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## Aggressive State Outreach Can Help Reach the 12 Million Non-Filers Eligible for Stimulus Payments

By Chuck Marr, Kris Cox, Kathleen Bryant, Stacy Dean, Roxy Caines, and Arloc Sherman

About 12 million Americans risk missing out on the stimulus payments provided through the recent CARES Act because they, unlike millions of people who are receiving the payments automatically from the IRS, must file a form by November 21 to receive it. (This estimate, based on CBPP analysis of Census data, is approximate; please see Appendix II for our methodology.)<sup>1</sup> This group includes very low-income families with children, people who have been disconnected from work opportunities for a long period, and many low-income adults not raising children in their home.

Governors and other state officials can play a central role in reaching these 12 million individuals, up to 9 million of whom — roughly 3 in 4 — participate in SNAP (formerly food stamps) or Medicaid, which states and counties administer.<sup>2</sup>

This group of non-filers eligible for payments are disproportionately people of color because they are likelier to have lower incomes due to historical racism and ongoing bias and discrimination. Twenty-seven percent of the 9 million people are Black — higher than their share of the U.S. population (12 percent) — while another 19 percent are Latino. Ensuring that

### Through SNAP and Medicaid, States Can Reach Many Not Receiving Automatic Stimulus Payments

#### ✓ Receiving automatic payments

- Tax filers in 2018 or 2019
- Social Security recipients
- Supplemental Security Income recipients
- Veterans Affairs pension or disability recipients
- Railroad Retirement recipients

#### ⊘ Not receiving automatic payments

#### About 12 million people

- **9 million** didn't file tax returns for 2018 or 2019 or receive any benefits listed above, but do receive SNAP and/or Medicaid
- **3 million** didn't file tax returns for 2018 or 2019 or receive any benefits listed above, and don't receive SNAP or Medicaid

Source: CBPP analysis of the U.S. Census Bureau's Current Population Survey for 2015-2017, with corrections for underreported SNAP and SSI from the Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM)

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<sup>1</sup> These estimates are affected by underreporting of income and benefits, recent changes in program participation, and other data limitations.

<sup>2</sup> We focus on SNAP and Medicaid because they are the two programs with the broadest eligibility and enrollment and with funding structures that allow them to serve all eligible persons who apply. Many people eligible for the stimulus

low-income people of color receive the payments for which they qualify is especially important given emerging evidence that they are being hit hardest by both the economic and health effects of the pandemic.

The IRS, working with the Social Security Administration, Department of Veterans Affairs, and Railroad Retirement Board, has been automatically delivering the CARES Act stimulus payments (technically called Economic Impact Payments or EIPs) to tens of millions of people who regularly file federal income taxes or receive certain federally administered benefits, such as Social Security, Supplemental Security Income (SSI), Railroad Retirement, or Veterans Affairs pension or disability benefits. Eligible adults receive \$1,200 plus \$500 for each eligible child.

But the automatic payment method *misses* about 12 million people — adults and children — because they aren't required to file federal income tax returns due to their low incomes and they do not participate in one of those specified, federally administered programs.<sup>3</sup> Together, these people are eligible to receive \$12 billion in payments. (See Table 1 for state-by-state estimates.)

To receive the payments, these individuals must provide their information to the IRS no later than October 15 through a 2019 tax return or by November 21 when using the IRS “Non-filer” tool, a simplified online form for people not required to file a tax return.<sup>4</sup> The tool requires a user to create an online account, enter certain personal information (including direct deposit information, if available), verify their email address, and submit the form. The IRS plans to issue all payments before the December 31, 2020 deadline in the CARES Act.

An aggressive outreach program is needed at the state and local levels to inform eligible individuals, who by definition have very low incomes, that they are eligible and to help them undertake the required steps. Such outreach efforts will benefit both individuals and communities. The payments are considerable, both for the recipients and by other standards of assistance; in some states, the amount of money at stake is as much as ten times the state's total annual cash assistance to families with children. These funds would go to extremely low-income individuals and families at a time when need is rising due to the pandemic. And ensuring these people apply for and receive the payments for which they qualify will also benefit local and state economies, in which much of the money will be spent.

Governors and other state officials can play a vital role in reaching the 12 million eligible people. The health and human services agencies that administer SNAP and Medicaid are uniquely positioned to reach, using established communication channels, the subgroup of 9 million people who participate in those two programs. Governors and state agencies can also do much to reach the

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payments who are enrolled in SNAP and/or Medicaid also participate in other state-operated programs, most notably cash assistance through Temporary Assistance for Needy Families.

<sup>3</sup> The IRS issued over 159 million payments to households as of June 3, which includes both automatic payments and payments to people who provided their information through the Non-filer form. Our estimate of 12 million people refers to those who did not *qualify* for an automatic payment from the IRS. Some of these 12 million people may have directly provided their information to the IRS after learning about their eligibility for the payment and already received their payment as a result. Nevertheless it remains that *up to* 12 million people risk missing out if they don't fill out the Non-filer form by November 21.

<sup>4</sup> Internal Revenue Service, “Non-Filers: Enter Payment Info Here,” updated May 18, 2020, <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>.

other 3 million eligible people, who generally do not receive state or federal benefits. Public education efforts and partnerships with key stakeholder groups, such as service providers for people experiencing homelessness, will be critical to connecting people to the \$1,200 payments.

