

HELPING AMERICANS HELP THEMSELVES

TOWARD A NATIONAL SINGLE
STOP POLICY AND MORE
EFFICIENT, MORE EFFECTIVE
POVERTY FIGHTING

BY THOMAS Z. FREEDMAN AND MICHAEL WEINSTEIN

MARCH 2010

EXECUTIVE SUMMARY

The current economic downturn has challenged the ability of low-income people to support themselves and their families, and the ability of government to provide the services that low-income people need. It's highly relevant, then, to have a discussion about how we might expand opportunity and tools for helping struggling Americans to get ahead, and to improve the efficiency and effectiveness of government services at the same time.

While there are a variety of tools available to low-income Americans for trying to improve their situation, the coordination and availability of the programs is too often scattershot and confusing and sometimes contradictory. As a result, many programs that could help low-income people get a foothold are undersubscribed and used less than needed. Programs that can help with health care coverage, job training, food for hungry children, the Earned Income Tax Credit (EITC), or resources for improving educational options are sometimes underutilized by the very people who could use them as they work their way into the middle class. By and large, the problem is not caused deliberately. Rather, it is the result of multiple programs created over many years, and originated and run by different levels of federal, state, and local government.

This paper proposes that policymakers consider expanding on a model program called Single Stop, an initiative piloted by the Robin Hood Foundation in New York and now being replicated nationwide by SingleStop USA. Currently a foundation-sponsored initiative, Single Stop provides a range of services, from benefits counseling to tax preparation, in order to help low-income families claim the full range of supports the federal government provides. We suggest that a national Single Stop-style federal program could dramatically improve existing antipoverty efforts, making tools available to Americans in a more effective and efficient manner. Such a program should be universal and clear, just as 411 provides all the information on phone numbers, or a call to 911 connects citizens to emergency services, a Single Stop-style resource could be available physically in communities, as well as via telephone and the web, and help citizens know what government tools are available to them.

We believe such an effort could have dramatic benefits. First, it could help millions of Americans draw upon existing tools to deal with economic challenges, and help lift themselves and their families into the middle class. Second, this is an idea focused on making government work better for Americans by making government work more efficiently. It's not a partisan idea, and could be a program Americans of different ideologies could unite behind.

This effort could also have clear benefits for middle-class Americans. Increasing transparency and accessibility to government resources means that a national Single Stop-style federal program wouldn't be about just low income people. Middle-class Americans also need to have more efficient and effective ways of knowing about the resources available to them, including for things like health care, education, small business loans, and job training. We believe one of the root issues of governmental mistrust is the opacity of what the government does. Efforts like Single Stop could be a resource and model for how to reach out and open up government to middle-class people. Indeed, as working challenges grow more complex, and the range of governmental programs grows as well, it is past time for an effort to bring government services under one roof. A national Single Stop-style federal program would make it easier for Americans to understand what these programs can do, and how they can be used to help expand opportunities.

We should continue to reform federal assistance programs to promote work and responsibility, not dependence. As we insist on a safety net and opportunity agenda that promote work, we should also make sure that eligible Americans can take part. Red tape is a barrier to work, and inefficiency costs taxpayers and opportunity alike. There may be some critics who do not favor better utilization of existing programs as a goal. We still believe that the Single Stop program is a persuasive model. We suggest that those who criticize federal programs should work to limit them as a policy matter, and should support existing programs being operated efficiently and effectively.

This paper is divided into six sections. Section I details the scope of the problem by describing gaps between existing programs and participation. Section II describes research on the effectiveness of existing programs in helping low-income Americans reach the middle class. Section III outlines barriers to accessing existing programs and describes how outreach to non-participants could increase their effectiveness and efficiency. Section IV explains the Single Stop approach as an example of how a universal and automatic system could work. Section V explains key opportunities to institute a Single Stop-style system at a low cost. Section VI explores two possible cost effective approaches for Single Stop expansion throughout the United States.

