditions for Participation	<i>Ineffective</i>
	Population Scope	<i>Ineffective</i>
	Program Procedures	<i>Ineffective</i>
Dignified Delivery 	Payment Access and Use	<i>Ineffective</i>
	Payment Frequency	<i>Partially Effective</i>
	Payment Integrity	<i>Ineffective</i>
Cumulative and Coordinated Benefits 	Benefit Continuity	<i>Ineffective</i>
	Interoperability	<i>Partially Effective</i>
	Consideration of Wealth	<i>Ineffective</i>

POLICY 2: THE ORIGINAL CTC OFFERS AN ADAPTABLE FOUNDATION.

While the Original Child Tax Credit falls short in a number of the Effective Design Practices for person-centered policies for boosting household cash flow, it provides a valuable use-case for applying this framework as a tool for assessing how adaptable a given policy might be to positive reforms. By offering several core design elements that were capable of carrying forward the Effective Design Practices—such as a long-established, extensive delivery infrastructure already in place providing substantial resources to millions of families—the Original CTC provided the functional, popular, and political foundations for person-centered iteration.

Performance Goal	Design Elements	Original CTC
Predictable Participation and Payments 	Sufficiency	<i>Partially Effective</i>
	Funding Structure	<i>Effective</i>
	Administrative Structure	<i>Effective</i>
	Conditions for Participation	<i>Partially Effective</i>
	Population Scope	<i>Partially Effective</i>
	Program Procedures	<i>Partially Effective</i>
Dignified Delivery 	Payment Access and Use	<i>Partially Effective</i>
	Payment Frequency	<i>Ineffective</i>
	Payment Integrity	<i>Ineffective</i>
Cumulative and Coordinated Benefits 	Benefit Continuity	<i>Partially Effective</i>
	Interoperability	<i>Effective</i>
	Consideration of Wealth	<i>Effective</i>

POLICY 3: THE EXPANDED CTC UTILIZES MANY EFFECTIVE DESIGN PRACTICES, BUT LEAVES ROOM TO IMPROVE.

The Expanded Child Tax Credit provides the highest concentration of Effective Design Practices among the three programs featured in this paper. In particular, the lack of an earned income requirement, nearly automatic monthly payments, and lack of interaction with other benefit programs are both a unique and significant value to families. However, reforms to reach eligible families previously unconnected to the tax filing system and include families ineligible for due to their immigration status would improve its performance.

Performance Goal	Design Elements	Expanded CTC
Predictable Participation and Payments 	Sufficiency	<i>Effective</i>
	Funding Structure	<i>Effective</i>
	Administrative Structure	<i>Effective</i>
	Conditions for Participation	<i>Partially Effective</i>
	Population Scope	<i>Effective</i>
	Program Procedures	<i>Partially Effective</i>
Dignified Delivery 	Payment Access and Use	<i>Effective</i>
	Payment Frequency	<i>Effective</i>
	Payment Integrity	<i>Ineffective</i>
Cumulative and Coordinated Benefits 	Benefit Continuity	<i>Effective</i>
	Interoperability	<i>Effective</i>
	Consideration of Wealth	<i>Effective</i>

Directions for Future Policy, Research, and Process Action

This paper utilizes one of the guiding principles of our Benefits 21 initiative, “people-centricity,” to offer a practical tool for the design and assessment of benefits intended to stabilize household finances, and applies that tool to assess three income-support policies. As we continue to develop tools and insights needed to modernize our system of benefits, this Person-Centered Policy Design and Evaluation Framework can be applied more broadly to existing policies for boosting household cash flow to measure their performance and identify specific reform actions that can enhance their design and delivery to more effectively and equitably meet the needs of the people served. Not only can the framework be used to enhance the impact of existing policies, it can also be used as a guide for the development of new policies in order to achieve person-centricity from its inception and maintain it through ongoing evaluation.

While this framework and the analysis demonstrates the value and need for a people-centric approach to policy design and evaluation, its effectiveness as a tool comes from the engagement of policymakers, private sector leaders, advocates, and researchers to apply the framework for policy, research, and process action:

- an **agenda for policy action** to apply the insights of this framework into responsive policies;
- an **agenda for research action** to direct ongoing assessment into ways that person-centricity can be more fully realized and responsive to changing conditions within the household and economy; and,
- an **agenda for process action** for determining the mechanisms necessary to merge these two streams by embedding the influence and power of people impacted by policy at every step of the decision-making

process—from identifying the conditions in need of changing to identifying solutions and determining if those solutions are performing as intended—in order to establish a fully dynamic and accountable system.