In addition, if federal policymakers issue additional stimulus payments to boost economic demand and reduce hardship, state efforts now to connect eligible low-income individuals with the tax system should pay dividends in helping these people access any future rounds of payments.

## Background on Stimulus Payments

The CARES Act, signed into law on March 27, includes stimulus payments to support overall consumer demand amidst historic job losses and business closures and to help families deal with the fallout from the COVID-19 crisis. The payments are designed to be significant — \$1,200 per adult (\$2,400 for a married couple) and \$500 per dependent child — and broad-based; unlike the payments provided during the Great Recession,<sup>5</sup> they are available to people with the lowest incomes. Moreover, there is no earnings test, so people with zero earnings are eligible for the full amounts. The payments begin phasing out at incomes of \$150,000 for married couples, \$112,500 for heads of households, and \$75,000 for singles. Unfortunately, the law unreasonably excludes certain groups from the payments. Immigrant families (except for certain military families) are ineligible if any adult or spouse (if filing jointly) lacks a Social Security number. Also ineligible are 17-year-olds, college students whom their parents can claim as dependents, and adult dependents.

To deliver these payments to the nation's roughly 300 million eligible people, policymakers chose the IRS, which has contact with a large share of the population. The payments, therefore, are designed as a tax credit. They are “fully refundable,” meaning that eligible households receive the full amount regardless of what — if anything — they pay in federal income tax. Importantly, because the country is in the middle of a crisis, the law instructs the Secretary of the Treasury (who oversees the IRS) to deliver the payments “as rapidly as possible.”

The IRS, working with other agencies, has been delivering the payments using a generally step-by-step approach, starting with payments to the people easiest to reach. First up were people who filed federal income tax returns in 2018 or 2019 and for whom the IRS had direct deposit information. Then, the IRS began working with the Social Security Administration and the Railroad Retirement Board to automatically deliver payments to retirees and persons with disabilities who receive Social Security or Railroad Retirement benefits but do not typically file tax returns. Next up for automatic payments were recipients of SSI or veterans' pension or disability benefits who do not file tax returns.

For these groups, the process of delivering payments has gone relatively smoothly, especially considering the depleted state of the IRS after nearly a decade of funding cuts.<sup>6</sup> The challenge now is to ensure that the remaining 12 million people, who neither file federal income tax returns nor receive certain federal benefits, receive the payments for which they are eligible “as rapidly as possible,” as the law mandates. In addition to developing the “Non-filer” tool described above for

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<sup>5</sup> Internal Revenue Service, “Economic Stimulus Payments On The Way; Some People Will See Direct Deposit Payments Today,” April 28, 2008, <https://www.irs.gov/pub/irs-news/ir-08-066.pdf>.

<sup>6</sup> Samantha Washington, “IRS Stimulus Glitches Show Cost of Earlier Cuts,” Center on Budget and Policy Priorities, April 28, 2020, <https://www.cbpp.org/blog/irs-stimulus-glitches-show-cost-of-earlier-cuts>.

people who don't typically file tax returns, the IRS has expanded its outreach efforts beyond its usual partners to reach non-filers with low incomes and those in the military, veteran, and homeless communities.<sup>7</sup> But many non-filers are not connected to traditional channels of information and are likely to miss out on payments without additional efforts.

## Remaining 12 Million Eligible People Have Very Low Incomes

By definition, the estimated 12 million people not receiving payments automatically have very low incomes because they aren't required to file federal income tax returns.<sup>8</sup> Only people with annual income *above* the following levels have a legal obligation to file a return for 2020: \$12,400 for singles, \$18,650 for heads of household (such as a single parent with children), and \$24,800 for married couples.<sup>9</sup> (Many people with incomes below those thresholds do file federal income tax returns in order to claim the Earned Income Tax Credit [EITC] or Child Tax Credit. Low-income families with children have an incentive to file a return to claim these tax credits, as do adults not raising children in their homes, though to a lesser degree.<sup>10</sup>)

The 12 million group is predominantly non-elderly. Many senior citizens are receiving automatic payments because they receive Social Security, Railroad Retirement, SSI, or veterans' pensions or disability benefits. Up to 1 million seniors, though, may be eligible for payments but do *not* receive them automatically.

The outstanding payments amount to roughly \$12 billion nationally, which — if delivered and spent — would not only reduce hardship but also give state and local economies a much-needed boost.

## SNAP and Medicaid Agencies Can Reach About 9 Million Eligible People Not Receiving Automatic Payments

We estimate that approximately 9 million of the 12 million people who won't automatically receive the payments receive state- or county-administered benefits such as SNAP or Medicaid, a fact that underscores the key role for state government in reaching this group. (See Figure 1.) They have low incomes and are among those who most need the payments to cover essential expenses. The payments for which they qualify, worth a combined \$9 billion, represent a significant sum both individually and collectively. In Alabama and North Carolina, for example, their payments total an

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<sup>7</sup> Charles Rettig, "A message from the Commissioner – Economic Impact Payments: IRS helping 150 million Americans one payment at a time," Internal Revenue Service, April 14, 2020, <https://www.irs.gov/newsroom/a-message-from-the-commissioner-economic-impact-payments-irs-helping-150-million-americans-one-payment-at-a-time>.