I. LOW PARTICIPATION RATES

Despite the creation of multiple programs designed to help Americans expand their opportunities and work to get out of poverty, many of the most useful programs are underutilized for reasons having nothing to do the goals of the programs themselves.

A study by the Urban Institute examined participation rates in four different means-tested programs: Medicaid and the State Children’s Health Insurance Program (SCHIP) (together), food stamps (now known as the Supplemental Nutrition Assistance Program or SNAP), child care subsidies, and the EITC. These are programs that help with health care and children’s health insurance; they ensure that Americans have enough to eat, can afford child care so they can work, and receive reasonable compensation for working.

When leaving out the EITC, the study revealed that the majority of American’s 20 million low-income families (defined as 200 percent of the poverty line or less)¹ use either only one or none of these supports. Among the groups that make the least use of these tools were families with children. Only 5 percent of low-income working families with children make use of all three initiatives. Among the general population of working Americans at or below the poverty level, one in four receives no form of support and only 7 percent receive all three.²

The Government Accounting Office (GAO) issued a compilation of recent participation data and found that entitlement programs fell far short of full participation (Table 1), and non-entitlement programs fared even worse (Table 2).

TABLE 1: ESTIMATED PARTICIPATION RATES FOR ENTITLEMENT PROGRAMS FOR THE MOST RECENT YEAR DATA WERE AVAILABLE

Program (year) ^a	Eligibility unit	Participation rate estimates ^b (in percent)
EITC (1999)	Households	75 ^c
Food Stamp Program (2001): HHS/Urban Institute	Households ^d	46–48
	(2002): USDA/Mathematica Policy Research, Inc.	48 ^e
	Individuals	54 ^f
Medicaid (2000)	Individuals ^g	66–70
Pell Grants	Not available	Not available ^h
SSI (2001)	Individuals and married couples	66–73

Source: Table excerpted from “Information on Program Access Can Be an Important Management Tool,” Government Accountability Office, March 2005.

TABLE 2: AVAILABLE SUBGROUP PARTICIPATION RATE ESTIMATES FOR ENTITLEMENT PROGRAMS FOR THE MOST RECENT YEAR DATA WERE AVAILABLE

Program (year) ^a	Subgroup	Participation rate estimates ^b (percent)
EITC (1999)	All Households ^c	75 ^d
	Households with No children	45 ^e
	Households with 1 Child	96 ^f
	Households with 2 Children	93 ^g
	Households with 3 or More Children	63 ^h
Food Stamps (2001)	All Households ⁱ	46–48
	Households with Children	55–57
	Households with Elderly Members	27–28
Medicaid (2000)	All Individuals ^j	66–70
	Adults	56–64
	Children	74–79
	Elderly	40–43 ^k
SSI (2001)	All Individuals and Married Couples ^l	66–73
	Elderly	61–68 ^m

Source: Table excerpted from Government Accountability Office, 2005.

¹ “Current Population Survey, 2007 Annual Economic Supplement,” U.S. Census Bureau, 2007.

² Zedlewski, Shelley, Gina Adams, Lisa Dubay, and Genevieve Kenney, “Is There a System Supporting Low-Income Working Families?,” Urban Institute, February 2006.

The intended benefits from these programs could do much to help Americans lift themselves out of poverty. A study by McKinsey and Company estimates that a total of at least \$65 billion in benefits for low-income families goes unclaimed each year. Just focusing on tax refunds for low-paid workers (EITC), food stamps (SNAP), early-childhood programs (Head Start), federal disability payments (SSI), welfare payments (TANF), and nutrition for new mothers and children (WIC), the Government Accountability Office estimates that eligible individuals could draw down another \$40 billion in unclaimed benefits.

These resources could help millions of Americans and their children better survive impoverished circumstances and gain a hand up to the middle class.

