

Proposals to Restrict What Cash Assistance Recipients Can Buy: Expensive and Unworkable Solutions Looking for a Problem

- Most recipients of TAFDC or EAEDC cash assistance benefits receive their benefits through electronic benefits transfer (EBT). (Benefits for recipients with bank accounts are directly deposited to the account). The recipient withdraws cash from the account at authorized ATMs and some vendors.
- Because cash benefits are no longer paid by check, recipients don't have to withdraw all of their benefits at once (making it easier to budget and reducing their vulnerability to muggers) and don't have to pay high check cashing fees.
- EBT for both cash assistance and food stamps (SNAP) has allowed the state to make the system much more secure and prevent unauthorized persons from illegally accessing benefits.
- There has been no analysis or study showing that cash assistance recipients use their benefits in irresponsible ways.
- Proposals to criminalize the purchase to or sale by assistance recipients of even small amounts of alcohol or tobacco feed harmful stereotypes about low-income residents of the Commonwealth and would waste scarce law enforcement resources.
- These proposals are not workable, because it is impossible for a store clerk to know if the purchaser receives cash assistance.
- These proposals provide a basis for one resident of the Commonwealth to seek sanctions against another for buying (or selling) lawful products, possibly based on past grievances or the fact the purchaser appears to be low-income and may be a cash assistance recipient.
- There is no way to track purchases made with EBT cash benefits. When the EBT card is used to withdraw cash at a vendor, the transaction is recorded as a cash withdrawal and the purchase is made with cash; only the cash withdrawal, not the purchase, is debited against the card.
- Proposals to convert EBT to a debit card are not workable, since recipients have to use their benefits to pay for rent, pay a baby sitter, pay fees for a child's school activity, and pay for other needs that cannot be paid for with a debit card.
- No state in the country attempts to pay all or most cash benefits through a debit card or vouchers.
- New York State has a statute that requires counties to use vouchers instead of EBT for some recipients. No county has implemented this because doing so would be expensive and very hard to administer.
- In the early 1990s, Massachusetts studied the feasibility of paying a small children's clothing allowance as a voucher instead of in cash. The study concluded that paying the clothing allowance as a voucher would be a costly administrative nightmare.

For more information: Elizabeth Toulan, Greater Boston Legal Services, 617-603-1626; Deborah Harris, Mass. Law Reform Inst., 617-357-0700 x 313,; Rebekah Gewirtz, National Association of Social Workers, Mass., 617-227-9635 x 12.