<sup>8</sup> An early, tentative estimate by the New America Foundation found that 6 million people would miss out on automatic payments because they aren't required to file tax returns. Estimating this population is difficult and, as the New America authors acknowledge, estimates are subject to uncertainty. Tara Dawson McGuinness and Gabriel Zucker, "Congress Appropriated \$300 Billion in Relief Payments to Individuals and Families – but Poor Delivery May Prevent Tens of Millions of Americans from Ever Accessing Them," New America, April 8, 2020, <https://www.newamerica.org/public-interest-technology/reports/relief-payments-poor-delivery-may-prevent-tens-of-millions-of-americans-from-accessing/>.

<sup>9</sup> People with self-employment income greater than \$400 are also required to file tax returns.

<sup>10</sup> Nina Olson, "Earned Income Tax Credit: Making the EITC Work for Taxpayers and the Government," Internal Revenue Service: National Taxpayer Advocate, June 2019, [https://taxpayeradvocate.irs.gov/Media/Default/Documents/2020-JRC/JRC20\\_Volume3\\_Final.pdf](https://taxpayeradvocate.irs.gov/Media/Default/Documents/2020-JRC/JRC20_Volume3_Final.pdf). Our 12 million estimate excludes people who likely qualify for these credits.

estimated \$209 million and \$324 million, respectively, or *nine to ten times* the amount of basic cash assistance those states provide annually through their Temporary Assistance for Needy Families (TANF) programs (\$20 million and \$37 million), our estimates suggest.<sup>11</sup>

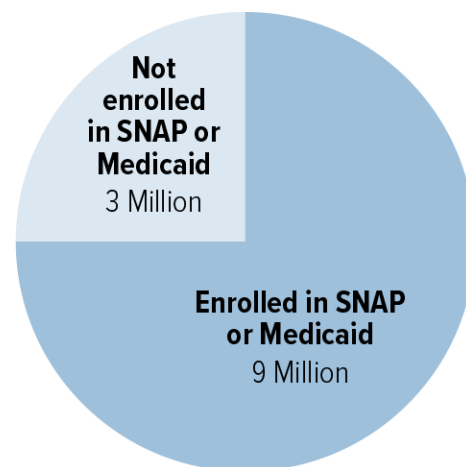
While many SNAP and Medicaid recipients file federal income tax returns and hence will receive their payments automatically, state agencies are the primary organizations able to reach those who don't file.<sup>12</sup> State agencies are uniquely placed to use existing contact information to alert eligible people about the payments and connect them with services to help them obtain their payment.<sup>13</sup>

As state agencies reach out to the 9 million people, the following groups would be useful targets for outreach efforts:

- **Very low-income children.** About 3.2 million of the 9 million people — that is, more than one-third — are under age 17, which exceeds their share of the U.S. population overall (22 percent).<sup>14</sup> (See Figure 2.) Roughly 1 in 5 of the households that include these children participate in TANF as well as SNAP and/or Medicaid.
- **Adults not raising children in their home.** More than 40 percent of the 9 million people are adults without children under age 17. Roughly one-quarter of these childless adults are themselves under age 25, and could include youth aging out of foster care, low-income students, and others struggling to get by on their own. Another third of these

FIGURE 1

## States Can Use SNAP and Medicaid to Reach Most of 12 Million People Not Receiving Automatic Stimulus Payments



Source: CBPP analysis of the U.S. Census Bureau's Current Population Survey for 2015-2017, with corrections for underreported SNAP and Supplemental Security Income from the Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM).

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<sup>11</sup> Center on Budget and Policy Priorities, "State Fact Sheets: How States Spend Funds Under the TANF Block Grant," updated February 25, 2020, <https://www.cbpp.org/research/family-income-support/state-fact-sheets-how-states-spend-funds-under-the-tanf-block-grant>.

<sup>12</sup> SNAP and Medicaid know which of their participants have income through Social Security, SSI, Veterans Affairs, and the Railroad Retirement Board and therefore are likely receiving their payment automatically. They will not know which households are receiving the payment because the household filed a federal tax return in one of the last two years.

<sup>13</sup> Because SNAP and Medicaid assistance units don't align precisely with tax filing units (that is, people who appear on the same tax return), agency efforts may reach people in multiple tax units, with each tax unit eligible for a payment. For example, a SNAP household might include a mother and child who are doubled up in the same apartment with the grandmother and an elderly aunt. This household could represent three tax filing units — each eligible for a payment — but just one SNAP household if the four individuals purchase and prepare food together.

<sup>14</sup> These children may include dependents of people who received automatic payments. Adult recipients of Social Security, Railroad Retirement, SSI, and veterans' pension or disability benefits received a payment for themselves but have to file a 2020 tax return to receive the additional \$500 for their dependent, where applicable.

childless adults are between 50 and 65, and might include people with limited job skills or disabilities.

