



Emergency Money to the People

Immediate relief, lasting support: Overview

March 2020

As communities deal with the coronavirus and resulting economic insecurity, we must provide immediate financial support to families in poverty and those in the middle class pushed to the brink. Emergency Money to the People means \$2,000 per adult and \$1,000 per child immediately to families earning up to \$100,000 – nearly 250 million Americans – and continue payments quarterly until the economy recovers, stabilizing families at risk and boosting the economy.

RESPONDING TO A CRISIS

Families are already managing significant disruptions to their daily lives as the coronavirus spreads across communities, and low- and moderate-income people who have little or no savings to fall back on will be hardest hit. For people already struggling to make ends meet, the oncoming disruptions could be disastrous. Even without an economic crisis, nearly four in ten Americans can't afford a \$400 emergency expense. We need to act now to stabilize these families and provide an income boost so that people have the resources necessary to meet their needs. Immediate cash to provide Emergency Money to the People is the best tool we have to quickly stabilize families, communities, and our economy.

WHY EMERGENCY MONEY TO THE PEOPLE

With fears that the coronavirus will push the U.S. economy into a recession, and discussions about policy solutions to help people and industries impacted, it is vital

that any economic stimulus package focus on Main Street, not Wall Street.

Any stimulus package must deliver immediate and targeted help to people facing the biggest economic disruption, be automatically distributed to low- and middle-income people, and provide lasting support to drive the economic recovery.

- Using targeted and automatic direct cash stimulus payments to provide Emergency Money to the People delivers benefits to the majority of households right now. This will stimulate the economy and counterbalance recessionary impacts that hit low-income people and people of color the hardest.
- Because it's targeted, Emergency Money to the People would provide more stimulus per dollar spent compared to a payroll tax cut (which would benefit the wealthy much more than low-wage workers). Paying Emergency Money to the People quarterly also gives people money when they need it, so they can pay for things like rent, medicine, and groceries, and boost spending rather than saving.
- Of course, the government must immediately act to tackle the health impacts and stop the spread of the

coronavirus crisis. This means adequate health care and other responses such as expanded Unemployment Insurance and food security programs. Emergency Money to the People complements these immediate health responses to help families weather this economic storm.

HOW EMERGENCY MONEY TO THE PEOPLE WORKS

Emergency Money to the People will immediately get cash into the hands of the working- and middle-class people who will be hit the hardest by an economic downturn. A simple, fast, flat credit will deliver immediate help to families weathering the economic shock from the coronavirus outbreak. Quarterly payments as long as the recession lasts will ensure that families continue to have what they need to make ends meet and drive the economic recovery.

Immediate and targeted: Cash support now to the bottom ¾ of Americans

- Immediate payments of \$2,000 for each adult and \$1,000 for each child for families earning up to \$100,000 or single filers earning up to \$60,000.
- Credit amounts phase out between:
 - \$100,000 to \$140,000 for married filers
 - \$60,000 to \$80,000 for single filers.

Automatic distribution: Payments with data the IRS already has

- IRS can automatically send immediate payments based on 2019 tax returns. Social Security and VA recipients should also receive checks. Others who didn't file taxes can file a simple, online form.

Families up to \$100,000 get \$2,000 per adult and \$1,000 per child now. Quarterly payments (\$750 adult/\$250 child) continue until the economy recovers.

Lasting: Quarterly payments until the economy recovers

- Additional quarterly payments, 3 and 6 months later, of \$750 per adult and \$250 per child, making the stimulus both immediate and lasting.
- Continue these payments as long as the unemployment rate is above 5%.
- Automatically restart payments when economic conditions worsen in the future, creating an automatic stabilizer to fight future recessions.

IMPACTS

This provides an estimated \$380 billion in immediate benefits, with an additional \$270 billion in quarterly payments in the first year. Benefits would be:

- **Broad.** Three in four Americans would benefit, including 176 million adults and 66 million children.
- **Targeted.** All Americans in the bottom 60% of the income spectrum would receive support, with 70% of benefits going to those households.
- **Substantial.** A family of four earning under \$100,000 would receive a \$10,000 boost in 2020.