TABLE 3: POTENTIAL COST OF PROVIDING BENEFITS TO ELIGIBLE NON-PARTICIPANTS FOR THE MOST RECENT YEAR DATA WERE AVAILABLE

Program (year)	Potential annual cost of serving eligible non-participants ^{a,b}
EITC (1999)	\$2-3.4 ^c
Food Stamp Program (2001)	8.8-11.5
Head Start (2003)	3.8-5.6 ^c
SSI (2001)	8-9.8
TANF-cash assistance (2001) ^d	8-9
WIC (2001) ^e	1.9-2.1

Source: Table excerpted from Government Accountability Office, 2005.

II. RESEARCH ON PROGRAM EFFECTIVENESS

Research indicates that low utilization badly damages the poverty-fighting impact of federal programs.

One group of government entitlement programs, like Social Security and Unemployment Insurance, benefits non-poor and poor families alike. Arloc Sherman of the Center on Budget and Policy Priorities estimates that these programs move millions of individuals out of poverty each year even as they also help middle-class families (which also need help tapping government resources that have been promised to them).

A report from the Brookings Institution indicated that in 2003, the EITC alone brought 4.4 million Americans out of poverty, more than half of them children.

Another class of programs affecting low-income Americans is means-tested income support. These programs are only provided to individuals whose incomes are low enough to qualify. They include: SSI, TANF, SNAP, the EITC, and various forms of housing assistance. Sherman reports that together, these programs helped 14 million Americans move above the poverty line in 2005. A report from the Brookings Institution indicated that in 2003, the EITC alone brought 4.4 million Americans out of poverty, more than half of them children.³

The Urban Institute credited SNAP with reducing the share of working families with children in deep poverty from 20 percent to 4 percent in 2007. Adding SNAP benefits to cash income increased the share of families with children living at or above the official poverty level from 26 to 45 percent in

³ Holt, Steve, "The Earned Income Tax Credit at Age 30," Brookings Institution, February 2006.

the same year.⁴

Despite these great success stories, the unfortunate reality is that our efforts to reduce poverty are not adequate to the task.

III. UNDERSTANDING THE BARRIERS: KEY TO BUILDING A BETTER APPROACH

No completely comprehensive account exists of why so many of those eligible do not claim benefits, but a number of factors seem to be relevant. Among the key factors: the difficulty of knowing one's eligibility, stigma, and the enrollment process itself.

No completely comprehensive account exists of why so many of those eligible do not claim benefits, but a number of factors seem to be relevant. Among the key factors: the difficulty of knowing one's eligibility, stigma, and the enrollment process itself.

Research indicates that the opacity of existing programs is at least one factor limiting utilization. According to an Urban Institute study, ignorance of programs and misinformation about eligibility is pervasive. Misconceptions are rife, such as the belief that welfare is a baseline requirement for support.⁵

Many eligible food stamp non-participants believe incorrectly that they are ineligible or are unsure of their eligibility.⁶ The United States Department of Agriculture's own research suggests that while knowledge of food stamps is widespread (96 percent recognition), only 43 percent of those who do not participate actually know they are eligible. More than a third of eligible non-participants actually believe they are ineligible. Yet more than two-thirds (69 percent) of eligible non-participants say they would apply for benefits if they were sure of eligibility.⁷

Yet knowledge – or lack of it – is not the only barrier to participation. Many perceive a stigma attached to collection of benefits, sometimes attributable to demeaning or unpleasant conduct by administrators at local offices. Some studies have shown that even when individuals had positive impressions of programs such as Medicaid, negative stereotypes about welfare discouraged enrollment.⁸

Others simply don't want help. The study of food stamp participation cited above found that 31 percent would not apply for food stamps even if they were aware of eligibility. Nine in ten (91 percent)

⁴ Zedlewski, Sheila R. and Ei Yin Mon, "Many Low-Income Working Families Turn to the Supplemental Nutrition Assistance Program for Help," Urban Institute, August 2009.