- **People of color.** Twenty-seven percent of the 9 million people are Black — higher than their share of the U.S. population (12 percent) — while another 19 percent are Latino. Forty-eight percent are non-Latino white, making them the largest single racial-ethnic group, but this share is lower than in the U.S. population (61 percent). Ensuring that low-income people of color receive the payments for which they qualify is especially important given emerging evidence that they are being hit hardest by both the economic and the health effects of the pandemic.<sup>15</sup>
- **People with lower education levels.** Some 19 percent of the 9 million people have no family member with a high school degree, almost three times the rate in the general population. People with less education are among those especially vulnerable during the current crisis: almost half of people with a high school degree or less have had someone in their household lose a job or hours due to the pandemic, and two-thirds report having insufficient savings to cover three months of bills and expenses in an emergency.<sup>16</sup>
- **People lacking secure housing.** Many individuals who do not have permanent housing have very low incomes and are likely to be among the non-filer population.

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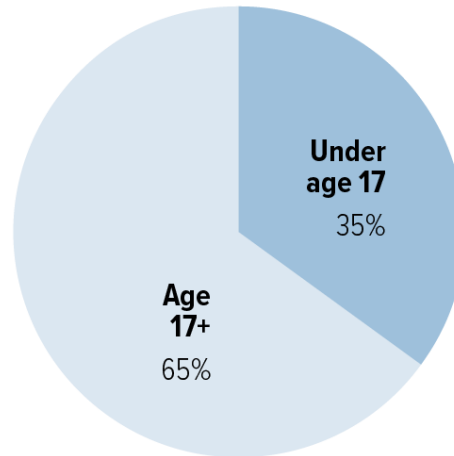
<sup>15</sup> Kim Parker, Juliana Menasce Horowitz, and Anna Brown, “About Half of Lower-Income Americans Report Household Job or Wage Loss Due to COVID-19,” Pew Research Center, April 21, 2020, <https://www.pewsocialtrends.org/2020/04/21/about-half-of-lower-income-americans-report-household-job-or-wage-loss-due-to-covid-19/>; Centers for Disease Control and Prevention, “COVID-19 in Racial and Ethnic Minority Groups,” updated April 22, 2020, <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/racial-ethnic-minorities.html>.

<sup>16</sup> Parker, Menasce Horowitz, and Brown, *op. cit.*

FIGURE 2

## Outreach Through SNAP and Medicaid to People Not Receiving Automatic Stimulus Payments Would Benefit Many Children

Individuals not receiving automatic payments who participate in SNAP and/or Medicaid, by age group



Source: CBPP analysis of the U.S. Census Bureau's Current Population Survey for 2015-2017, with corrections for underreported SNAP and Supplemental Security Income from the Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM).

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Table 1 gives state-by-state estimates of the number of individuals among the 9 million non-filers who receive SNAP and/or Medicaid, and the resulting funds that would flow into state economies if payments reached all of them. (See the Appendix Table for more detailed state-by-state estimates of the subgroup of roughly 6.5 million SNAP recipients who were likely missed by automatic payments.)

TABLE 1

### Estimated Adults and Children Missed by Automatic Payments Who Receive SNAP and/or Medicaid Benefits

	Total individuals	Potential total payments (in millions of dollars)
United States	9,270,000	\$9,000
Alabama	220,000	\$209
Alaska	26,000	\$24
Arizona	200,000	\$198
Arkansas	110,000	\$101
California	1,082,000	\$1,035
Colorado	*	*

TABLE 1

### Estimated Adults and Children Missed by Automatic Payments Who Receive SNAP and/or Medicaid Benefits

	Total individuals	Potential total payments (in millions of dollars)
Connecticut	*	*
Delaware	27,000	\$28
District of Columbia	35,000	\$35
Florida	750,000	\$742
Georgia	383,000	\$365
Hawaii	33,000	\$33
Idaho	*	*
Illinois	312,000	\$309
Indiana	162,000	\$146
Iowa	*	*
Kansas	*	*
Kentucky	171,000	\$162
Louisiana	233,000	\$ 221
Maine	*	*
Maryland	*	*
Massachusetts	159,000	\$158
Michigan	308,000	\$293
Minnesota	*	*
Mississippi	145,000	\$133
Missouri	143,000	\$140
Montana	19,000	\$18
Nebraska	*	*
Nevada	87,000	\$83
New Hampshire	*	*
New Jersey	186,000	\$182
New Mexico	105,000	\$101
New York	625,000	\$616
North Carolina	340,000	\$324
North Dakota	16,000	\$15
Ohio	394,000	\$358
Oklahoma	130,000	\$126
Oregon	118,000	\$113
Pennsylvania	363,000	\$337
Rhode Island	30,000	\$31
South Carolina	213,000	\$194



TABLE 1

### Estimated Adults and Children Missed by Automatic Payments Who Receive SNAP and/or Medicaid Benefits

	Total individuals	Potential total payments (in millions of dollars)
South Dakota	27,000	\$24
Tennessee	215,000	\$ 213
Texas	685,000	\$624
Utah	*	*
Vermont	14,000	\$13
Virginia	191,000	\$177
Washington	185,000	\$179
West Virginia	100,000	\$94
Wisconsin	*	*
Wyoming	*	*

\*Sample size too small. See the Appendix Table for more detailed state-by-state estimates. Source: CBPP analysis of the U.S. Census Bureau's Current Population Survey for 2015-2017, with corrections for underreported SNAP and SSI from the Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM).

