



# Washington Child Benefits Feasibility Study

**Final Presentation**



# Agenda



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Study Overview

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Methods

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Feasibility Analysis

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Policy Tradeoffs

# Meet the Team



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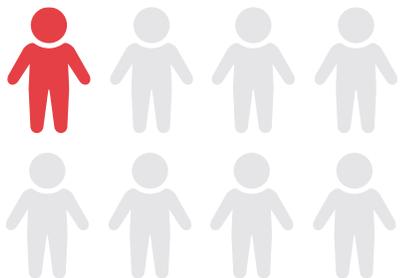
Research Analyst



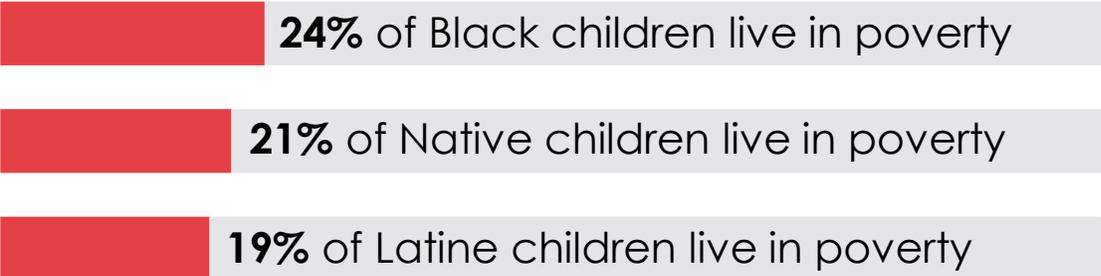
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# Child Poverty in Washington



**1 in 8** children in Washington lives in poverty.



*There is overwhelming evidence that poverty in childhood negatively impacts children and has longstanding harms into adulthood.*

# Study Overview

## Proviso Language

- “The department must submit the studies to the governor and the legislature by June 30, 2025. The studies must analyze:
  - (a) The feasibility of implementing a universal child allowance and universal baby boxes;
  - (b) The feasibility of a social wealth fund for Washington state; and
  - (c) The current cash and cash-equivalent benefits currently available for Washington state residents who are nonworkers.”

## Project Deliverables

1. Literature Review
2. Summary of Current and Innovative National Practices
3. Summary of Current Practices and Initiatives in Washington State
4. Final Feasibility Analysis



# Methods: Policy Areas

## Policy Areas Covered

- *Status Quo Safety Net*: Existing federal/state programs like EITC, TANF, SNAP, WIC
- *Tax Credit Child Allowance*: Annual benefit administered through the tax system
- *Basic Income Child Allowance*: Unconditional, recurring cash transfers outside the tax system
- *Universal Baby Boxes*: Concrete goods provided to new parents, not tied to income or work

## Policy Areas Not Covered

- Childcare supports (e.g., paid family leave, universal or subsidized childcare, early learning)
- Parenting education and home visiting programs
- Wealth-building strategies (e.g., baby bonds, children's savings accounts)
- Healthcare benefits (e.g., expanded eligibility, prenatal/postnatal coverage)

# Methods: Working Policy Assumptions

Design Feature	Tax Credit Child Allowance	Basic Income Child Allowance	Universal Baby Boxes
<b>Eligibility Targeting</b>	Targeted due to constitutional limits; mirrors WFTC (Working Families Tax Credit) income ceiling and phase-out; no minimum earnings	Same income targeting as WFTC; no minimum earnings requirement	Universal—delivered to all new parents regardless of income
<b>Benefit Amount</b>	\$3,000 per child annually; fully refundable	\$250 per child monthly; unconditional and unrestricted	One-time in-kind transfer (~\$300 value); identical for all families; goods would be predetermined
<b>Interaction with Benefits</b>	Not counted as income; no effect on eligibility for other public programs	Likely to affect eligibility for means-tested programs	In-kind transfer; should not affect eligibility
<b>Implementation Framework</b>	Administered by Department of Revenue using tax infrastructure	Administered via a state agency, disbursement partner, and community-based organizations	Could be distributed via health departments, hospitals, or family-serving agencies
<b>Immigrant Inclusivity</b>	ITIN holders eligible	Receipt may raise public charge concerns, potentially affecting immigration applications	No restrictions; receipt should not impact immigration status