The following are recommendations to guide their engagement in this work utilizing this Person-Centered Policy Design and Evaluation Framework:

RECOMMENDATIONS FOR POLICY ACTION



Thoughtful application of the design principles within the Person-Centered Design and Evaluation Framework can shift the balance of policy design toward features that “enhance” performance for the families they serve. The following illustrative examples of reforms that apply these features could be integrated to any cash-based policy. However, as the analysis in this report demonstrates, among existing policies to boost household cash flow, the expanded Child Tax Credit is the most closely aligned with the features supporting the person-centered performance goals. As such, a sustained investment in maintaining this program would provide a fertile foundation for adopting the following positive iterations:

- **Predictable Participation and Payments: Increasing automatic enrollment for eligible but excluded families:** Despite offering more automatic and broad-based delivery of assistance than many prior policies to boost household cash flow, the expanded CTC is still unlikely to reach the millions of eligible families who do not file income taxes and who are disproportionately at the bottom of the income distribution. At the same time, analysis suggests that the substantial majority of these



households—specifically, at least 71 percent—are currently receiving other public benefits. Establishing data sharing between the IRS and state and local agencies to automatically identify, enroll, and deliver CTC benefits to individuals connected to other governmental systems would significantly narrow these gaps in access and ensure the expanded CTC maximizes its potential to reduce poverty.²⁹

- Dignified Delivery: Establishing inclusive systems and products for the unbanked and underbanked:**



The impacts of any policy to boost household cash flow will be undermined if eligible households face check cashing fees, ATM surcharges, or lengthy waiting periods to access their benefits. Establishing a truly inclusive mechanism for payment delivery—such as public bank accounts administered through the postal service or the Federal Reserve or added banking functionality into TSN benefit platforms—would improve both the accessibility and the efficiency of Expanded CTC payments, while powerfully supporting financial inclusion more broadly.³⁰

- Cumulative and Coordinated Benefits: Strengthening the ability of policies boosting household cash flow to support the development of personal resources and wealth by eliminating asset limits:**



As previously cited, many of the newly eligible low-income families receiving the CTC are already connected to other forms of government support. Though the CTC itself does not have an asset limit, nor count towards asset limits, given the prevalence of asset limits throughout the safety net, newly eligible families could reasonably presume the CTC does as well and shape how they use those resources accordingly. In short, eliminating asset limits in one program does not eliminate the expectation it will exist in another. This speaks to the need to take a comprehensive approach to harmonizing program criteria to eliminate barriers to families saving with confidence.

RECOMMENDATIONS FOR RESEARCH ACTION



This paper has focused on the optimal design of policies to boost household cash flow from the perspective of people these policies are intended to serve. For this work to move us forward in the Benefits21 vision of a modernized system of benefits that ensures the financial security of all households, future research should apply this framework to the broader system of benefits, both public and private, that impact a household's routinely positive cash flow. This includes adapting this framework as needed to inform and engage a broader set of stakeholders that play a critical role in modernizing these systems for effective administration, design, and delivery. As such, the following questions can provide a guide for developing future research:

- What information do we need to operationalize this framework within policies to boost household cash flow?
 - How do we expand this framework to integrate other Benefits21 design principles, such as “inclusivity” and “portability,” and deepen analysis of existing ones, such as “interoperability”?
 - Further, what are the specific metrics and indicators needed to monitor the performance of these features?
 - How can a more holistic understanding of households' financial lives and the interconnectivity of benefits inform the policy reforms needed for other benefits that are not cash-based? For example, a significant portion of MMT recipients used their cash resources to pay down debt, including out-of-pocket medical debt incurred by not having sufficient health insurance.³¹ Families used these cash-based benefits to effectively self-finance their medical costs—lacking effective and equitable access to the public and private benefits programs such as Medicaid or employer-provided health insurance—limiting their choice in how to use these cash benefits to best meet the needs of their families.

- How can this person-centered approach to policies intended to boost household cash flow be applied broadly to the design and delivery of our system of public and private benefits, so households have inclusive and equitable access to critical benefits to ensure their financial security?
- How can the perspective of different stakeholders in public and private benefits design, delivery, and administration be integrated into a more holistic tool that can generate a clear, actionable roadmap for advancing person-centricity?
- How can intermediaries facilitating benefits access (sometimes called Tech-Enabled Safety Net providers) be engaged to test the implementation of potential policy reforms, including leveraging their delivery infrastructure to function as feedback loops that gather information on their user’s experience and trigger responses when adjustments are necessary?