While the 9 million people receiving SNAP and/or Medicaid will be the easiest for states to reach, 3 million other people eligible for payments may be outside the reach of SNAP and Medicaid state agencies. More than half of them are non-elderly adults not raising children at home.<sup>17</sup> Though some may receive other state- or locally administered benefits or be connected to community-based organizations, overall this group tends to be less connected to services and can include people experiencing job or earnings loss, housing insecurity, or homelessness.

### Payments for This Group Can Provide Effective Economic Stimulus

The CARES Act payments are a key pillar of the federal fiscal stimulus measures designed both to help families cope with the loss of jobs and income in the pandemic and to offset the strong downward pressure on the overall economy. The payments for the 12 million people at risk of missing out on them would be particularly effective in boosting economic activity because these individuals have very low incomes and tend to live close to the edge, spending (rather than saving) any additional money they receive. High-income people, in contrast, tend not to live paycheck to paycheck and save at relatively high levels.

Payments to very low-income people are among the most effective ways to stimulate the economy during a recession, a Congressional Budget Office (CBO) analysis issued during the Great Recession

<sup>17</sup> Some childless adults whom our estimates classify as not participating in SNAP may *now* participate because the program's three-month time limit for adults aged 18-50 who aren't employed or raising minor children has temporarily been suspended during the public health emergency. See Ed Bolen, "Unemployed Workers Can Get SNAP During Health Emergency," Center on Budget and Policy Priorities, April 2, 2020, <https://www.cbpp.org/blog/unemployed-workers-can-get-snap-during-health-emergency>.

found.<sup>18</sup> CBO estimated that a tax cut for high-income people would yield 20 to 60 cents of economic activity (measured by gross domestic product) for every dollar of cost, because relatively few of those recipients would spend the money. By contrast, a tax cut for low- and moderate-income people would generate 60 cents to \$1.50 of economic activity per dollar of tax cut. CBO also estimated that an added dollar of SNAP or unemployment insurance would generate 80 cents to \$2.10 in economic activity; these types of stimulus are so effective because both groups tend to be highly cash-constrained. The 12 million eligible people discussed in this report are arguably even more cash-constrained, so delivering payments to this group would be extremely effective stimulus.

## **Governors and State SNAP, Medicaid Agencies Have Key Role**

Governors and state agencies that administer SNAP and Medicaid can play a central role in raising awareness about the payments and connecting non-filers with assistance in getting them. Governors can direct agencies to use available resources to identify individuals eligible for the payments and provide support to help this vulnerable group apply. They also can use their leadership positions to educate the public and organize statewide outreach efforts; governors have led many past outreach efforts, such as campaigns to promote federal tax refunds, children’s health care coverage, and immunization campaigns. Governors can drive such efforts through their chief-executive authority, their convening power, and by leveraging their ability to drive significant earned and unearned media interest (that is, through traditional press stories and paid advertising). In states that administer SNAP and/or Medicaid at the county level, county leaders can play a similar role.

State agencies administering SNAP and Medicaid also can help identify people eligible for the payments and educate them about their eligibility and how to claim the funds. Though many of these agencies face overwhelming workloads now, incorporating this outreach into their regular activities would yield a high impact at relatively low cost. These agencies have daily contact with program participants by phone, in person, or in writing.

Many states have online portals where SNAP or Medicaid recipients can manage their benefits or report changes; 17 states have already posted to their websites basic information about the payments and how to apply (see Appendix III), and other states could as well.<sup>19</sup> For example, states can link to the IRS website and its online form for non-filers to complete in order to receive their payment. States also can provide educational and outreach materials to other government and nonprofit service providers. Some states provide application kiosks and staff to assist applicants in their office lobbies. While most state health and human services offices are currently closed, as they reopen they could provide access to the IRS non-filer form, as well.

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<sup>18</sup> All multipliers from Congressional Budget Office, “Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output From April 2010 Through June 2010,” August 2010, <https://www.cbo.gov/sites/default/files/111th-congress-2009-2010/reports/08-24-arr.pdf>. The U.S. Department of Agriculture’s (USDA) most recent estimates find that every dollar in new SNAP benefits spent when the economy is weak and unemployment is elevated would increase gross domestic product by \$1.54. See Patrick Canning and Rosanna Mentzer Morrison, “Quantifying the Impact of SNAP Benefits on the U.S. Economy and Jobs,” USDA, Economic Research Service, July 18, 2019, <https://www.ers.usda.gov/amber-waves/2019/july/quantifying-the-impact-of-snap-benefits-on-the-us-economy-and-jobs/>.

Moreover, state agencies have contact information for program participants and have many opportunities for direct communication with those potentially eligible. They are in direct written contact through text, email, and regular mail regarding the participants' SNAP or Medicaid benefits and could insert information about how to apply for the payments with those routine communications. (For example, in an email to 93,000 individuals in households participating in SNAP and TANF about the availability of free tax preparation services through VITA, Connecticut Governor Ned Lamont and the Department of Social Services included information about the EIP.) Agencies are also routinely in contact with some participants over the phone, particularly through their call centers. Some of the eligible group will have in-depth interactions with these agencies; for example, a large majority of families participating in state cash assistance programs will likely be in touch with their caseworker over the summer months to renew their benefits or address other issues. This type of interaction represents an excellent opportunity for the state to explain a family's potential eligibility for the payment and help them apply.