⁵ Zedlewski et al, 2006, and Genevieve Kenney, Jennifer Haley, and Alexandra Tebay, "Familiarity with Medicaid and SCHIP Programs Grows and Interest in Enrolling Children is High," Urban Institute, July 2003.

⁶ Bartlett, Susan, Nancy Burstein, and William Hamilton, "Food Stamp Program Access Study: Final Report," United States Department of Agriculture, November 2004.

⁷ Ibid.

⁸ Zedlewski et al, 2006.

of these respondents said they valued independence too much to use the program.⁹

Many of these programs are also extremely difficult to access, even for those families who want help. Despite a concerted effort to make SCHIP and Medicaid substantially more inviting, studies show that some families struggle to meet program requirements and navigate the enrollment process.¹⁰ A national survey by the Kaiser Commission found that more than half (57 percent) of the parents who tried to enroll their eligible children in Medicaid failed ultimately to do so, with over a third (36 percent) either not able to complete the process or reporting problems with approval. Nearly one in three (31 percent) parents whose children are eligible for Medicaid has never even attempted to enroll.¹¹

A national survey by the Kaiser Commission found that more than half of the parents who tried to enroll their eligible children in Medicaid failed ultimately to do so, with over a third either not able to complete the process or reporting problems with approval.

Overall, the Kaiser survey found pervasive negative perceptions of the Medicaid enrollment process. Of those parents who had begun the enrollment process but did not complete it, large majorities pointed to the same problems: it was difficult to amass all the paperwork (72 percent); it was an overall hassle (66 percent); it was complicated and confusing (62 percent). Among parents who had never even attempted to enroll their children, more than half (56 percent) said they did not even know where to apply.¹²

Along with existing Medicaid and SCHIP programs, food stamp enrollment is also daunting. Well over half (64 percent) of those who know they can receive food stamps but choose not to do so may be motivated by food stamp office processes that are onerous. One in four (25 percent) described unpleasant experiences with food stamps or another government program that discouraged them from applying.¹³

There have been efforts to simplify and improve antipoverty programs since welfare reform in 1996. A number of critical programs, such as SCHIP and Medicaid, have been simplified to increase enrollment, and significant efforts to reach out to eligible citizens have helped maintain generally high levels of participation.

Despite these gains, there is room for much improvement. A significant percentage of citizens harbor misconceptions about eligibility that deter enrollment. Negative associations with assistance and unpleasant or complex enrollment experiences allow many to slip through the cracks.

Experience indicates small efforts to reach out to non-participants can make a big difference. In 1999, for example, 17.2 million families claimed \$23.5 billion in EITC benefits for a total participa-

⁹ Bartlett et al, 2004.

¹⁰ Zedlewski et al, 2006.

¹¹ Perry, Michael, Susan Kannel, R. Burciaga Valdez, and Christina Chang, "Medicaid and Children: Overcoming Barriers to Enrollment," Kaiser Commission on Medicaid and the Uninsured, January 2000.

¹² Ibid.

¹³ Bartlett et al, 2004.

tion rate of 75 percent.¹⁴ This is well under half of the \$65 billion the McKinsey study claims is left unclaimed each year across all assistance programs. Yet in 2005, the EITC raised over 5 million out of poverty.¹⁵ This data implies that literally millions of Americans could move out of poverty and be put on the path to prosperity if these programs achieved better penetration.

A significant percentage of citizens harbor misconceptions about eligibility that deter enrollment. Negative associations with assistance and unpleasant or complex enrollment experiences allow many to slip through the cracks.

An improved system will overcome barriers, allowing Americans to choose and access tools like improved child nutrition and the EITC without unnecessary roadblocks such as overly complicated systems and enrollment processes. In Part IV, we discuss a model for such a new initiative, and how it defeats these obstacles.