# Methods: Feasibility Criteria



## Impact on child poverty

- Impact on child poverty, health, and wellbeing
- Strength of evidence



## Implementation feasibility

- Administrative and resource requirements
- Key design decisions
- Operational barriers



## Political feasibility

- Strategies for messaging
- Political popularity and potential opposition



## Effect on equity

- Experiences with eligibility, access, burden, and phase-outs
- Considerations for populations served



## Cost considerations

- Upfront costs
- Maintenance costs
- Benefit amount costs
- Funding sources/structures

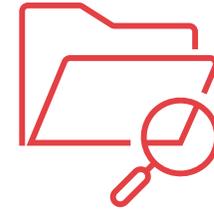
# Methods: Data Collection & Analysis



- Engaged 40+ experts from academia, policy, government, and advocacy
  - Semi-structured interviews, 60-minutes via Zoom



- Rapid Content Analysis
  - Iterative approach to data collection, cleaning, and analysis
  - Facilitated the snowball sampling approach to expert identification and recruitment



- Document Review
  - Literature review and ongoing review of reports, program documents, and relevant proposed and passed legislation

# Policy Matrix

Policy Alternative	Overall Ranking	Evaluative Criteria				
		 Impact on Child Poverty	 Implementation Feasibility	 Political Feasibility	 Effect on Equity	 Cost
Status Quo	4 <sup>TH</sup>	LOW	HIGH	HIGH	LOW	LOW
Tax Credit Child Allowance	1 <sup>ST</sup>	HIGH	MEDIUM	MEDIUM	HIGH	HIGH
Basic Income Child Allowance	2 <sup>ND</sup>	HIGH	MEDIUM-LOW	LOW	HIGH	HIGH
Universal Baby Boxes of Concrete Goods	3 <sup>RD</sup>	MEDIUM	LOW	MEDIUM-HIGH	MEDIUM	MEDIUM

# Status Quo Safety Net

Overall Ranking: 4th

 <b>Impact on Child Poverty</b>	 <b>Implementation Feasibility</b>	 <b>Political Feasibility</b>	 <b>Effect on Equity</b>	 <b>Cost</b>
LOW	HIGH	HIGH	LOW	LOW

- The safety net does reduce child poverty, yet the poorest households are often excluded.
- Existing infrastructure and partnerships operate in WA, but stigma and red tape block access
- Lack of data sharing across agencies perpetuate complexity
- Progressive political climate in WA
- Easier to garner political support for existing programs
- Strict eligibility restrictions
- Racial disparities in enactment of sanction/time limit policies
- Lowest cost to maintain existing programs
- Means-testing incurs administrative costs

# Status Quo: Design Considerations

## Eligibility targeting

- Varies by benefit program

## Work conditioning

- May incentivize work, but excludes poorest families

## Implementation framework

- Administrative burdens can be minimized by aligning eligibility and coordination

## Program phase-outs

- Coordinated gradual phase-outs are most likely to prevent benefits cliffs

# Tax Credit Child Allowance

Overall Ranking: 1st

 Impact on Child Poverty	 Implementation Feasibility	 Political Feasibility	 Effect on Equity	 Cost
HIGH	MEDIUM	MEDIUM	MEDIUM-HIGH	HIGH

- Evidence of positive long-term outcomes (e.g. future adult earnings, reduced public spending)

- WA can leverage existing WFTC infrastructure, but this approach would require more administrative resources

- Tax credit benefits attract more bipartisan support but there is a constitutional constraint on gifts of public funds

- Benefits through tax system may exclude some populations, but CTCs have reduced racial disparities in poverty rates

- High up-front costs
- Ongoing maintenance costs for outreach, processing applications, and distribution

# Tax Credit Child Allowance: Design Considerations

## Eligibility targeting

- Strongest long-term positive effects when targeting youngest children, but will reach fewer children
- Increasing upper income threshold helps more families, but also increases program costs

## Work conditioning

- Work conditioning excludes vulnerable families and reduces impact on child poverty

## Implementation framework

- Trade-off between designing new tax credit program vs expanding the WFTC
- Possible WFTC expansions: eliminating \$1 income requirement, increasing/removing the cap on number of dependents, raising the benefit amount

# Basic Income Child Allowance

Overall Ranking: 2nd

 Impact on Child Poverty	 Implementation Feasibility	 Political Feasibility	 Effect on Equity	 Cost
HIGH	MEDIUM-LOW	LOW	HIGH	HIGH