Millions of other individuals contact states via phone or the internet every day. While waiting on hold at a call center or conducting business online, they could receive information about the payments and how non-filers can apply. Local human services offices generally inform their eligibility workers and call center staff about other community resources available to families, such as local food banks and other community-based resources, and states could include information about the payments in their materials for eligibility workers so they can provide accurate information.

To contact some non-filers who might not be connected to SNAP or Medicaid, such as very low-income adults without children and people who lack secure housing (including those who are homeless), state agencies can also ask their contracted service providers and other community partners to reach out. The combined efforts of state and community organizations can vastly increase the number of eligible people who actually receive their payments.

Governors and state agencies can also help potentially eligible non-filers connect with third-party organizations that can help them apply accurately and free of charge. Unscrupulous entities and individuals may try to scam individuals out of their payment; states can use their communication networks to help push against these fraudulent efforts and direct eligible individuals to trusted helpers and to correct information.

## **Community-Based Organizations and Local Officials Also Vital**

Community-based organizations and local officials can also play a vital role in helping connect non-filers to economic impact payments. Both serve as essential outreach channels for the EITC and other public awareness campaigns. Community organizations such as community action agencies, faith-based organizations, and religious institutions are connected to many of the 3 million non-filers who don't participate in SNAP or Medicaid, so they are key avenues for outreach. In addition, organizations providing critical services such as food banks and health care likely interact with harder-to-reach populations that state agencies and other outreach channels may miss. Some community-based organizations have staff who can help people complete the IRS non-filer form, which is especially valuable for people without internet access.

Local officials have established platforms they can use to share information about the payments and how to get them. Mayors and city, county, and town officials are attuned to the needs of their

communities and are already working to address challenges that non-filers may face, including homelessness, language barriers, and lack of internet access. Local officials have connections with various entities that can disseminate information, such as school districts and utility companies. In addition to publicizing information about the payments, local officials can help inform people of local sources for help from community organizations.

## **Assistance in Accessing Payments Can Increase Receipt**

To receive a payment, individuals not receiving a federally administrated benefit must provide their information to the IRS no later than October 15 if filing a tax return or by November 21 if using the simplified IRS online form for people who aren't required to file a tax return, known as the "Non-filer" tool.<sup>20</sup> The tool requires a user to create an online account, enter personal information (including direct deposit information, if available), verify their email address, and submit the form. Some individuals who do not typically file a return may find this process hard to complete without assistance even during normal times, and especially during a pandemic.

While the simplified form requires much less information than filing a full tax return, individuals must have internet access, an email address, a direct deposit account or an address to which the payment can be delivered, and facility with the online form and account. For individuals with little or no income, disabilities, or limited contact with public agencies, any of these elements may be challenging.

Normally, agencies could direct people to free taxpayer assistance services such as Volunteer Income Tax Assistance (VITA) sites for help. With most VITA sites closed due to COVID-19, some are offering online services to low-income taxpayers during the pandemic to help filers and non-filers navigate their IRS requirements. Since the IRS is not currently processing paper tax returns, all non-filers will have to submit their information electronically in order to receive their payment in a timely manner. Many non-filers will need help from agencies or these online tax assistance services to submit complete and accurate tax forms and avoid delays with their payment.

The most expedient way to receive a payment is through direct deposit to a bank account, a financial payment app (such as Venmo, PayPal, or Cash App), or a prepaid debit card. When individuals include their direct deposit information on their simplified form, the IRS typically delivers the payment within one to two weeks if no errors arise with the routing information. For individuals for whom the IRS does not receive direct deposit information the IRS will mail a paper check or, in some cases, a prepaid debit card.<sup>21</sup>

Many non-filers may need assistance establishing a bank account or an alternative account that can receive direct deposits. An estimated 14 percent of people with incomes below \$40,000 are "unbanked" (meaning they lack a checking, savings, or money market account), and the share is

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<sup>20</sup> Internal Revenue Service, "Non-Filers: Enter Payment Info Here," updated May 18, 2020, <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>.

<sup>21</sup> Department of the Treasury, "Treasury is Delivering Millions of Economic Impact Payments by Prepaid Debit Card," May 18, 2020, <https://home.treasury.gov/news/press-releases/sm1012>.

likely even higher among non-filers who do not regularly receive federal benefit payments.<sup>22</sup> Bank accounts through certain institutions can be opened online. Several financial apps also address this gap and provide avenues for people to receive direct deposits to their account within the app.

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<sup>22</sup> Board of Governors of the Federal Reserve, “Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020,” May 2020, <https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf>.

## Appendix I

This Appendix Table displays state-by-state estimates of the subgroup of the 9 million people eligible for payments who receive SNAP (whether or not they receive Medicaid) based on administrative data. See Appendix II for more detail.