IV. SINGLE STOP: A MODEL FOR IMPROVING EFFECTIVENESS OF PROGRAMS

Beginning in 2001, the Robin Hood Foundation in New York City identified problems the city's poor experienced in accessing local, state, and federal initiatives designed to expand opportunity. Among the key challenges: offices were distributed haphazardly throughout the five boroughs and one family might have had to go to several such outlets to receive the range of services; advice and counseling were limited; and the processes for applying to programs were sometimes complex. These barriers were augmented by the reality of New York City. New York is a city of immigrants, some of whom have difficulty speaking, reading, and writing in English.

In response, the Robin Hood Foundation launched Single Stop. Through partnerships with city agencies, local non-profit providers, and philanthropies, Single Stop now reaches 93,000 New Yorkers at over 40 different sites across the city. These sites can be found in churches and at local community agencies. This approach is already being experimented with nationwide, and SingleStop USA was incorporated as an independent non-profit in 2007. In addition to widening the reach of the New York program, it has opened 12 additional sites in New Jersey, New Mexico, and California.

Currently, Single Stop provides four core services:

- **Financial Counseling:** qualified personal financial advisors provide suggestions on budgeting, debt, and other financial issues
- **Benefits Counseling:** using an up-to-date, web-based tool, Single Stop can quickly calculate eligibility and help families get started with enrollment
- **Legal Assistance:** Single Stop recruits lawyers from a host of legal aid agencies to

¹⁴ "Earned Income Tax Credit Eligibility and Participation," Government Accountability Office, December 2001.

¹⁵ Sherman, 2009.

provide on-site legal counseling where necessary

- **Tax Preparation:** a number of Single Stop sites provide free tax preparation in order to help families collect the full tax rebates they are due

In less than a decade of operation, Single Stop has had significant success helping low-income New Yorkers access benefits and receive life-changing assistance. In 2004, 10 Single Stop sites served 100 New Yorkers at a cost of \$550,000. Four years later, Single Stop had grown to over 40 sites, enrolled 93,000, and invested \$12 million to deliver \$320 million in increased assistance. This amounts to a benefit-to-cost ratio of 19:1, and these ratios are growing each year. In benefits counseling alone, Single Stop served approximately the same number of people (26,100) in both 2007 and 2008. But in 2008, participants received \$1.5 million more in food stamps, \$8.4 million more in health programs, \$3.7 million more in SSI and SSI Disability payments, and a total of \$5.2 million in housing assistance.¹⁶

KEY ELEMENTS OF SINGLE STOP APPROACH

There are several characteristics of the Single Stop approach that make it especially effective.

- First, as suggested by its name, Single Stop emphasizes a one-site approach. Many working poor families (twice the poverty line and below) have difficulty finding the time and the means to leave work and spend hours in benefits offices. As the studies cited in the last section demonstrate, the logistical challenges of applying for and enrolling in major benefits programs are a strong deterrent to eligible non-participants.
- Second, Single Stop relies on informing citizens. For a wide range of federal assistance programs, it can be difficult for eligible beneficiaries to either know they qualify for benefits or to accurately assess the level of benefits they could receive. By using a sophisticated benefit calculator, Single Stop ensures that participants don't go home without knowing exactly the level of assistance they can claim. Studies suggest that imperfect information is a debilitating inefficiency in cash assistance programs.
- Third, Single Stop is full service. Single Stop participants don't leave a site with a computer print-out explaining what benefits they should claim. Instead, Single Stop counselors help with benefit application and enrollment, provide hands-on tax preparation, and can get involved in housing disputes and other issues that threaten the livelihoods of working poor families. Single Stop has made a concerted effort over recent years to become even more involved with its clients, including extensive tracking and documentation of outcomes. Other successful examples of increased person-to-person interaction in assistance programs support the case that the Single Stop model is a best practice in benefits counseling.¹⁷

These attributes are keys to programmatic success. The effort targets the barriers described in the preceding section and offers efficient alternatives. Single Stop employees help see applicants all the way through what can be a complex and challenging process, and they make sure

¹⁶ "Single Stop Overview," Robin Hood Foundation, January 2009.

