



Emergency Money to the People

Beyond CARES: Lasting support to stabilize families

April 2020

As communities deal with the coronavirus crisis and resulting economic turmoil, we must provide lasting financial support to families in poverty and those in the middle class pushed to the brink. The CARES Act falls short of providing enough help to get Americans back on their feet and drive the economic recovery. Emergency Money to the People stabilizes families with bigger, regular payments to those who need it most, lasting until the crisis is over: \$2,000 every month until the economy recovers.

ONE-TIME CASH PAYMENTS: A GOOD START, BUT NOT ENOUGH

The CARES Act isn't commensurate with the scale of the crisis. It's a good first step to provide economic disaster relief to many families: it provides one-time direct cash payments of up to \$1,200 per adult (and \$500 per a child) to millions of households, and extends critical unemployment insurance to the growing number of workers who have been laid off.

Direct cash payments are essential to help Americans get their heads above water as they weather job losses and initial disruptions, but one time is not enough.

RECURRING CASH PAYMENTS UNTIL THE ECONOMY RECOVERS

To address this crisis, cash payments must be **bigger, regular, and lasting until the economy recovers**. Emergency Money to the People would send \$2,000 a month to adults and children until the crisis is over.

It's clear at this point that there is no chance that the disruption caused by the virus will end in just a couple of months. The economic crisis is deepening at a rapid pace: more than 17 million Americans filed for unemployment in just four weeks, and projections are that

this will last well into [next year](#), and [probably longer](#).

Congress must take bold action, providing lasting relief until the economy recovers, to ensure that families can make ends meet, and to drive the economic recovery.

HOW EMERGENCY MONEY TO THE PEOPLE WORKS

Bigger cash payments. Payments should be \$2,000 a month for adults and children. As Americans patch together unemployment insurance and other programs to make ends meet yet many are left out, cash is a tool to help with whatever needs they have – whether paying the bills or getting food on the table – and stimulate the economy.

Delivered monthly to keep families from falling behind. Over the last month, Americans have lost jobs and income at historical rates. Some figured out a way to make their April 1 rent payments; [many haven't](#). Without regular support, too many families are likely to be in the same unrelenting dilemma month after month. It makes sense to deliver cash support monthly, ensuring that families will have money as they face persistent hardship over the coming months.

With the passage of CARES, the Treasury Department is already putting together the infrastructure and taxpayer data to get cash into people's hands, and should be able to make the majority of payments via direct deposit within a few weeks. Treasury needs to make it easier for all recipients to get payments, but these initial payments also demonstrate that future payments can be monthly and automatic, using banking information the IRS is collecting now.

Lasting until the economy recovers. We must ensure that cash payments last as long as the crisis, to help Americans get back on their feet and rebuild the economy. Hoping that Congress can authorize more payments when the need arises won't work. The need is already evident. And the ongoing turmoil in the stock market will only be calmed once investors believe Congress has a solid plan to save the economy.

Congress should put automatic economic triggers in place now so cash relief tracks with the economy, creating confidence for workers and the markets:

An automatic trigger to end payments. Direct cash payments should continue monthly until the economy recovers. Congress can choose an automatic trigger based on the employment rate (payments continue until the employment-to-population ratio reaches 60%, as Jason Furman has [proposed](#)) or the unemployment rate (payments continue until the rate is close to pre-recession levels and falling, as Sen. Bennet has [proposed](#)).

An automatic trigger to resume payments. Cash payments should automatically resume when economic conditions worsen in the future. This automatic stabilizer should be

based on the [Sahm Rule](#), which signals the start of a recession.

Technical fixes to the CARES Act:

- △ **Include immigrant workers and their families**, including ITIN filers and mixed-status households.
- △ **Make dependents of all ages eligible.** Right now, dependents age 17 and over cannot receive the \$500 credit.
- △ **Improve delivery to move money as quickly as possible.** In addition to collecting banking information, experts have already identified several ways to improve delivery, such as leveraging SNAP EBT cards, VA and SSI records, and Social Security Earnings Records.
- △ **Tell the IRS to use all tools at its disposal** to identify everybody eligible and make sure payments actually get to them, especially people who are low-income and don't file taxes, are unbanked, or are experiencing homelessness.

In addition, Congress should extend unemployment insurance and send more resources to support states. It should continue to ensure that cash supports don't interfere with eligibility for other safety net programs. And it should strengthen programs that target those most in need and stimulate the economy, such as the Earned Income Tax Credit, Child Tax Credit, and SNAP.

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recovers.**