APPENDIX TABLE

### Estimated People Missed By Automatic Payments Who Receive SNAP Benefits

	Households	Individuals		Potential value of payments
	Total	Total	Under 17 years	In millions of dollars
<b>United States</b>	<b>3,270,000</b>	<b>6,534,000</b>	<b>3,024,000</b>	<b>\$5,700</b>
Alabama	45,500	99,600	47,700	\$86
Alaska	7,900	17,700	7,700	\$16
Arizona	68,500	133,000	56,300	\$120
Arkansas	20,800	46,800	23,500	\$40
California	543,600	1,095,100	548,900	\$930
Colorado	35,200	78,700	42,200	\$65
Connecticut	39,100	65,400	22,800	\$63
Delaware	11,300	22,800	11,100	\$20
District of Columbia	13,200	23,500	9,300	\$22
Florida	245,800	437,400	184,000	\$396
Georgia	151,800	330,400	158,500	\$286
Hawaii	12,100	22,800	9,500	\$21
Idaho	7,300	18,800	10,800	\$15
Illinois	172,000	315,900	129,200	\$289
Indiana	34,600	79,200	39,900	\$67
Iowa	26,300	55,600	27,900	\$47
Kansas	9,100	21,600	11,800	\$18
Kentucky	49,700	95,900	36,400	\$90
Louisiana	48,300	113,300	60,400	\$94
Maine	6,900	14,900	6,900	\$13
Maryland	67,300	121,800	50,000	\$111
Massachusetts	56,100	108,200	48,200	\$96
Michigan	93,500	159,100	53,100	\$154
Minnesota	26,100	49,500	27,100	\$40
Mississippi	41,600	88,800	40,800	\$78
Missouri	38,400	86,300	45,700	\$72
Montana	5,100	11,600	5,400	\$10
Nebraska	9,600	20,900	11,000	\$17

**Estimated People Missed By Automatic Payments Who Receive SNAP Benefits**

	Households	Individuals		Potential value of payments
	Total	Total	Under 17 years	In millions of dollars
<b>Nevada</b>	38,300	69,700	28,400	\$64
<b>New Hampshire</b>	4,400	9,900	4,900	\$8
<b>New Jersey</b>	66,800	139,800	76,800	\$114
<b>New Mexico</b>	27,000	56,800	25,200	\$51
<b>New York</b>	188,600	351,200	152,500	\$315
<b>North Carolina</b>	120,900	241,400	110,200	\$213
<b>North Dakota</b>	3,400	8,400	4,400	\$7
<b>Ohio</b>	92,900	179,800	78,100	\$161
<b>Oklahoma</b>	31,100	74,000	38,200	\$62
<b>Oregon</b>	50,600	92,700	34,400	\$87
<b>Pennsylvania</b>	105,500	211,700	95,200	\$187
<b>Rhode Island</b>	11,200	19,900	7,700	\$18
<b>South Carolina</b>	58,500	134,200	68,900	\$113
<b>South Dakota</b>	5,500	13,900	7,600	\$11
<b>Tennessee</b>	80,700	161,400	70,100	\$145
<b>Texas</b>	290,500	610,000	300,700	\$521
<b>Utah</b>	13,900	33,200	18,600	\$27
<b>Vermont</b>	2,500	5,100	2,300	\$4
<b>Virginia</b>	53,000	126,000	65,700	\$105
<b>Washington</b>	68,900	118,800	47,100	\$110
<b>West Virginia</b>	25,100	50,800	20,600	\$47
<b>Wisconsin</b>	34,800	67,800	28,500	\$61
<b>Wyoming</b>	1,800	4,700	2,500	\$4

Source: CBPP analysis of USDA SNAP Household Characteristics data for fiscal years 2016-2018.

Note: We estimate that about 12 million people will be missed by automatic payments; of these, about 9 million people receive SNAP and/or Medicaid. The figures shown here represent the subgroup of the 9 million who receive SNAP, whether or not they receive Medicaid.

## Appendix II: Estimating the Outreach Population for Economic Impact Payments

Table 1 in this paper relies on nationally representative survey data to estimate the number of individuals eligible for Economic Impact Payments while excluding those likely to receive those payments automatically because they filed federal income taxes<sup>23</sup> or participate in federal benefit programs (Social Security, Railroad Retirement, SSI, or veterans' pensions or disability benefits). The estimates are approximate and are affected by underreporting of income and benefits, recent changes in program participation, and other data limitations.

Data reflect the population, economy, and program participation patterns of 2015 through 2017 and are from CBPP's analysis of the Census Bureau's Current Population Survey (CPS) Annual Social and Economic Supplement, adjusted to correct for underreporting of SNAP and SSI participation in the CPS using baseline data from the Transfer Income Model Version 3 (TRIM 3). TRIM 3 is developed and maintained by the Urban Institute with primary funding from the Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (HHS/ASPE). To improve the reliability of the state estimates, we average together three years of data (2015 through 2017), the most recent available from TRIM. We exclude immigrant families likely to be ineligible due to lacking a Social Security number.