RECOMMENDATIONS FOR PROCESS ACTION



A key function of “person-centered” financial security policy established in *Centering the Margins* is that they are “power-building,” providing people agency within their own lives and

power and influence over the policies that impact them. As such, process actions that institutionalize the power of people impacted by policy into the design and evaluation of these policies are key to ensuring their effectiveness, responsiveness, and accountability.



As such, process actions that institutionalize the power of people impacted by policy into the design and evaluation of these policies are key to ensuring their effectiveness, responsiveness, and accountability.



A near-term option for advancing this goal is translating the framework modeled in this report into a functional assessment tool for the evaluation of current and proposed policies.

Creating a “Recipient Benefit to Burden Impact Assessment”

Even when policymakers are acting with the best of intentions, design choices that create burdens or otherwise undermine the impact of a policy on its intended recipients can occur when policymakers do not account for available data regarding what it takes to meet requirements or other barriers recipients would face to capture the full value of a benefit. An assessment tool that provides this reality check into authorizing legislation could offer an important course correction in the implementation of new policy, while also establishing this assessment into the evaluation of current policies would create the opportunity for participant feedback and experience to improve the administration of existing policies in an ongoing way.

The design of such an assessment tool should capture both readily available quantitative data, such as a program’s churn rate (the dynamic of participants cycling on and off programs, frequently due to minor changes in income or challenges complying with program requirements) and the time that elapses between program application and receipt of benefits. Additionally, the tool should capture the qualitative data—including a participant’s expectation of risk, cognitive burden, or stigma—that could diminish their experience of a program, prevent them from pursuing a program altogether, or perceive government programs as a source of harm.

Policies falling short of metrics should automatically trigger reassessment and offer opportunities for reform. Such a process would provide a critical way for program participants to hold policies accountable for their performance, create an expectation of responsiveness within governmental decision making, and establish a mechanism for building trust over time among households for whom government action has been insufficient or harmful.

Conclusion

Applying a person-centered approach to policies to boost household cash flow is just the start, but it sets a new, necessary direction. This paper is a contribution to envisioning an alternative form of policymaking, one that honors and thrives on the insights and experiences of people underserved under the current approach and supports their capacity to drive the creation of policies that serve their needs within a governmental structure designed to be responsive to their influence. Moving policymaking in this person-centered direction is essential, not just for ensuring the sustained well-being of all of the nation's families, but for setting new terms of this relationship with families for whom the failure to attend to their well-being has sown mistrust and alienation. I'Esha expressed this clearly when saying, "I don't think the government should do everything for us. But, why is there a government if it's not going to help us? What's the point of being in a position of power if you're not using your power to help?"

The stakes are high. Ultimately, developing a holistic, inclusive, and equitable set of benefits that enables all people to stabilize and thrive will require engagement among a broad set of stakeholders. To effectively modernize this system of benefits requires a community of practice and collective action—engaging researchers, policymakers, private sector leaders, and advocates—to grow this knowledge base, broaden our set of practices, and apply them at the direction of the people these actions are serving. Benefits21 is committed to a people-centric approach to modernizing our system of benefits, supporting the development of tools, insights, and participatory processes for moving this work forward. We look forward to working with the organizations, communities, and leaders committed to these values and goals to ensure that a modernized system of benefits is centered on the financial needs and economic dignity of all people.