¹⁷ "Information on Program Access Can Be an Important Management Tool," Government Accountability Office, March 2005.

families are aware of appropriate benefits and tools for funding opportunity.

There are other worthwhile lessons to draw from Single Stop about how to bridge the participation gap in government assistance.

In New York, Single Stop leverages an existing network of providers. By partnering with government, churches, community organizations, and other non-profits around the city, Single Stop is able to work in neighborhoods through well-known, trusted organizations. This has practical benefits, reducing the depth of outreach required to get in touch with families that need help.

Single Stop also provides an example of how a concerted effort can change perceptions of government assistance. For those who are hesitant to access resources due to negative perceptions of assistance, creating an effective model for benefits counseling that includes services beyond cash assistance can have a normalizing effect. This can cut across income levels, improving perceptions of government programs focused on the middle class as well those focused on the low income.

The ultimate goal of Single Stop and any national model is to encourage independence, not dependency. Income support and assistance programs are designed to help families get on their feet and develop a foundation for future economic security and financial independence. By failing to reach all eligible participants, current efforts compromise the ability of these programs to alleviate poverty and open the door to real economic opportunity. Every family can decide for itself whether to seek assistance, but red tape should not be the decisive factor.

V. A NATIONAL EFFORT: TOWARD A MORE EFFECTIVE SYSTEM

This paper proposes a national Single Stop program that would be nationwide, efficient, and more effective than current efforts to reach those in need. Although the phase-in could be gradual, the goal would be to ensure that each working poor American family receives the benefits they need to work their way toward independence, and for their children to receive the health, education, and nutrition tools they need to succeed. In addition, the effort would aim to be a model for ensuring a more logical, transparent, and accessible system for all Americans to be informed about and able to utilize governmental resources.

There are significant challenges to achieving these goals. Assistance programs for low-income Americans have dynamic caseloads. Individuals and families move in and out of poverty, and expected benefit rates change over time. Reforming the current approach will take work, but two principles should help guide the process.

PRINCIPLE 1: USE EXISTING INFRASTRUCTURE

Single Stop has been successful in part because it leverages existing providers and is eager to engage in public-private partnerships. This allows for better initial attachment to communities where it operates and lowers the start-up costs associated with expansion. A universal and automatic benefits counseling program can use and indeed centralize existing food stamp, welfare, unemployment, health care, and other assistance offices. The most fertile of such public-private partnerships that Single Stop USA and Robin Hood have forged in New York City include: (1) two sites at Rikers Island prison, often described as the largest penal colony in the world, to reach inmates before they undertake the fiendishly difficult challenge of reentry; (2) sites at every one of the city's six community colleges; and (3) an increasing number of health clinics in low-income neighborhoods. These sites will be serving tens of thousands of poor New Yorkers before too long.

This is also a moment for creativity in how we draw upon existing resources. For instance, the United States has thousands of post offices which are currently under discussion for possible closure. Wal-Mart has 3,663 stores in America. A system to ensure fuller delivery of benefits could creatively enlist institutions, buildings, and people across the country in the effort to get assistance to Americans who need it most.

The potential to use public-private partnerships also shows that ensuring that eligible nonparticipants receive benefits isn't about making government bigger. A nationwide Single Stop-style system could work with corporations and non-profits to make government more effective, without creating new bureaucracies or expanding old ones.

PRINCIPLE 2: USE TECHNOLOGY TO ENHANCE RESULTS

Technology is one area where government has often failed to keep up with the times. President Obama engaged in an unprecedented social networking effort during his campaign and made technology a central focus of his Transition. Since taking office, he has appointed a Chief Technology Officer and a Chief Information Officer. One important way the president can help realize a visionary, technology-driven agenda is by using emerging Web 2.0 tools to implement an improved universal and automatic benefits enrollment system.

