

## **The Poverty Forum: Strengthening Civil Society**

### **Encourage every state to launch a Benefit Bank program**

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**Area:** Civil Society

**Issue:** Improving access to federal and state benefits for low-income Americans

**Problem:**

Every year low-income Americans fail to claim millions in state and federal benefits that they are eligible to receive. Especially in the current economic crisis, the failure to claim these benefits endangers the well-being of these citizens and their families.

**Policy Recommendation:**

The incoming administration should encourage each state to launch a Benefit Bank program that works with religious and secular communities to help people claim state and federal benefits often left unclaimed, including Earned Income Tax Credit, food stamps, medical benefits (including children's health insurance) and heating/cooling assistance. Benefit banks were pioneered by religious groups, including the National Council of Churches (NCC) and the Jewish Council on Public Affairs, in cooperation with several other national groups.

The NCC designated Ohio as a pilot state for the Benefit Bank, and the Ohio Benefit Bank (OBB) began operation at 16 sites in January 2006. At the end of 2008 fiscal year, the OBB had outposts at more than 700 sites in the state, which were sponsored by nearly 400 religious and community groups. It helped over 20,000 citizens of that state to claim more than \$26 million in tax credits and government benefits.

Benefit banks also are operational in Arkansas, Florida, Maryland, Mississippi, Pennsylvania, Kansas, and the District of Columbia. According to the NCC, clients who participate in the program average about \$4,500 in additional benefits annually.

In the current financial crisis, the administration should use the power of the bully pulpit to lift up these programs as models for other states. It also might make some funds available to each state to initiate or continue these programs. At the next meeting of the National Governors Association, President Obama and members of his administration could join participating governors for a discussion about the outcomes of their programs and possible steps to take in the future to address these issues.

**Political Outlook:**

This recommendation calls on the new president to make use of the powers of the bully pulpit. Given the popularity of these programs and their usefulness in the current economic crisis, we would expect the next president's call to be welcomed by governors and other political leaders on both sides of the aisle. Further, in light of the fact that the religious and secular providers that operate the outposts of the Benefit Banks would not need to seek or receive government funds, these partnerships could be attractive even to religious organizations that are wary of competing for government social service funding.

**References:**

Rob Moritz, Pilot Program to Improve Access to Low-Income Benefits (October 9, 2007), available at [http://www.earlychildhoodfocus.org/artman2/publish/ccdbg-tanf/Pilot\\_program\\_to\\_improve\\_access\\_to\\_low-income\\_benefits.shtml](http://www.earlychildhoodfocus.org/artman2/publish/ccdbg-tanf/Pilot_program_to_improve_access_to_low-income_benefits.shtml)

History of the Ohio Benefit Bank, available at <http://www.governor.ohio.gov/AboutUs/History/tabid/324/Default.aspx>

The Governor's Office of Faith-Based and Community Initiatives and the Ohio Benefit Bank, Annual Report 2008, available at <http://governor.ohio.gov/Portals/1/GOFBCI%20Annual%20Report.%2010.24.08.pdf>