

Policy Brief

Cash Assistance, Reimagined: Lessons from Guaranteed Income

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About FPWA

FPWA is a leading anti-poverty, social policy and advocacy organization dedicated to strengthening human services organizations and faith institutions, and advancing economic opportunity and justice for New Yorkers with low incomes.

Since 1922, FPWA has driven groundbreaking policy reforms to better serve those in need. We work to dismantle the structural and systemic barriers that impede economic security and well-being, and strengthen the capacity of human services agencies and faith organizations so New Yorkers with lower incomes can thrive and live with dignity.

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Introduction

New York has always led the nation. New Yorkers rise to every occasion and face challenges head-on. New Yorkers create, innovate, and lead with vision and purpose. Most importantly, New Yorkers care for one another. But today, far too many individuals and families across our state are finding it nearly impossible to keep up, much less get ahead.

In November 2024, the Urban Institute, commissioned by FPWA and Community Service Society of New York, developed a first-in-the-nation True Cost of Economic Security (TCES) measure, which offers a comprehensive view of households' costs and resources. Using county-level data, the TCES offers a robust look at the costs families face today, measuring average costs for food, clothing, housing, health care, child care, transportation, post-secondary education, and additional miscellaneous costs. In addition, the measure calculates the resources that individuals and families have to meet these costs, including labor earnings and self-employment income, some types of passive investment income, pensions and retirement income, government social insurance and public assistance programs like Social Security, Medicare, Medicaid, and the Supplemental Nutrition Assistance Program (SNAP), as well as employer-provided healthcare contributions. Unique to this measure, the TCES includes a 10 percent savings threshold in the costs criteria that allows households to cover unexpected expenses and plan for the future.

This research revealed that across the nation, 52 percent of people—and 54 percent of New Yorkers¹—are economically insecure, meaning they do not have the resources necessary to meet this comprehensive set of regular household costs, set aside savings both for future planning and for short-term emergencies, and manage debt. In certain areas and for certain demographic groups, that number is even higher. For instance, 72 percent of families with children in New York City—and an unconscionable 91 percent of single-parent households in New York City—fall below the TCES, and New Yorkers of color disproportionately experience economic insecurity. More, economic mobility has declined and wages have stagnated, leaving economic security out of reach for most New Yorkers.

Within the majority of New Yorkers who are economically insecure, there is a smaller subgroup furthest from the TCES that is unable to meet their daily needs without critical government supports such as cash assistance, food programs such as SNAP and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), and health insurance programs like Medicaid and the Children's Health Insurance Program (CHIP). And it is these programs that are now under direct attack from the current federal administration. The deep cuts to these programs will rip away vital support from those already facing the most extreme economic insecurity, all to pay for more tax cuts to the wealthy.

¹ Unpublished Urban Institute TCES data, held at FPWA.

This is nothing short of a crisis, and New Yorkers need the state to step up to meet the moment. At a time when the federal government is doing the bidding of millionaires and billionaires, New Yorkers with the least resources need the state government to exhaust all options within its power to fight for them. This moment demands urgency, bold investment, and innovative solutions that will lift up New Yorkers.

One step the state can take is to leverage the learnings from new quantitative and qualitative research on guaranteed income to improve the administration of the state's existing cash assistance program (also referred to as public assistance, temporary assistance, or welfare), which remains both vital and insufficient. While cash assistance alone will not bring individuals and families anywhere close to true economic security, it can and should provide stability, creating a stable foundation from which individuals and families can begin to build towards economic security. Enacting the policy recommendations discussed below will reduce barriers and enable the program to begin providing that foundation. The urgent needs of New Yorkers require exploring all pathways to deliver relief now while never forgetting our larger goal: true economic security for all.

Background on FPWA's Cash Advocacy and Research

The Federation of Protestant Welfare Agencies (FPWA) is a leading anti-poverty, social policy, and advocacy organization dedicated to strengthening human services organizations and faith institutions and advancing economic opportunity and justice for New Yorkers with low incomes. While we build toward a New York in which everyone lives with economic security, we advocate in particular for a variety of policies to support the needs of New Yorkers with low and extremely low incomes, including but not limited to an equitable system of income supports.