Appendix

Chart 1: Person-Centered Framework Applied to TANF

Performance Goal	Design Elements	Design Practices Detail
<p>Predictable Participation and Payments</p> 	Sufficiency	<p>Ineffective:</p> <ul style="list-style-type: none"> • The median TANF benefit for a single mother with two children is \$492 per month, equivalent to 27% of the federal poverty level (FPL).³² • 18 states’ TANF benefits are at or below 20% of the FPL, or just \$362 per month—around \$4 per day per household member. • States with larger Black populations consistently provide lower benefits, with 55% of Black children living in states with benefits at or below 20% FPL. • In nearly all states, TANF benefits have significantly declined in value since welfare reform in 1996, as most states fail to adjust for inflation.
	Funding Structure	<p>Ineffective:</p> <ul style="list-style-type: none"> • A federal block grant provides a fixed level of funding for TANF each year, which is supplemented by state “maintenance-of-effort” funding tied to each state’s level of investment in 1996; this structure vastly curtails TANF’s ability to respond to crises and increases in need. • States have wide latitude to decide how to spend their TANF funds, and the proportion dedicated to direct cash assistance to families has greatly decreased over time. • In 1996, 70% of TANF funds went to direct cash assistance; by 2019, this had decreased to 21%, with 14 states devoting less than 10% to cash payments to families. • States with larger Black populations devote a lower share of their TANF funding to direct cash assistance, and a higher share to the prevention (and in effect, stigmatization) of single motherhood.³³
	Administrative Structure	<p>Ineffective:</p> <ul style="list-style-type: none"> • TANF is administered by states, resulting in vast differences in eligibility standards, application and reporting requirements, benefit levels, work requirements, time limits, and sanctions.
	Conditions for Participation	<p>Ineffective:</p> <p>TANF’s conditions are numerous, and restrict access based on both behavior and legal or family statuses. Among them are:</p> <ul style="list-style-type: none"> • Work requirements enforced by sanctions; • A wide range of other conditions and eligibility barriers established at the state level, such as drug testing, immunization and school attendance requirements for children, and “family cap” policies that perpetuate the welfare queen myth; and • Restrictions on eligible household members: <ul style="list-style-type: none"> - Inclusion of grandparents and other non-parent family caregivers in household benefit calculation varies by state. - Some states exclude adults with prior felony drug convictions. - Legal permanent residents or green card holders must meet a federally established 5-year minimum residency requirement; undocumented immigrants are ineligible.³⁴
	Population Scope	<p>Ineffective:</p> <ul style="list-style-type: none"> • Limited to extremely low-income households with children.
	Program Procedures	<p>Ineffective:</p> <ul style="list-style-type: none"> • Application process often requires extensive documentation of financial circumstances and intrusive personal questions. • Frequent reporting requirements enforced by sanctions create high risk of benefit loss.

<p>Dignified Delivery</p> 	<p>Payment Access and Use</p>	<p>Ineffective:</p> <ul style="list-style-type: none"> • Most states automatically disburse TANF cash assistance through electronic benefit transfer (EBT) or electronic payment card (EPC) systems. • Few states enable TANF recipients to easily opt in to having their benefits directly deposited to a recipient’s bank account, while some states do not make direct deposit available. • The EBT and EPC systems used as default payment methods for TANF often subject recipients to ATM fees and transaction fees that erode their limited benefits. • Recipients may also face limitations on the frequency, amount, or number of cash withdrawals they can make. • EBT cards only receive limited coverage through consumer protection laws. • Whether using a state-issued card or their own bank accounts, TANF recipients are prohibited from withdrawing funds at hundreds of thousands of ATMs due to federal legislation aiming to limit where benefits can be spent.
	<p>Payment Frequency</p>	<p>Ineffective:</p> <ul style="list-style-type: none"> • Though TANF provides monthly payments, the program’s extensive conditions and imposition of sanctions (temporary or permanent loss of benefits) for non-compliance significantly limit the predictability of its payments.
	<p>Payment Integrity</p>	<p>Ineffective:</p> <ul style="list-style-type: none"> • TANF benefits can be subject to garnishment and mandatory cooperation with child support program obligations.
<p>Cumulative and Coordinated Benefits</p> 	<p>Benefit Continuity</p>	<p>Ineffective:</p> <ul style="list-style-type: none"> • TANF benefits phase out quickly as income rises, with maximum earnings limits that vary across states but are consistently low.³⁵ • For households right at the poverty level, an increase in employment income of \$2,000 will result in a marginal tax rate of around 39%.³⁶ • Aside from income increases, TANF’s numerous conditions threaten benefit continuity; in 2019, 21.5% of all case closures were due to “failure to comply,” which includes “failure to appear at an eligibility appointment, submit required verification materials, and/or cooperate with eligibility requirements.”³⁷
	<p>Interoperability</p>	<p>Effective:</p> <ul style="list-style-type: none"> • TANF benefits do not count as income for IRS purposes. • In general, families eligible for TANF are also eligible for SNAP as the income threshold for eligibility is typically lower for TANF than for SNAP. Multi-page applications are often combined with SNAP and Medicaid. <p>Ineffective:</p> <ul style="list-style-type: none"> • Lack of interoperability with other benefits systems.³⁸
	<p>Consideration of Wealth</p>	<p>Ineffective:</p> <ul style="list-style-type: none"> • States’ asset thresholds range from \$1,000 to \$10,000³⁹ • Some states also take into account vehicles as an asset.