Our SNAP results in the Appendix Table are from CBPP's analysis of USDA SNAP household characteristics data for fiscal years 2016-2018. Because of data limitations (SNAP records do not include annual income or tax filing status), we limit the sample to those making less than the tax filing threshold on a monthly basis and exclude those who might qualify for the EITC or Child Tax Credit based on earnings, monthly income, age, and family composition; we also exclude family members of certain SNAP-ineligible immigrants who didn't report a Social Security number. To err on the conservative side, the figures exclude families that receive SNAP for less than 12 months because such families are especially likely to have worked and earned more in the months before entering the program, and thus to have filed taxes for the year. The figures also (conservatively) exclude families where any family member received Social Security, SSI, or veterans' pensions or disability benefits.

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<sup>23</sup> The CPS does not ask respondents about their income taxes, but the Census Bureau estimates taxes and tax filing status from survey data on income, age, and family relationship. We start with Census tax status indicators and modify them to include additional potential tax dependents not captured in the Census tax model. For example, we count elderly parents who live with their higher-earning children as dependents if they meet IRS dependency rules. Also, when college students live with no family members, we assume their parents claim them as dependents if the students are under age 24, attend school full time, and have income below \$4,150 in 2018 dollars. These adjustments raise the estimated number of filers, spouses, and dependents in tax year 2017 from 286 million using Census' tax indicators to 291 million, which is closer to the actual figure of 293 million listed by IRS (<https://www.irs.gov/pub/irs-soi/17in23ar.xls>). The remaining persons — that is, those not considered to be a tax filer, spouse, or dependent, totaling 31.7 million in the CPS data for 2017 — are the non-filing population. Of those, an estimated 12 million are eligible for Economic Impact Payments and we consider them the outreach population.

As a check, we modeled the outreach population in another Census survey, the Survey of Income and Program Participation, which has better data on which college students can be claimed as dependents (as well as on certain other elements of the calculation, such as immigration status and who receives Social Security benefits). Those calculations also show about 12 million people in the outreach population nationwide in 2016.



## Appendix III: Resources

### Federal Agency Information

- IRS Non-filer tool: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>
- IRS E-file 2019 tax return: <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>
- IRS Volunteer Income Tax Assistance (VITA) locator: <https://irs.treasury.gov/freetaxprep/>
- Social Security Administration: <https://www.ssa.gov/coronavirus/#anchorA>
- Department of Veterans Affairs: <https://www.va.gov/coronavirus-veteran-frequently-asked-questions/>

### National Organization Information:

- Virtual Volunteer Income Tax Assistance help: [www.getyourrefund.org](http://www.getyourrefund.org)
- E-File 2019 tax return: [MyFreeTaxes.com](http://MyFreeTaxes.com)
- CBPP EIP outreach information: <https://www.eitcoutreach.org/tax-filing/coronavirus/>
- University of Michigan stimulus payment guide (applicable nationwide): <https://poverty.umich.edu/stimulus-checks/>
- City of Durham, NC stimulus payment guide (applicable nationwide): <https://www.getyour1200durham.org/>

### State health and human service agency information (examples):

- California: <https://www.ftb.ca.gov/about-ftb/newsroom/covid-19/help-with-covid-19.html#COVID-19-Economic-impact-payments-CARES-Act>
- Connecticut: <https://portal.ct.gov/DRS/COVID19/DRS-COVID-19-Response-FAQ#FSC>
- Florida: [https://floridarevenue.com/childsupport/compliance/Pages/economic\\_impact\\_payment\\_offsets.aspx](https://floridarevenue.com/childsupport/compliance/Pages/economic_impact_payment_offsets.aspx)
- Hawaii: <https://tax.hawaii.gov/covid-19/>
- Illinois: <https://www2.illinois.gov/rev/Pages/Information-Regarding-Federal-Economic-Impact-Payments.aspx>
- Maine: <https://www.maine.gov/dhhs/ofi/dser/stimulus-faq.shtml>
- Michigan: [https://www.michigan.gov/documents/difs/Stimulus\\_Info\\_687081\\_7.pdf](https://www.michigan.gov/documents/difs/Stimulus_Info_687081_7.pdf)
- Nevada: [https://dwss.nv.gov/Support/FAQs\\_Economic\\_Impact\\_Payments/](https://dwss.nv.gov/Support/FAQs_Economic_Impact_Payments/)
- New Hampshire: <https://www.dhhs.nh.gov/dcss/documents/bcss-fto-and-ui-042020.pdf>

- New Jersey: <https://covid19.nj.gov/faqs/nj-information/general-public/how-does-the-cares-act-stimulus-package-help-me-or-my-business-how-do-i-get-my-economic-impact-payment>
- New York: <https://www.tax.ny.gov/press/alerts/stimulus-checks-information.htm>
- North Carolina: <https://files.nc.gov/ncdhhs/NC2020-Stimulus-Updated-FAQs.pdf>
- North Dakota: <https://www.nd.gov/tax/covid-19-tax-guidance/>
- Pennsylvania: <https://www.dhs.pa.gov/providers/Providers/Pages/economic-stimulus.aspx>
- Rhode Island: [http://www.tax.ri.gov/Advisory/ADV\\_2020\\_17.pdf](http://www.tax.ri.gov/Advisory/ADV_2020_17.pdf)
- Vermont: <https://dcf.vermont.gov/dcf-blog/covid19-payments>