Over the past several years, we have conducted research and engaged in advocacy related to the nation's primary program for providing direct cash to the lowest-income households: the cash assistance program. In talking directly with New Yorkers who receive cash assistance, we've learned how vital the program can be to families, but also how administrative hurdles, low benefits, work requirements, and other barriers embedded in the program's design diminish its ability to stabilize individuals and families and provide a foundation from which they can begin to build towards economic security.

Decades of research show that the punitive design of the cash assistance program draws from and reinforces racial and gender stereotypes instead of promoting equity and being responsive to the unique needs of individuals and families. As such, FPWA continues to advocate for changes to improve access to the program, to raise the amount of cash provided, and to remove the unnecessary conditions on assistance. Acknowledging the growing research on the efficacy of direct cash, we have advocated alongside other organizations for moving cash assistance in the direction of an unconditional cash transfer program so it can help provide a basic standard of living for everyone, a foundation upon which to build long-term economic security. Through this brief, we highlight the steps that policymakers can take *now* to implement learnings from this body of research to reduce barriers and improve the program so that it can better support New Yorkers.

For individuals and families earning low wages and those currently left out of the labor market, direct cash programs provide essential resources. Programs like cash assistance and tax credits provide individuals and families with agency to make decisions about what they need, supporting both their short-term stability and long-term economic security. Direct cash also helps recipients manage challenging circumstances in their lives, whether it be caring for aging adults or children with disabilities, experiencing domestic violence, or navigating their own illnesses, injuries, or disabilities.

Of course, no one policy is a panacea. And even successful guaranteed income pilot demonstrations acknowledge that the cash they provide alone is not enough to meet the scale of economic insecurity individuals and families are facing. So, FPWA will continue to advocate for other necessary structural changes to bring about real and lasting economic justice.

Background on Guaranteed Income and Its Expansion During the Pandemic

Guaranteed income, sometimes called Guaranteed Basic Income or Basic Income, refers to regular cash payments accessible to members of a community. The goal of guaranteed income is to support economic security while also reducing inequality. The principles of guaranteed income are to provide direct, consistent cash with as few administrative barriers as possible. It does not require continuous verification of eligibility, extensive paperwork, or other administrative hurdles endemic to our current benefits system. Grounded in the belief that poverty is not a moral failing but a lack of resources, guaranteed income promotes agency and trusts individuals and families to know what they need and spend accordingly. See our Primer for more information.

While guaranteed income as a policy intervention is not a new idea, the Covid-19 pandemic spurred significant interest in the idea of direct cash transfers to support individuals and families. As the pandemic necessitated the shutdown of large parts of the economy, government, philanthropy, and nonprofits recognized the need to provide cash to individuals and families.

At the federal level, the Economic Impact Payments (stimulus checks) provided additional, unrestricted cash to 476 million Americans while the expanded Child Tax Credit (CTC) included in the American Rescue Plan functioned as a guaranteed income for families with children. By increasing the benefit amount, providing monthly payments, ensuring full refundability, and expanding eligibility to include families with little or no tax liability, the expanded CTC reached 39 million households, including 88 percent of American children. The impact of this policy was a swift and significant reduction in the number of children falling below the Supplemental Poverty Measure (SPM)² in states across the country, including New York. When Congress failed to continue the program, those children were once again pushed below the SPM.

At the same time, philanthropically funded guaranteed income pilot programs were launched across the country. Targeted to individuals and families with highest need, these pilots frequently provide additional cash to individuals receiving cash assistance. To ensure that families experience a net gain in resources, the programs worked to protect participants' existing benefits and income and are thus able to provide valuable data on the impact of additional, unrestricted cash on individuals and families.

As state and local policymakers witnessed the results of the demonstrations, many joined the movement to provide guaranteed income in a variety of ways. States have expanded tax credits, modified benefits programs to align with guaranteed income principles, and created publicly funded initiatives. For example, RxKids in Michigan uses TANF dollars to fund the nation's first citywide maternal and infant cash prescription program, yielding overwhelmingly positive results.

Across the U.S. today, nearly 200 guaranteed income demonstrations and pilot programs have been launched, typically providing an additional \$500 to \$1,000 per month to individuals and households with low incomes. At least 15 of these guaranteed income pilot programs are happening across New York State (along with a number of other cash policies that are underway). The pilots are guided by the principles that are foundational to guaranteed income: trusting individuals and families to know what they need and promoting individual agency by providing cash without restrictions.

