

The Case for Direct Cash

People in Washington need a Recovery Rebate for an economic boost

By Michelle Merriweather

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Black families in Washington State are suffering. COVID-19 has put not only our health at risk but it has also deepened existing inequities and further harmed those who were already struggling to make ends meet. Now, more families than before are barely keeping their lights on, wondering where their next meal will come from, and turning to community-based resources for essential support. They are losing hope and they are in need of help.

There is one solution that is imperative to helping our community recover: direct cash assistance. Flexible and direct financial support to families through a state-level Recovery Rebate is critical. Families need flexible cash in their hands in order to stand a chance at meeting their basic needs. The evidence for this became clear after the first federal stimulus payments went out and people with less than \$500 in savings spent nearly half of their payment within the first 10 days. They were most likely to spend on essential needs – like bills and meals for their children. [SOURCE: <https://www.nber.org/papers/w27097>]

Lawmakers in Washington state should enact a Recovery Rebate this year by leveraging federal dollars from previous COVID relief bills. The people who most need cash in their pockets would receive a minimum of \$350 payment. Essentially, the rebate is a tax credit that would reach people who are eligible for the Earned Income Tax Credit, a successful federal anti-poverty tool. This rebate would go to people who file taxes with



an Individual Tax ID Number, which includes undocumented workers who've been wrongly excluded from federal stimulus efforts.

We must ask our state elected officials to fast-track the Recovery Rebate to help people all across Washington recover from this economic crisis. To continue providing flexible cash to those in need, the Recovery Rebate would also lay the groundwork to enact a long-term annual tax credit program called the Working Families Tax Credit.

This is Washington state's chance to provide financial relief to communities, especially Black, Indigenous, and People of Color with low and moderate incomes. The Recovery Rebate would give people a necessary cash boost to spend on essentials such as groceries, childcare, and transportation.

Lawmakers must prioritize cash stimulus as part of their plan to ensure the economic stability of our families and community. It is critical that they do not make cuts to the state budget, but rather that they invest in our people. We must be innovative in our approach to meeting the needs of our community.

The Urban League of Metropolitan Seattle is a part of a broad coalition of more than 30 regional and statewide organizations advocating to enact this Recovery Rebate. We know that direct cash assistance works. When people have additional cash, it changes the conversations we can have about financial empowerment and budgeting. Providing a Recovery Rebate would give families hope and influence their financial future for the better. We are urging the governor and lawmakers to use the coronavirus relief funds to enact this common-sense policy.

Michelle Merriweather is the President and CEO of the Urban League of Metropolitan Seattle, a nonprofit with 90 years of activism and community experience in the heart of Seattle's most diverse neighborhood, the Central District. The Urban League empowers African Americans and underserved communities to thrive by securing educational and economic opportunities. To find out more visit www.urbanleague.org.