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APRIL 2020 | FACT SHEET

# Expanding Income Supports In Response to COVID-19

The spread of COVID-19 has unleashed a health and economic crisis of unprecedented scope. Economists estimate that [millions of workers could lose their jobs by the summer](#), even with a sizeable stimulus package. This disaster has highlighted that many families were already only a paycheck away from economic disaster, and getting income assistance to families immediately is one of the most important tools we have to fight the impacts of this virus and stabilize the economy. In order to help mitigate the economic devastation of COVID-19 and ensure an equitable recovery, lawmakers must take action to get income to people through policies like:

- Additional direct assistance payments; and
- Expansions of income supports (like Social Security, Supplemental Security Income (SSI), and Temporary Assistance to Needy Families (TANF) benefits).

## Income Supports Increase Family Well-Being and Reduce Poverty

Economic insecurity is a common experience for the vast majority of American families. Many women [cannot provide for their families on their paychecks alone](#). While financial precarity is a common story, it is felt unevenly, with women – especially women of color, women with disabilities, older women, LGBTQ individuals, and immigrant women – [disproportionately likely to experience poverty](#) and hardship.

Income support programs like Social Security, SSI and TANF boost household incomes above the poverty line, help families make ends meet, and help mitigate the harsh effects of gender and racial inequity in our economy.

- In 2017, [Social Security](#) kept the incomes of women and girls of all ages above the poverty line including:
  - o Nearly 9.1 million older women, 22 percent of whom were women of color;
  - o More than 2.9 million women 18-64, 38 percent of whom were women of color; and
  - o Over 1.1 million children, 58 percent of whom were children of color.
- In 2017, [SSI](#) kept the incomes of more than 2.1 million people above the poverty line, including
  - o Over 950,000 women, 59 percent of whom were women of color; and
  - o Nearly 325,000 children, 67 percent of whom were children of color.

- In 2017, [TANF](#) kept the incomes of nearly 305,500 people above the federal poverty level, including:
  - o Nearly 5,300 women 65 and over, 62 percent of whom were women of color;
  - o Nearly 101,400 women ages 18-64, 66 percent of whom were women of color; and
  - o About 153,100 children, almost 75 percent of whom were children of color.

## Increased Income Supports – Including Direct Payments – Are Anti-Recessionary Measures Proven to be Effective

In general, when people with low incomes receive cash benefits, they spend them quickly – because they need to pay bills or rent, or for other necessities. For example, even when the economy is not in crisis, Social Security beneficiaries spend more of their benefit checks, with every dollar in Social Security benefits generating about two dollars in economic activity according to a 2013 report. But during tough economic times, income supports play an even greater role. For example, [Social Security acts as an automatic stabilizer](#) and [provides a back-up source of income](#) for workers 62 and over who lose their jobs and are unable to find new ones during recessions.

During the Great Recession, Congress enacted or expanded a number of income supports as part of the American Recovery and Reinvestment Act (ARRA) of 2009, including direct payments, known as “Economic Recovery Payments.” Along with other benefits providing direct assistance to families (such as expanded refundable tax credits, unemployment insurance and food assistance), these income supports had a demonstrated positive impact on women and families.

- In particular, [it has been estimated that](#), if counted in the official poverty measure, Economic Recovery Payments would have kept 800,000 people’s incomes [above the poverty line](#) in 2009.
- A 2014 report showed that direct assistance, along with increased benefits, [offset much of the loss](#) in low- and moderate-income families’ market-based income.
- Studies show that families who received direct assistance under ARRA timely and markedly [increased their spending](#). This was especially true for families with lower incomes.

## The Initial Federal Response to COVID-19 Made Progress Towards Meeting Immediate Needs

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), provides for one-time direct payments to individuals, called “[recovery rebates](#)” (now known as Economic Impact Payments).

- The Economic Impact Payments are worth a maximum of \$1,200 per person (\$2,400 for a married couple filing a joint tax return), with an additional \$500 per dependent child age 16 or under. Older dependent children (like college students) and disabled family members claimed as dependents are not eligible to receive recovery rebates.
- [In order to receive the payments](#), people must file a tax return for 2018, 2019 or 2020 or fill out [a simplified online form](#) if they do not ordinarily file a tax return. People who receive Social Security, Railroad Retirement, certain veterans’ benefits, or SSI will automatically receive a payment, unless they are claiming eligible children (in which case they must complete the online form).
- With limited exceptions, unless everyone in a household has a Social Security Number (SSN), the household is not eligible to receive an Economic Impact Payment. This means that [immigrants who file tax returns using an Individual Tax Identification Number \(ITIN\)](#), or whose family members’ immigration statuses are mixed, will not receive payments.
- While the payments are not reduced for debts to federal agencies, [creditors have seized some payments](#) as garnishment for other kinds of debt.

## Additional Action is Needed to Mitigate a Recession

In the coming weeks and months, as additional jobs are lost and families across the country experience severe economic pain, Congress must:

- **Provide additional direct payments.** It is highly likely that families, especially those who did not receive payments under the CARES Act, will need additional assistance in the coming weeks and months. For additional direct payments, policymakers should prioritize the individuals and families that most need assistance by:

- o Ensuring that people ineligible for the CARES Act payments, including older dependent children, disabled family members claimed as dependents, and immigrants who file taxes with an ITIN or whose households have mixed immigration status, can receive future payments;
- o Making it easier for seniors, people with disabilities, and people with low incomes to claim the payments: many lack internet access, and others have had difficulty using the online portal provided by the IRS. In addition, unreasonably short timelines for providing information to the IRS have exacerbated confusion and barriers to access.
- o Improving the delivery of future payments to ensure that people eligible for the payments actually receive them. In particular, the federal government should work with states to provide cash payments on [Electronic Benefit Transfer \(EBT\) cards](#) or [pre-paid cards](#) to reach people who do not have bank accounts, or are transient or homeless. Additional protections against garnishment by creditors should also be enacted.
- o [Increasing or eliminating asset limits](#) in federal means-tested programs so that people with very low incomes do not lose access to other important benefits.
- **Increase Social Security benefit amounts.** Social Security benefits are [modest](#). [Increasing](#) regular benefit, as well as the alternative Special Minimum Benefit, amounts would put resources in the hands of seniors.
- **Increase SSI benefit amounts.** SSI is intended to provide a basic income floor for poor seniors and for impoverished adults and children with disabilities; the maximum SSI benefit amounts [do not even provide a poverty-level income](#). Increasing [SSI benefits](#) would give the most economically vulnerable seniors and people with disabilities a much-needed boost in income during this economic crisis.
- **Waive TANF work requirements** and other TANF policies that limit access to assistance. In addition, increasing emergency TANF funds (as under ARRA) or [providing flexible emergency grants to states](#) would provide additional resources to cash-strapped families.

For too long, Congress and the administration have underfunded income supports that help struggling women and families make ends meet. The COVID-19 crisis should be a wake-up call to immediately increase income supports to address the current crisis – and put people on a sounder footing when it ends.