Importantly, these short-term demonstrations were designed to build a research base to inform policy. Thus, many of the programs have been evaluated using both quantitative and qualitative data, and several randomized controlled trials were conducted, providing the highest level of scientific evidence.

² The Supplemental Poverty Measure (SPM) is a metric used by the U.S. Census Bureau that is based on expenditures like food, clothing, shelter, utilities, telephone, and internet, adjusted for family size and local housing costs. It accounts for both cash and noncash benefits and necessary expenses like taxes, child care, and health care costs. While more comprehensive than the Official Poverty Measure, it still vastly undercounts the number of individuals who do not have economic security.

Findings from Guaranteed Income Pilot Programs

Providing additional, unrestricted cash to individuals and families allows them to flexibly address their shifting needs, and it provides them with agency to make those decisions. Below are just some examples of the findings from various guaranteed income pilot programs, which continue to provide clear evidence of the positive impacts of additional, unrestricted cash in improving outcomes for adults, children, families, and communities. These demonstrations provide monthly cash payments to individuals and families with low incomes, supplementing their existing income so they experience a net gain in resources, and their findings add to a broader body of research on the positive impact of direct cash transfers on both individuals and families as well as on our society as a whole.³

Increases household resources and reduces income volatility:

Guaranteed income demonstrations have shown that additional unrestricted cash enhances participants' ability to meet their needs and pay their bills on time. It also reduces income volatility by providing regular, reliable cash dispersed monthly.

Supports economic security:

Research from the demonstrations has shown that individuals pay off debt and save for the future, allowing them to weather unforeseen financial shocks, whether it be a personal setback like a job loss or a collective crisis like a pandemic. Further, receiving cash promotes economic mobility by affording individuals more opportunities for self-determination, choice, goal-setting, and planning for the future.

Improves health and well-being:

Additional, unrestricted cash supports well-being, as it has been shown to reduce stress and improve physical and mental health, decreasing feelings of anxiety and depression and allowing individuals to seek preventative care and medical attention when necessary. Having more time and money allows individuals to improve their sleep, take necessary medication, walk and exercise more, and prioritize their mental health by seeking therapy—all healthy behaviors that improve overall well-being.

³ The demonstration projects mentioned in this section provided direct cash in amounts ranging from \$500 to \$1,000 for a period of between 12 to 24 months and were targeted to people with low incomes (including those below the Federal Poverty Level, households with income below 80 percent area median income, and those in neighborhoods with area median income below \$46,033).

Improves birth outcomes:

Multiple pilots have focused on pregnancy, a time of increased financial stress for families, and have found that cash during this time significantly reduces the rates of preterm birth and low birthweight.

Supports food security:

The pilots have found that cash recipients have improved food security and nutrition, as it allows more money to cover food costs and more time to prepare balanced meals.

Enhances housing stability:

Families who participated in pilot programs had a reduction in their housing cost burden, and cash programs have been shown to help prevent homelessness and support housing stability.

Improves educational outcomes:

Additional, unrestricted cash has been shown to improve the educational outcomes for children and increase educational enrollment for adults.

Supports both parents and children:

Receiving additional, unrestricted cash supports parents by reducing household stress and allowing for more time with their children. It allows parents to keep their children involved in extracurricular activities (like sports and after-school lessons). It has even been shown to reduce instances of intimate partner violence, promoting safety for the entire family.

Increases rates of full-time employment:

Perhaps surprisingly, receipt of unrestricted cash payments is linked to increases in rates of full-time employment. Additional cash also provides the economic security needed to pursue internships, training, and/or education that paves the way for promotions or better jobs during their careers.

The Current Cash Assistance Program in New York

Cash assistance (also referred to as public assistance, temporary assistance, or welfare) provides direct cash to individuals and families who have no or extremely low incomes and is known for its administrative complexity and meager assistance amounts. In New York, there are two main types of cash assistance. Family Assistance, funded and governed by the federal Temporary Assistance for Needy Families (TANF) block grant, provides assistance to families with children (see page 15 for more information on TANF). Safety Net Assistance, funded by the counties and the state, serves individuals and families who do not qualify for Family Assistance, including single adults, couples without children, children living apart from adult relatives, some immigrants, and families that have reached the 60-month time limit for Family Assistance. Assistance amounts vary slightly based on family size and geographic location. In New York City, a family of three is eligible to receive a maximum of \$389 per month, including \$336 for the “basic needs allowance” and \$53 for the “home energy allowance” (excluding the separate “shelter allowance,” which is typically paid directly to a landlord).