Programs like Single Stop should draw on cutting-edge software to provide benefits screening and assist with enrollment. A GAO study on participation in means-tested benefits programs recommended data sharing between agencies and offices, better information technology, and use of technological innovations as key steps to improve participation rates in means-tested programs.¹⁸ Developing a robust technological infrastructure that can keep up with individuals and families who are mobile can help ensure continuity of benefits and provide better data by which to track outcomes.

There will be privacy concerns, especially for benefits governed by the Health Insurance Portability and Accountability Act (HIPAA), but there are already non-profits around the country that have made real strides in developing privacy-sensitive information technologies that are literally decades ahead of existing systems.

The details of any new national effort will require careful study and planning. The challenges of using existing facilities, finding new ones, staffing the operation, training counselors, and other steps are real. But we believe this initiative need not take longer than eight years to be at full strength. Already, the largest city in the United States uses Single Stop, and many others are in various stages of adoption. What remains is largely building the political and legislative will to achieve this goal, and overcoming the logistical challenges of implementing it.

VI. A MODEL

There are multiple ways to imagine how a nationwide Single Stop system might be implemented. Following Principle 1 above ("Use existing infrastructure"), this paper suggests a plan that would deploy Single Stop sites through institutions such as the United States Post Offices or other private sector facilities, such as Wal-Mart stores.

¹⁸ Government Accountability Office, 2005.

POST OFFICES

The Postal Service touches almost every citizen and business each day. There are nearly 40,000 post offices, stations, and branches, almost 300,000 mail carriers, and more than 140,000,000 home and business delivery points.¹⁹

Recent and well-publicized financial problems have prompted the Postal Service to begin thinking about ways to cut back on services, such as limiting delivery days and closing underutilized community post offices.

A way to preserve the Postal Service, while simultaneously reinvigorating its mission, would be to consider housing Single Stop in local post offices. For low- to moderate-income Americans, this would have the advantage of not only expanding availability of the Single Stop service, but working through a trustworthy institution with a built-in capacity for disseminating information and providing a variety of services.

For the Postal Service, this arrangement provides a cost-effective way to use the skills of postal employees, particularly in communities or regions that may have seen a decline in mail volume and other traditional postal service work. It is worth noting that postal employees visit almost every home and business every day, their ability to make Americans aware of services available in a postal office is tremendous.

The costs could be reasonable. Based on past experience and taking into account cost efficiencies, it would be possible to provide Single Stop services to 100,000 people for approximately \$10 million dollars.²⁰ This suggests reaching target populations could be accomplished relatively cost-effectively. For instance, current estimates suggest that just under 10 million EITC eligible families do not apply for the credit and could benefit from it. Using Single Stop to help enroll these 10 million families in the EITC at existing rates could cost about \$1 billion, and that is before assuming the use of existing federal facilities such as the Postal Service or donated private sector space or support as suggested below.

An accurate calculation of real costs would likely be lower than current estimates. First, the advantages of scale offer cost savings in training and tools. Second, use of facilities such as the Postal Service could also allow for significant savings over programs thus far. The Postal Service already has a highly trained staff as well as the physical and bureaucratic infrastructure to administer Single Stop services. Helping current Postal Service employees learn how to offer Single Stop services would be manageable. Right now, it takes less than a day to train someone to use the Single Stop computer program and provide guidance to potential beneficiaries. The other financial or legal counseling elements could be provided over time as the program expands. To experiment with how best to roll out the program, the Postal Service could also concentrate on community post offices in areas such as those that have a high number of EITC filers.

A more thorough analysis is necessary, but there is no better time to reinvest our nation's most public institution – the Postal Service – with a new mission.

¹⁹ "2008 Annual Report," United States Postal Service, 2008.

