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## **Proposed Stimulus Package Will Fail Those Who Need Help Most** Center for Law and Social Policy Urges Senate to Act to Protect Low-Income Families

The economic stimulus package announced last week falls short both as stimulus and as a means of providing needed relief to those most affected by the economic downturn.

CLASP is urging senators to include in the economic stimulus package improvements to help those hardest hit by the economic downturn, and targeted state fiscal relief to keep critical services available. These actions would be stimulative in the short-run and responsive to the needs of the most vulnerable families in today's economy.

Economists of every political stripe agree that extended unemployment insurance and increased food stamps will put money in the hands of people who will spend it quickly, thus providing the greatest stimulus to our economy. Fiscal relief will prevent states from having to cut programs when they are needed the most. Both approaches are necessary to offer relief to those most affected a recession—those who lose their jobs or health insurance and low-income families already struggling.

**As part of the stimulus package, Congress should:**

- Ensure Income Support for Unemployed Workers
  - Temporarily provide additional weeks of federally funded extended benefits for workers who exhaust their regular Unemployment Insurance benefits, including adequate funding to administer the program.
  - Enact legislation that would encourage states to expand access to unemployment benefits for low-wage, part-time, and other vulnerable workers when they lose their jobs.

*“Unemployment Insurance is the first-line response to a declining economy. It is a crucial source of temporary financial assistance for jobless workers and their families,” says CLASP Senior Policy Analyst Neil Ridley.*

- Expand Food Assistance to Low-Income Individuals and Families
  - Temporarily increase food stamp benefits to current recipients.
  - Enact the improvements to the Food Stamp program that are part of the nutrition title of the Farm Act. These include increases to the minimum benefit and the standard deduction, as well as raising the asset limit and the child care deduction.

*A temporary increase in food stamp benefits to current recipients is one of the fastest and most effective ways to put additional spending power in the hands of low-income individuals and families.*

- Leverage income for single-parent families by restoring child support enforcement funding cut in the Deficit Reduction Act of 2005.

*According to the Congressional Budget Office, \$5 billion in support payments to families will go uncollected over the next five years, unless funding is replaced.*

*“Allowing these cuts to take effect will result in lay-offs of child support enforcement workers, and even worse, will cost families with children at least a billion dollars a year. In contrast, preventing the loss of federal funds to state and county child support programs will provide needed state relief, while ensuring that families do not lose support in an economic downturn. Support payments play a stabilizing role during economic downturns, helping working families get from paycheck to paycheck and weather job losses,” according to CLASP Director of Family Policy Vicki Turetsky.*

- Ensure adequate resources to provide low-income families needed health care by temporarily raising the federal medical assistance percentage for Medicaid.

*Raising the FMAP for Medicaid will ensure states have sufficient revenues to continue to provide low-income families and individuals access to health care services. This will be critical if more individuals lose their jobs and health insurance for themselves and their families.*

There is much more that needs to be done to help the hardest hit by the economic downturn, but these measures are critical now. To see a copy of the letter sent to members of the Senate Finance Committee, go to [www.clasp.org](http://www.clasp.org).

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