In 2024, we interviewed New Yorkers who are receiving cash assistance, and they explained that the little amount of cash assistance they receive is grossly insufficient to meet their costs day-to-day. They reported that they routinely forgo even their most basic needs—skipping meals so that their kids can eat, going without essentials like clothing, laundry detergent, and shampoo—while in the program. They spoke about the myriad of access and retention barriers, including burdensome application and recertification processes (i.e. extensive paperwork), long wait times, inconsistent information about program requirements, and negative experiences with staff while applying for cash assistance. Participants shared extensive accounts about this, but in general, they demonstrate that the cash assistance program is administered in a way that reflects the program’s history: it’s punitive, confusing, and designed to deter people from seeking assistance.

The New Yorkers we interviewed also talked about the other challenges they are navigating while in the cash assistance program: Many recipients have disabilities or face significant barriers to work. Some are performing unpaid care work for family members. Others are grappling with mental health challenges or facing homelessness, eviction, or domestic violence. They also spoke about their goals—their desire to start businesses, pursue education, and become homeowners—but said they face barriers to achieving these goals, such as lacking child care, struggling with mental and physical disabilities, or needing more support to pursue training or education. Participants who are parents also described their concern for their children. They talked about wanting a better life for them and wanting them to have opportunities that they did not have. Participants made clear that they need more direct cash support, and that the cash assistance program, in its current form, is failing them.

With strict income and other eligibility rules, including asset limits, work requirements, and durational limits, cash assistance is far from a no-strings-attached program. These principles of guaranteed income described above—agency, equity, and accessibility—are missing from this program. One participant from a guaranteed income demonstration project in Cambridge, Massachusetts described the comparison best: “Welfare programs, you can have your breadcrumbs, but you...have to continually prove yourself worthy of having these breadcrumbs. With basic income...there’s a kind of trust. It doesn’t give you dignity—no one can give you dignity, you have to have that yourself—but it doesn’t take it away.” He described guaranteed income as “an exemplary form of care.”

How Additional Direct Cash Would Support New Yorkers

The research from guaranteed income demonstrations is clear: when people receive additional, unrestricted cash, they use it for what they and their families need, and they leverage it to support their long-term economic security. To highlight this, we asked New Yorkers directly what they would do with an extra \$1,000 a month, no strings attached.

Some spoke about how they would use it to meet their day-to-day needs and pay their bills:

Amy, 45-year-old woman from New York County

“[I’d use it for] regular meals...I make sure [my son] eats, but I will skip meals sometimes...so I would make sure I eat three balanced meals. And I would spend it on [my son]—on toys and activities I could take him to.”

Elisha, 27-year-old woman from Kings County

“I would pay my late fees on my phone bill, pay my rent...I’d probably spend about \$400 and save \$600.”

Others talked about ways they would use it to both meet their needs in the short term while also saving for the future and pursuing their long-term goals:

Andrew, 26-year-old man from Bronx County

“I would put it in my bank account, save it, use it if there was any sort of emergency.”

Dejonea, 29-year-old woman from Kings County

“I would put it all into [starting a business].”

Devin, 21-year-old from Kings County

"I'd be able to put more in savings, be able to do more recreational activities, [and] get an apartment."

Sevyn, 22-year-old woman from Kings County

"I would put it into savings...After that, I would buy everything I've been needing for the past year, like clothes, shoes, hygiene products...then...I've been wanting to start my own business...It's so hard because I have no money to get it started. Give me that \$1,000 a month, I would make that happen!"

Cassandra, 52-year-old woman from Erie County

"I would get a car [for] job transportation."

Parents spoke about how they would use it to support their children:

Shaunna, 35-year-old woman from Erie County

"I would make sure my kids are okay first. They're my main concern. If I had extra money coming in, guess what? I'm gonna put them first, because they're my top priority. I always put my child first."

Courtney, 35-year-old woman from Saint Lawrence County

"I would definitely put it in my bank...and I would have a good car...and finally be able to put at least one of my kids in sports or the after-school programs."

Halle, 42-year-old woman from Kings County

"I would save it and invest a portion of it...and enjoy life a little...take a road trip with the kids to see family... just go out with the kids...to a movie or a dinner or an exhibit."

