



In uncertain times, cash does the most good for the most people

Aid for business must be matched by bigger, regular, lasting direct payments

The global recession is predicted to be the worst downturn since the Great Depression, and there is no chance that the disruption caused by the virus will end in just a couple of months. As Congress looks to its next round of stimulus relief, it makes sense to extend relief to keep businesses afloat and help keep wages flowing. At the same time, we must also keep people and families afloat through bigger, regular, lasting direct payments.

WE NEED ALL THE TOOLS WE HAVE

It is important to keep businesses afloat, but it's also important to keep people afloat so they can afford their basic needs.

We need both. The economic crisis is deepening at a rapid pace: 22 million Americans have lost their jobs in just a month, and projections are that the disruption could last [two to three years](#).

Additional policy responses must include a broad range of stimulus programs to drive the economic recovery. It makes sense to have programs to keep businesses from going under and keep wages flowing to some people, whether through the Paycheck Protection Program or recent [bipartisan ideas](#) to directly subsidize employers to cover payroll. Expanded unemployment benefits are also necessary to cover wages for people who have lost their jobs. But as these programs have been rolled out, it is clear they are [not enough](#).

We must also enact regular direct payments to everyone who's struggling, to get relief to those who are left out or helped only partially by those programs, to help with higher costs, and to give people the tools to solve their own problems.

WAGE-BASED POLICIES AREN'T ENOUGH

Solutions focused only on employment and wages will inevitably leave people out or fall short of what they actually need.

Small business loans and expanded unemployment benefits are helping many and should clearly be extended, but they aren't getting enough help to everybody who needs it. We should complement them with direct cash payments to help the most people.

- △ **Many are still left out.** Benefits tied to current or former employers only help one of those who were working when the crisis hit. Many of the most vulnerable are left out, including those who weren't working or are new to the workforce, and many immigrant workers. Gig workers and freelancers will not benefit from employer subsidies and are only partially helped by new unemployment benefits as they still don't qualify for state benefits. And even those who are eligible are [having difficulty](#) accessing the benefits.

- △ **Many aren't being made whole.** Payroll support and unemployment insurance (UI) will replace some of people's pre-pandemic wages, but many workers, especially in the middle class, won't get full wage replacement – and even before the crisis many earned low wages that barely covered basic needs, which is why so few Americans had a financial cushion.
- △ **As costs rise, people need more money to meet basic needs.** Job losses and school closures mean people now have many expenses they didn't have before – paying for health insurance as well as medical bills, providing more meals at home, patching together child care, and other unexpected costs of upending normal daily life. Economic Policy Institute estimates that nearly half of those who have filed unemployment claims – [9.2 million people](#) – may have already lost their employer-provided health insurance. Additional cash is essential to help with the extraordinary costs of this new reality.

“The best way government can help with these diverse needs is with cash.”

-- Elaine Maag, Tax Policy Center

CASH DOES THE MOST GOOD FOR THE MOST PEOPLE IN UNCERTAIN TIMES

Cash is a simple way to get useful resources to the people who need it, including those left out or who still have unmet needs in addition to what's already provided by payroll support or UI. The rollout of the CARES Act payments, while far from perfect, has shown that the government can get money into many people's hands quickly: [80 million households](#) now have more money to meet their needs than they did last week.

Direct support allows the government to send help without having to predict who needs help and what help they need. Instead it gives people the tools to solve their own problems. Even before this recession hit, many families were struggling to cover an array of needs such as rent, food, health care, utilities, and credit card payments. According to the [Tax Policy Center](#), “The best way government can help with these diverse needs is with cash.” As families struggle to patch together help from other programs, “cash could fill in remaining gaps, including costs of health care, rent, or caregiving.”