- Evidence shows that monthly distribution reduces poverty rates more than lump sums

- Developing new programs requires resources, e.g. staff, partnerships, infrastructure.
- Risk of benefits interactions

- Past state bills related to basic income have failed
- Constitutional constraint on gifts of public funds

- Offers similar equity benefits as a tax credit, but accessible to non-tax-filing families

- Designing program from scratch will incur high upfront costs

# Basic Income Child Allowance: Design Considerations

## Eligibility targeting

- Similar considerations as tax credit
- More feasible to deliver benefits prenatally compared to tax credit
- Gradual phase-out promotes upward mobility

## Benefit frequency

- Monthly payments are more costly to administer

## Benefits protection

- Benefits waivers would prevent benefits interaction, but waivers are difficult to attain

# Universal Baby Boxes of Concrete Goods

Overall Ranking: 3rd

 Impact on Child Poverty	 Implementation Feasibility	 Political Feasibility	 Effect on Equity	 Cost
MEDIUM	LOW	MEDIUM-HIGH	MEDIUM	MEDIUM

- There is limited data showing impact of baby boxes on child poverty and health
- Requires infrastructure and partnerships for box storage, assembly, delivery, and eligibility
- In-kind benefits are more politically popular
- Access may be difficult for families with complex family structures or experiencing homelessness
- High upfront costs but smaller benefit cost compared to child allowance options

# Universal Baby Boxes: Design Considerations

## Eligibility targeting

- Some programs are offered during pregnancy, but this would increase implementation costs
- Income targeting may reduce costs, but means testing leads to administrative burden
- Opt-in design minimizes wasted resources, but leads to lower uptake

## Benefit amount

- Higher value of goods may lead to waste
- Experts suggested investing in other programs rather than increasing value of goods

# Findings

**A child allowance is the most likely policy to meaningfully reduce child poverty in Washington, whether structured as a tax credit or as a basic income. Both would also reduce racial and ethnic disparities in child poverty and its consequences.**

# Policy Tradeoffs

<b>Design Tradeoff</b>	<b>Tax Credit Child Allowance</b>	<b>Basic Income Child Allowance</b>
<b>Targeting vs. Universality</b>	Income-targeted (via WFTC); must meet constitutional limits	Income-targeted, but flexible delivery (outside tax system)
<b>Administrative Feasibility</b>	High: uses existing tax infrastructure (Dept. of Revenue, WFTC)	Lower: requires new infrastructure or payment systems
<b>Cash vs. In-Kind Support</b>	Cash-based; annual lump sum	Cash-based; monthly and unrestricted
<b>Benefit Frequency &amp; Delivery</b>	Annual disbursement at tax time	Monthly recurring payments
<b>Cost vs. Impact</b>	High cost, high impact on child poverty	Higher cost than tax credit; strong equity and poverty impact

# Program Design Recommendations

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1. Benefits should be generous and come with minimal use restrictions
  2. Targeting: focus on those who will benefit most, e.g., young children; avoid work conditioning
  3. Use a broad definition of poverty beyond the federal poverty level limit
  4. Streamline benefits access through improving data systems and consolidating application processes
  5. Reduce benefits gradually to prevent sudden drop offs; avoid interactions with other benefits
  6. Engage community members with lived experience and policy experts when designing programs
  7. Maximize flexibility for program administrators when creating legislation; ensure funding consistency
  8. Prioritize community outreach

# Thank you!

Questions? Feedback?



# Links to Project Reports



## [Research Brief: Literature Review of Child Benefit Programs](#)

A research brief summarizing peer-reviewed publications and grey literature on the policies, design variations, and evidence of their effectiveness.



## [Research Brief: Innovative National and International Practices on Child Poverty](#)

A research brief summarizing expert interviews on of large-scale implementations of comparable programs operating in other states or countries that could serve as models for Washington.



## [Research Brief: Current Washington Initiatives on Child Poverty](#)

A research brief summarizing key players, programs, and initiatives, as well as relevant legislation in Washington related to the policies.



## [Policy Solutions to Reduce Child Poverty: Final Feasibility Report and Recommendations](#)

The full final report produced for this project, including all appendices. [Executive Summary available here.](#)

# Contact



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