Other participants spoke about how they would reinvest in their communities:

Pamela, 55-year-old woman from Richmond County

"I wouldn't do anything for myself...I really would do stuff for my community...I could get like 50 toothbrushes, toothpaste, some pads, and stuff like that, and put it in little pouches and give it to the teenage boys and girls...I would buy things that would help the community out."

Tarajee, 50-year-old woman from Kings County

"I'd create some kind of services or organizations for people to learn how to advocate for themselves."

Reimagining Cash Support in New York: Lessons Learned from Guaranteed Income

While a state or national guaranteed income is yet-to-come, New York State can and should apply the learnings from the guaranteed income demonstrations to our cash assistance program. Reducing administrative burdens and aligning practices with people-centered, trauma-informed principles would make the program more accessible, equitable, and effective.

At the time of the writing of this paper, New York is dealing with the fallout of the steep federal cuts to programs like SNAP, WIC, and Medicaid. It is individuals and families with low incomes who will continue to bear the brunt of these cuts, and thus it is extremely critical at this moment that the state take steps to support these New Yorkers. One way to do so is to ensure that the cash assistance program is equipped to deliver relief in an equitable way.

How New York State Can Apply Learnings from Guaranteed Income to Cash Assistance

Step 1: Raise Grant Levels

Currently, the cash assistance benefit levels are so low that they essentially relegate individuals and families to deep poverty. This is because an outdated metric called the “standard of need” is used to determine eligibility and the amount that individuals and families receive. It is comprised of various “allowances” that set costs for household expenses that have not been updated in years and thus fail to account for rising costs. Currently, a household of three can receive a maximum of \$336 as the basic needs allowance, which is supposed to cover necessities like clothing, hygiene products, and transportation costs and has not been updated since 2012.

As recommended by the Governor’s Child Poverty Reduction Advisory Council (CPRAC), we support legislation introduced in both chambers to increase the basic needs allowance by 100 percent and index it to inflation thereafter (Assembly Bill 106 (Rosenthal) and Senate Bill 1127 (Persaud)). (This bill would also increase home energy allowances, which have not been updated since the 1980s.)

We also support making another long-overdue update to the cash assistance grant. Currently, New Yorkers who receive cash assistance while living in shelters that serve meals receive a lower benefit amount than all other recipients of the program—just \$45 per month for single adults and \$63 per household member for families with children. Thus, we support Assembly Bill 108 (Rosenthal) and Senate Bill 113 (Cleare), which would ensure that cash assistance recipients who are experiencing homelessness receive the same benefit as everyone else. (Bill numbers listed in this section are from the 2025-2026 legislative session and are subject to change.)

Long term, we recommend that the state remove the standard of need test to determine benefit levels in favor of an accurate measure of need, using the TCES as a guide. The TCES is a more robust indicator, measuring a household's financial security, not just acute deprivation. As such, ensuring automatic eligibility for receipt of cash assistance to households falling below a predetermined percentage of the TCES moves us towards real economic security for all New Yorkers.

Step 2: Remove Administrative Barriers

Simplify the application process

The process of applying for cash assistance is notoriously onerous, time-consuming, and riddled with unnecessary red tape—so much so that it is the main reason why New Yorkers are denied assistance. From June 2023 to July 2024, “failure to comply with application requirements, such as failure to appear for interviews or failure to provide documentation” accounted for 65.2 percent of all denials, resulting in 321,418 New Yorkers in need being denied cash assistance. As a program of last resort for New Yorkers struggling the most, cash assistance should be easily accessible to all who need it.

First, New York State should simplify the complex, lengthy application, only asking questions that are required to determine eligibility (and those required by federal TANF law, if applicable). The state should explore its flexibility in waiving documentation requirements and remove those not required by federal law. The state should also take steps to simplify the interview process or explore its flexibility to suspend the interview requirement altogether.

Streamline the recertification process

To improve the recertification process, which remains a main reason why recipients lose cash assistance, we recommend extending certification periods to at least 12 months to reduce the frequency with which New Yorkers need to recertify for cash assistance. Ultimately, New York should develop a user-friendly, streamlined platform for enrollment and recertification, referencing models from other states. For example, Minnesota adopted a people-centered digital government services platform, MNbenefits, combining nine benefits programs into one simplified application. They also created a mobile-friendly design, additional language availability, live chat support, automated feedback surveys, and streamlined case processing. These changes proved effective, as individuals spent about 80 percent less time applying for benefits using the new platform. Processing times also became more efficient, and the agency established greater collaboration and partnership efforts with community-based organizations.

