Executive actions to strengthen U.S. income support programs and support research about them

Executive Action AGENDA

February 2023 Equitable Growth

Relevant federal agencies:

- U.S. Department of Labor
- U.S. Department of Agriculture

Relevant federal laws:

- The Agriculture Improvement Act of 2018 (P.L. 115-334)
- Social Security Act of 1935 (P.L. 74-271)
- Advisory Council on Unemployment Compensation—Collected Findings and Recommendations: 1994–1996
- Coronavirus Aid, Relief, and Economic Security, or CARES, Act (P.L. 116-136)

Overview

Income support programs transfer cash or other goods, such as food or housing, to workers and families to relieve pressure on household budgets, effectively freeing up income for other needs. These programs are powerful tools to reduce the severity of recessions, help stabilize the broader economy, and ameliorate income volatility by providing income for people with low earnings or replacing income for those who experience a temporary dip in earnings.

The COVID-19 crisis exposed longstanding and deep inequalities in access to U.S. income supports, especially along the lines of race and gender. The executive branch can work to reverse these persistent barriers to access and explore more opportunities to expand the U.S. system of income supports.

The Biden administration and agencies such as the U.S. Department of Labor and U.S. Department of Agriculture can utilize research opportunities to suggest improvements to income support programs and better understand the gaps that remain due to lack of congressional action. Indeed, such action would build on steps that have already been taken, such as implementing and evaluating a navigator program for Unemployment Insurance, studying the implementation of paid leave programs at the state level, and tracking access to the Supplemental Nutrition Assistance Program during the COVID-19 pandemic.

Below, we detail a suite of possible executive actions the administration can take to improve U.S. income support programs and thus better support workers and strengthen the broader U.S. economy. The actions listed here aren't exhaustive but would go a long way to providing much-needed support to U.S. workers and their families, both in times of economic crises and beyond.

Study the impact of boosting SNAP benefits for children under age 5

Lots of research has already been released on the Supplemental Nutrition Assistance Program and its effects on reducing child hunger, supporting healthy eating, boosting the overall U.S. economy, and lessening the extent and severity of poverty. Research shows that access to SNAP benefits before age 5 leads to large reductions in the incidence of health issues later in life, such as obesity, high blood pressure, heart disease, and diabetes, as well as improving long-term earnings and educational attainment and reducing mortality rates.

Research also suggests that more can be done to amplify the program's positive impacts by increasing investments in very young children. Hillary Hoynes of the University of California, Berkeley and Diane Schazenbach of Northwestern University propose the creation of a "young child multiplier," which would increase maximum SNAP benefits by 20 percent for households with children between the ages of 0 and 5. The program has the biggest return on investment for children in this age range because these families tend to need more income support and because investing in children at a pivotal developmental stage can help ensure they are productive, healthy adults.

Because the young child multiplier is a relatively new idea, the Biden administration can introduce a randomized control trial through the U.S. Department of Agriculture, which runs the Supplemental Nutrition Assistance Program, to study its effects on both short- and long-term outcomes with regard to food security, labor force participation, and child and adult health, well-being, and educational attainment.

Conduct an evidence review on the efficacy of different paid leave programs

The United States is the only developed economy without a federal paid family and medical leave social insurance program or guaranteed paid sick days. Yet preliminary research shows that U.S. individuals and employers, as well as the U.S. economy as a whole, can benefit from instituting such a policy. U.S. employees who had access to paid sick leave, for instance, experienced significantly fewer COVID-19 infections and had lower job turnover rates. Research also demonstrates that paid leave programs can increase labor force participation (particularly among women), lead to improvements in child well-being, and increase parents' time helping children with reading and homework.

The U.S. Department of Labor has tools at its disposal that can help us better understand the main takeaways from research on paid sick days and paid family and medical leave. The department's Clearinghouse for Labor Evaluation and Research—which assesses the quality of research looking at the effectiveness of policies and programs and makes that research more accessible—can establish paid family and medical leave and paid sick time as topic areas to assess the burgeoning evidence base. This would not only inform the conversation around these policies but would also provide policymakers and stakeholders with important information that could guide further evidence-based improvements.

Create a commission to explore improvements to Unemployment Insurance

Unemployment Insurance acts as an automatic stabilizer when the U.S. economy goes into a recession, reduces poverty rates, stops home mortgage foreclosures, improves health outcomes, and improves job matches between workers and employers. The U.S. Department of Labor has already taken several steps to improve the program, from implementing a new navigator program to establishing equity grants and helping states improve the functionality of Unemployment Insurance applications. Yet more can still be done to improve this vital income support program that helps millions of people every year, despite the many discrepancies in how individual states run this joint federal-state program.

To get a better sense of which improvements would have the most impact, and which states have been most successful in running the program, the U.S. Department of Labor should form an advisory commission similar to those created by Congress. As Equitable Growth's Alix Gould-Werth and her co-authors suggest, this commission could look into the effects of increasing UI benefit levels and duration, updating minimum standards for eligibility requirements, and reforming financing mechanisms. Another area the commission could explore is improving the collection and dissemination of data related to Unemployment Insurance. This would help policymakers and other stakeholders get a more nuanced understanding of the program and additional gaps that may exist.

This commission would provide federal and state policymakers and stakeholders with a greater understanding of the program and its impact across demographics, particularly as relates to inequity in access to Unemployment Insurance. It also would ensure Congress has the information it needs to design future substantive, evidence-based improvements. Importantly, the commission should include a diverse range of stakeholders—including directly impacted workers and the groups that represent them to center workers in UI policy evaluation and development.