Chart 2: Person-Centered Framework Applied to the Original CTC

Performance Goal	Design Elements	Design Practices Detail
<p>Predictable Participation and Payments</p> 	Sufficiency	<p>Effective:</p> <ul style="list-style-type: none"> Provides \$2,000 per child under 17; adjusted for inflation.
	Funding Structure	<p>Effective:</p> <ul style="list-style-type: none"> Federal tax expenditure that provides benefits to eligible families as an entitlement.
	Administrative Structure	<p>Effective:</p> <ul style="list-style-type: none"> Federally administered through the IRS with no state differentiations.
	Conditions for Participation	<p>Ineffective:</p> <ul style="list-style-type: none"> Minimum Income Requirement: Families become eligible for the first \$1 of benefits at \$2,500 in earnings and the credit increases by 15% of every dollar earned up till the full \$2,000 credit is reached. Qualifying child requirement: Relationship tests⁴⁰ require that the child must be your own child, a stepchild, foster child placed with you by a court or authorized agency, an adopted child, siblings and stepsiblings or descendants of any of these qualifying people if they meet all the other tests AND a child's parent has to have lived with the child in the United States for more than half of the calendar year in which the child is claimed AND children must be age 16 and under.⁴¹ Immigration Requirements: Children without social security numbers⁴² are ineligible (roughly 1 million children)⁴³ and parents must have an ITIN or SSN to claim eligible children.
	Population Scope	<p>Ineffective:</p> <ul style="list-style-type: none"> Income threshold for phased-in benefit begins at \$2,500 and extends upwards until \$200,000 AGI and benefit phases out completely at \$240,000 AGI for a single filer and \$400,000 for married filers.⁴⁴
	Program Procedures	<p>Ineffective:</p> <ul style="list-style-type: none"> Opt-in process of receiving benefits through tax filing.
<p>Dignified Delivery</p> 	Payment Access and Use	<p>Effective:</p> <ul style="list-style-type: none"> Tax refund either distributed by the IRS through direct deposit or check. <p>Ineffective:</p> <ul style="list-style-type: none"> Enrollment Costs: Many low-income tax filers rely on their tax refunds⁴⁵ and utilize help from paid preparers, a cost that "erodes the net value of refundable credits."⁴⁶ About 60% of tax filers turn to professionals for tax preparation assistance...at an average cost of \$2,737.⁴⁷ Access Costs: Households receiving checks or without a bank account can encounter fees to cash their benefits.
	Payment Frequency	<p>Ineffective:</p> <ul style="list-style-type: none"> Annual lump sum distribution of benefits.
	Payment Integrity	<p>Ineffective:</p> <ul style="list-style-type: none"> Debt Repayment: Payments "may be subject to offset for tax debts or other federal or state debts owe[d]."⁴⁸ Garnishment: Payments "may be subject to garnishment by your state, local government, and private creditors, including pursuant to a court order involving a non-federal party (which can include fines related to a crime, administrative court fees, restitution, and other court-ordered debts)."⁴⁹ Audit: If audited and recipient does not take action to provide proof of claims, the IRS may freeze all or part of a refund and require recipient to pay back refund money already received. Benefit Repayment: If the total amount of advanced payments exceeds the amount that can be properly claimed in 2021 tax year, recipients may need to repay the IRS some or all of that excess payment.⁵⁰

<p>Cumulative and Coordinated Benefits</p> 	<p>Benefit Continuity</p>	<p>Ineffective:</p> <ul style="list-style-type: none"> • Eligibility and benefits phase in and phase out, per previous discussion.
	<p>Interoperability</p>	<p>Effective:</p> <ul style="list-style-type: none"> • These benefits “will not change the amount you receive in other Federal benefits... includ[ing] unemployment insurance, Medicaid, SNAP, SSI, SSDI, TANF, WIC, Section 8, or Public Housing.”⁵¹ <p>Ineffective:</p> <ul style="list-style-type: none"> • Many CTC qualifications are incongruent with the qualifications of other child-related tax benefits (CDCTC and EITC), as well as direct spending programs, such as SNAP.
	<p>Consideration of Wealth</p>	<p>Effective:</p> <ul style="list-style-type: none"> • No asset limits.