²⁰ While this past budgetary experience is based on the relatively concentrated population of New York City, it is also true expenses such as rent and services are more expensive in New York.

PRIVATE SECTOR PARTNERS

Other potential national locations for Single Stop could involve private sector partners. One example could be a company such as Wal-Mart, both for its distributional reach and the services it already provides.

Wal-Mart is a truly national enterprise. The 100 million customers its nearly 4,000 stores serve each week constitute almost a third of the American population.²¹ Wal-Mart also serves a greater proportion of low-income consumers than other big box stores. The average income of Wal-Mart customers falls below the national average. A full fifth of Wal-Mart shoppers lack a bank account.²²

In response to its customer base, Wal-Mart has tailored the services it provides. In 2007, Wal-Mart announced a drug plan that sold a month's supply of many generic prescriptions for only \$4. Its approach to pricing and sales is similar. The store has long promised the lowest retail prices for consumer goods and food. In a 2005 paper, current Obama economic adviser Jason Furman found that Wal-Mart's low prices saved Americans \$263 billion in 2004.²³

A public-private partnership with a national private sector facility like Wal-Mart has potential to help Single Stop reach millions of Americans. The government could contract with the partner to install a Single Stop center in select outlets. The partner would receive a subsidy for the start-up capital costs of training employees and purchasing equipment. The government would also help to connect the partner to local resources that could provide financial or legal counseling, tax preparation, and other Single Stop services. Single Stop in private sector locations could provide a broad array of services, including those for which middle class citizens would be eligible.

The private sector company would gain as well. They would offer a new service to attract consumers to outlets, and would help provide assistance that could, in turn, be used to purchase goods (assuming that the participating company is in retail or consumer goods). For example, a family that collects benefits at a Wal-Mart Single Stop would be more likely to use those benefits at Wal-Mart during the same visit.

As with the Postal Service as a potential partner, policymakers will need further research and discussion into the optimal arrangement to help private sector partners defray initial rollout costs, without requiring the government to excessively subsidize a venture that should ultimately boost the company's revenues. As a public-private venture, such an arrangement has the potential to be a win-win-win: for the private business, for the federal government and for Americans who need the tools to gain greater opportunity.

²¹ Zellner, Wendy, "Wal-Mart: Your New Banker?" *BusinessWeek*, 7 February 2005.

²² Weston, Liz Pulliam, "National Bank of Wal-Mart?" *MSN Money*, Retrieved 5 November 2009, <<http://moneycentral.msn.com/content/Banking/Betterbanking/P109171.asp>>

²³ Furman, Jason, "Wal-Mart: A Progressive Success Story," Center for American Progress, 28 November 2005.

CONCLUSION

This paper begins with a simple premise: we can do a better job of helping Americans access the tools they need to survive and prosper.

We propose reforming the current system by replicating the Single Stop approach that began in New York City and is already spreading across the country. By making a one-site benefits counseling and enrollment system more efficient and effective, we can ensure that each American receives the benefits he or she needs. This would be an important step in helping Americans move up the economic ladder and find greater opportunity, as well as getting the short-term help many families desperately need.

We think this is a useful step beyond the debate over whether government should get bigger or smaller, and will help our nation start thinking about how to make government better.

In hard times, a nation should work harder than ever to make sure help reaches those to whom help has been promised and who need it most.

Tom Freedman is president of Freedman Consulting, LLC, and Michael Weinstein is senior vice president of the Robin Hood Foundation. The authors would like to thank Sam Gill, senior associate at Freedman Consulting, LLC, for his help preparing this paper. His research and ideas were crucial. They would also like to express their gratitude for the indispensable assistance provided by Steven Lee, director of Single Stop and income security at the Robin Hood Foundation, and Eliabeth Mason, CEO of SingleStop USA, and Julie Kashen, vice president of policy, knowledge management, and evaluation. These individuals have been working tirelessly to expand and implement the Single Stop approach around New York City and the country.