Step 3: Enhance access to the program

Reform the income eligibility guidelines

Currently, to be eligible for cash assistance, applicants must have incomes at or below the standard of need, which is below the already low and outdated Federal Poverty Level (FPL). For example, a family of three in New York City must have earnings below \$789 per month, or \$9,468 per year, to potentially be eligible for the program—less than half of the FPL for 2025 and relatively low compared to many other states. As we learned from the TCES, families with children in New York City need \$165,300 per year to thrive.

The standard of need measurement is failing New Yorkers. Using the TCES as a guide, the state should develop a new threshold for eligibility. We also recommend that the state apply the same earned income disregards for cash assistance applicants as it does for recipients (who are able to disregard up to 62 percent of earned income and maintain their eligibility), which was also recommended by CPRAC. Lastly, we also support Assembly Bill 4317 (Davila) and Senate Bill 182 (Persaud), which allows working recipients to have earnings up to 400 percent of the FPL disregarded for six months, allowing them to increase their income while maintaining benefits.

Remove asset limits

Currently, the cash assistance program has strict limits, which restrict household assets to \$2,500 or less (or up to \$3,750 for households in which any member is age 60 or over or has a disability) as a condition of their eligibility, among other restrictions on various types of assets. Asset limits are costly for states to administer because caseworkers must spend time verifying assets for both applicants and recipients, which is an important consideration given that applicants and recipients of cash assistance typically have minimal assets to begin with. While we are encouraged that the state recently increased the amount of assets that recipients can retain while in the program to \$10,000, any asset test explicitly discourages savings, deprives individuals and families of having a robust financial cushion to manage through emergencies, and is counterproductive to the goal of ensuring families can build towards economic security. Together, the income and asset limits restrict access to the program to only those in extreme deprivation.

To streamline access to the program and support economic security, we recommend that the state remove the asset limit, as nine other states have already done. Doing so will ease the administrative burden on applicants, save caseworkers' time, and reduce the administrative cost for the state. For example, Virginia, an early adopter of this policy, had an estimated cost savings of approximately \$323,050 in administrative staff time. In Colorado, a study found that removing the asset limit section on applications saves case workers up to 90 minutes per case. Furthermore, data from states that have eliminated asset limits does not show any significant increase in applications. Thus, New York should pass an existing bill at the state level (Assembly Bill 4352 (Rosenthal)) to remove the asset test, which was also recommended by CPRAC. Taken together, these changes would help both applicants and recipients of cash assistance, who are among the lowest income New Yorkers, begin building towards economic security.

Step 4: Mitigate the harmful, punitive impact of work requirements

While states cannot eliminate the work requirement because it is a federal requirement, they do have the authority to broaden the definition of work to minimize the punitive impact and make the program more responsive to the unique needs and circumstances of individuals and families.

New York State can follow Vermont's lead and eliminate the hours requirement and expand the definition of work to include not just employment, education, and training, but also a broad range of activities that will help families achieve their goals and improve their social, emotional, and economic well-being, which include activities like searching for housing and child care or seeking mental health treatment. It also encourages a collaborative, supportive case management model that includes addressing barriers to employment, and important way to make the program more people-centered and trauma-informed.

In addition, the state can do more to mitigate the impact of durational work requirement sanctions, which reduce or revoke benefits for a set period of time from recipients who are deemed “noncompliant” with work requirements. In 2015, FPWA was instrumental in the passage of legislation in New York City that eliminated mandatory durational work requirement sanctions and provided opportunities for recipients to reengage with the program requirements without automatically losing benefits for a period of time. Now, the state should take the next step and adopt New York City's sanction law, which was also supported by CPRAC, by passing Assembly Bill 6448A (Hunter) and Senate Bill S4417A (May).

Lastly, we recommend that the state establish a better screening process for people who have disabilities that may prevent them from fulfilling this requirement, as people with disabilities are often subject to work requirements erroneously.