Chart 3: Person-Centered Framework Applied to the Expanded CTC

Performance Goal	Design Elements	Design Practices Detail
<p>Predictable Participation and Payments</p> 	Sufficiency	<p>Effective:</p> <ul style="list-style-type: none"> Provides \$3,600 for kids younger than 6 and \$3,000 for kids ages 6 to 17; adjusted for inflation.
	Funding Structure	<p>Effective:</p> <ul style="list-style-type: none"> Federal tax expenditure that provides benefits to eligible families as an entitlement.
	Administrative Structure	<p>Effective:</p> <ul style="list-style-type: none"> Federally administered through the IRS with no state differentiations.
	Conditions for Participation	<p>Effective:</p> <ul style="list-style-type: none"> No earned income requirement for tax year 2021. <p>Ineffective:</p> <ul style="list-style-type: none"> Qualifying child requirement: Relationship tests⁵² require that the child must be your own child, a stepchild, foster child placed with you by a court or authorized agency, an adopted child, siblings and stepsiblings or descendants of any of these qualifying people if they meet all the other tests AND a child’s parent has to have lived with the child in the United States for more than half of the calendar year in which the child is claimed AND children must be age 17 and under.⁵³ Immigration Requirements: Children without social security numbers⁵⁴ are ineligible (roughly 1 million children)⁵⁵ and parents must have an ITIN or SSN to claim eligible children.
	Population Scope	<p>Effective:</p> <ul style="list-style-type: none"> Broad income eligibility: Families will get the full credit up to \$150,000 for a couple or \$112,500 for a family with a single parent, phasing out completely for households with \$400,000 AGI.⁵⁶
	Program Procedures	<p>Ineffective:</p> <ul style="list-style-type: none"> Automatic payments for existing tax filers (about 60 million children).⁵⁷ Opt-in portals created for non-filers or families required to update household information to confirm eligibility or payment accuracy at the time of program launch, representing “roughly 4 million or more children.”⁵⁸ Portal design is web-based and offered only in English. As of early 2021, 27% of adults living in households earning less than \$30,000 a year are smartphone-only internet users.⁵⁹

<p>Dignified Delivery</p> 	<p>Payment Access and Use</p>	<p>Effective:</p> <ul style="list-style-type: none"> • Tax refund either distributed by the IRS through direct deposit or check. In July 2021, roughly 86% of families received payment through direct deposit with the remainder receiving checks in the mail.⁶⁰ <p>Ineffective:</p> <ul style="list-style-type: none"> • Access Costs: Households receiving checks or without a bank account can encounter fees to cash their benefits.
	<p>Payment Frequency</p>	<p>Effective:</p> <ul style="list-style-type: none"> • People will receive the credit in monthly payments with an option for lump sum payments at tax-time.
	<p>Payment Integrity</p>	<p>Ineffective:</p> <ul style="list-style-type: none"> • Debt Repayment: Payments “may be subject to offset for tax debts or other federal or state debts owe[d].”⁶¹ • Garnishment: Payments “may be subject to garnishment by your state, local government, and private creditors, including pursuant to a court order involving a non-federal party (which can include fines related to a crime, administrative court fees, restitution, and other court-ordered debts).”⁶² • Audit: If audited and recipient does not take action to provide proof of claims, the IRS may freeze all or part of a refund and require recipient to pay back refund money already received. • Benefit Repayment: If the total amount of advanced payments exceeds the amount that can be properly claimed in 2021 tax year, recipients may need to repay the IRS some or all of that excess payment.⁶³
<p>Cumulative and Coordinated Benefits</p> 	<p>Benefit Continuity</p>	<p>Effective:</p> <ul style="list-style-type: none"> • Each household receives the standard benefit amount of \$3,600 for kids 6 and under and \$3,000 for kids up to age 17 up to an AGI of \$150,000⁶⁴ at which point benefits decline by \$50 for each \$1,000 (or fraction thereof) by which modified AGI exceeds the income threshold until completely phased out at \$400,000.⁶⁵
	<p>Interoperability</p>	<p>Effective:</p> <ul style="list-style-type: none"> • These benefits “will not change the amount you receive in other Federal benefits... includ[ing] unemployment insurance, Medicaid, SNAP, SSI, SSDI, TANF, WIC, Section 8, or Public Housing.”⁶⁶
	<p>Consideration of Wealth</p>	<p>Effective:</p> <ul style="list-style-type: none"> • No asset limits.

Endnotes

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