Step 5: Allow families to retain their full child support payments

Currently, families who receive cash assistance must forfeit part of their child support payments to the state, meaning that the state or local districts retain a portion of such payments as a sort of reimbursement for the cost of cash assistance. Consequently, children do not receive the full benefit. This policy essentially makes children pay for their family's economic insecurity. New York should do what Colorado and Michigan have done: “pass through” 100 percent of these payments to children, rather than using it to reimburse the state or local districts and disregard this income in determining eligibility for cash assistance. Full pass-through policies increase custodial parents' likelihood of receiving child support as well as the amounts they receive, and income from child support helps families afford their children's needs, provides a level of financial stability, and even promotes positive outcomes like increased parental involvement among non-custodial parents and improved child development.

How the Federal Government Can Apply Lessons Learned from Guaranteed Income

While states have broad authority to determine how cash assistance is administered, some of the issues we see at the state level are symptoms of the restrictions set forth by the program's federal funding stream: the Temporary Assistance for Needy Families (TANF) block grant. TANF has remained fixed since it was established in 1996 by the Personal Responsibility and Work Opportunity Reconciliation Act, whose design and stated goals were explicitly rooted in racism and sexism and reflected harmful, paternalistic narratives about people experiencing poverty. Instead of focusing on promoting economic security, its objectives are to (1) assist families so children could be cared for in their own homes or the homes of relatives; (2) reduce the "dependency" of parents by promoting job preparation, work, and marriage; (3) prevent pregnancies among unmarried individuals; and (4) encourage the formation and maintenance of two-parent families. Thus, since its inception, the program met applicants and recipients with stigma and suspicion, erecting bureaucratic hurdles to make it intentionally difficult to access and maintain cash assistance. The legacy of this is still obvious in the program today. As one cash assistance recipient we interviewed said plainly: "They make it so hard [to access]. It makes it easier for you to walk away."

Thus, the federal government can take the following steps to use lessons from guaranteed income to make TANF work better.



Step 1: Change the funding structure.

As aforementioned, the TANF block grant has remained fixed since its inception, and today, only a fraction of the funding is used for cash assistance. The federal government should change the funding structure so that cash assistance becomes an entitlement program, meaning that all those who are eligible are entitled to receive it.



Step 2: Rewrite program goals.

TANF's purported purpose is to lift families out of poverty through work and the promotion of two-parent households. As noted above, understanding poverty as not a moral failing but instead as a lack of resources encourages us to rethink how anti-poverty programs are developed. The goal of the program should simply be to provide direct, unrestricted cash to individuals and families to support their economic well-being.



Step 3: Expand eligibility.

Currently, federal law requires that TANF cash assistance be provided only to “needy” families with children, but it does not define “needy.” Thus, states, not the federal government, determine eligibility, and ultimately not all TANF funds are reserved for people with the lowest incomes. The federal government should require that households below a certain need threshold are automatically eligible for the full benefit. This need threshold should be aligned with the true costs households face today. The federal government should also remove the asset limit—or in other words, prevent states from imposing the asset limit. This would require legislation, and the ASSET Act that has already been introduced in Congress would do just that.



Step 4: Remove restrictions.

Currently, the TANF block grant has restrictions on eligibility based on immigration status. In order to be aligned with a guaranteed income model, any restriction based on immigration status or other identity would have to be eliminated under federal law.



Step 5: End work requirements.

The federal government should eliminate work requirements, which are ineffective and rooted in the racist history of the program, disproportionately cutting off Black families and other families of color. Work requirements also can exacerbate poverty, and they cause individuals who face serious employment barriers to lose their benefits.



Step 6: Increase the amount of assistance and index to inflation.

While benefit levels are set by the states, the federal government can change that by implementing a minimum federal benefit requirement, which would be indexed to inflation and/or other economic factors. This would ensure that the program is aligned with a guaranteed income model and provides an income floor below which no individual or family would fall. This would also ensure that every state provides a standard of equity, and it is necessary to end chronically low benefit levels in certain states, which disproportionately harms Black families in particular.

Conclusion

New York is one of the wealthiest states in the wealthiest country on earth. Yet far too many New Yorkers struggle to get by. Cash assistance is a vital program that can stabilize individuals and families in acute financial crisis and help provide a foundation from which they can begin to build towards economic security. As currently designed, however, the program fails to provide enough assistance to provide stability, is too difficult to access, and is riddled with program rules and requirements that penalize individuals and families. The state has the ability to improve the program to better support New Yorkers by learning from the guaranteed income movement, and we urge New York State policymakers to do so.