

Universal Benefits: The Super Solution



James sat at his kitchen table surrounded by paperwork. Pay stubs, bank statements, utility bills, and tax forms covered every inch of the surface. He needed food assistance after his hours were cut at work, but the application process felt like a part-time job itself. He'd already taken two unpaid days off to visit the county office, only to be told each time that he was missing documents. Meanwhile, his refrigerator grew emptier.

Across town, Melissa faced a different challenge. Though employed full-time, her abusive husband controlled their finances. She wanted to leave but couldn't access enough money to secure an apartment. The family technically qualified for assistance, but her husband refused to complete the application process, knowing it would give Melissa resources and independence.

Stories like these play out across America every day, revealing the hidden costs and unintended consequences of how we currently distribute public assistance. This chapter examines means testing—the process of verifying eligibility for government benefits—and explores a transformative alternative that could make assistance more efficient, dignified, and effective.

Understanding Means Testing

Means testing serves as the gateway to most government assistance programs in America. The process determines eligibility by examining an applicant's income, assets, and other resources to confirm they fall below specific thresholds. This approach aims to target limited resources to those most in need while preventing benefits from going to those who supposedly don't require help.

In practice, means testing creates a complex, often intrusive experience for Americans seeking assistance. A typical application process for a program like SNAP involves multiple steps, each presenting potential barriers:

First, you must discover the program exists and determine if you might qualify. This initial step sounds simple but poses challenges for many Americans who don't know what help exists or whether they meet the complex eligibility rules.

Next, you gather extensive documentation—proof of identity, residence, income, expenses, and assets. This requires organization skills, time, and access to technology like printers and scanners. You may need to request documents from employers, banks, or government agencies, which can take days or weeks.

You then complete lengthy application forms, often running 10-20 pages, answering

detailed questions about your household composition, finances, and personal circumstances. These forms frequently use complicated language and require specific knowledge about financial terms.

After submission, you attend an eligibility interview, where a caseworker reviews your application and documents. This usually requires taking time off work, arranging transportation, and potentially securing childcare—all expenses that someone seeking financial assistance likely struggles to afford.

If any information appears incomplete or inconsistent, you must provide additional documentation, potentially restarting parts of the process. Even after approval, you must regularly recertify your eligibility, essentially repeating the application process every 6-12 months.

Many eligible Americans never receive benefits because of these hurdles. The Urban Institute estimates that about 15% of eligible individuals don't participate in SNAP, often because the application process proves too daunting or the stigma too great.

The Hidden Costs of Means Testing

Means testing creates significant costs for both applicants and the government. For individuals and families, these costs include:

Time spent gathering documents, completing applications, attending interviews, and resolving issues often amounts to 10-20 hours per program. This represents time not spent working, caring for family, or addressing other needs.

Transportation expenses for multiple visits to government offices disproportionately burden rural residents and those without reliable transportation. A person might spend \$20-40 on bus fare or gas for each required visit.

Lost wages result when people must take unpaid time off work for appointments. Missing even one day of work can destabilize a budget already stretched thin.

Psychological costs accumulate through the stress of navigating bureaucracy and the stigma associated with seeking help. Research shows that many eligible individuals avoid applying for benefits due to fear of judgment or humiliation.

For the government, costs include:

Administrative expenses for processing applications, conducting interviews, verifying

information, and handling appeals **consume roughly 15% of program budgets**. For SNAP alone, administrative costs exceed \$4.8 billion annually.

Technology systems to manage applications and verification processes require constant maintenance and updates. Many states use outdated systems prone to errors and delays.

Personnel costs cover the salaries and benefits of caseworkers, supervisors, fraud investigators, and support staff. These professionals spend most of their time determining eligibility rather than connecting people with additional resources or addressing underlying needs.

Office space throughout every county in America houses these operations, adding real estate and facility maintenance expenses to the total cost.

All this funding comes primarily from federal and state taxes. The federal government typically covers 50-100% of benefit costs depending on the program, while administrative costs split more evenly between federal and state governments. Counties sometimes contribute to administrative expenses as well, particularly for General Assistance programs.

A Universal Alternative To Means Testing

What if we reimagined this entire system? Rather than requiring people to prove their poverty before receiving help, we could create a universal approach that provides benefits upfront and reconciles eligibility through the tax system afterward.

This approach would work as follows:

Every American citizen would receive a secure benefit card shortly after birth or upon gaining citizenship. This card would function as both identification and a financial instrument, similar to current EBT cards but with enhanced features.

The government would automatically load benefits onto these cards monthly. Instead of requiring applications for each program, citizens would receive standard benefits like nutrition assistance, housing subsidies, or healthcare credits directly.

Income reconciliation would occur through the tax system rather than upfront verification. People with incomes above certain thresholds would effectively return part or all of the benefits through additional taxes.

For example, if a nutrition assistance program provided \$1,000 monthly to help with food

costs, someone earning above the need threshold might pay an additional \$12,000 in annual taxes, effectively returning the benefit.

This approach offers numerous advantages:

Administrative efficiency would dramatically increase. By eliminating most of the current eligibility verification processes, **government agencies could redirect billions of dollars from paperwork to actual benefits**. The tax system already collects income information annually, making it logical to use this existing infrastructure rather than maintaining parallel systems.

Universal coverage would ensure that everyone in need receives help. Studies show that between 10-40% of eligible people never receive benefits under current means-tested programs due to application barriers. A universal approach would close this gap, reaching people who currently fall through cracks in the system.

Dignity and privacy would be preserved. No one would face intrusive questions or judgmental interviews. The stigma associated with receiving government assistance would diminish as benefits became a normal part of citizenship rather than a marker of poverty.

Financial independence would increase, particularly for vulnerable populations. By providing benefits to individuals rather than households, this approach would empower people in abusive or controlling relationships with direct access to resources. A spouse controlling household finances could no longer prevent a partner from accessing food assistance or housing subsidies.

Economic stability would improve as benefits continued seamlessly during job transitions, health crises, or other disruptions. The current system often creates benefit cliffs, where slight increases in income can cause complete loss of assistance, discouraging work and trapping people in poverty.

The Citizenship Card

The Universal Benefit Card would serve as the cornerstone of this new approach, providing multiple functions beyond simply delivering benefits:

As a secure identity document, it would contain biometric verification and advanced security features, making it difficult to counterfeit or misuse. Each citizen would receive their card shortly after birth, with the card's information updated throughout their lifetime.

As a financial instrument, the card would function like a combination of a debit card and a savings account. Government benefits would load automatically each month, with citizens able to spend these funds at authorized locations. The card could also accept direct deposits from employers or other sources.

As a voter registration tool, the card would automatically register citizens to vote upon reaching eligible age. It would serve as accepted voter identification at polling places, addressing concerns about voter verification while ensuring universal access to voting rights.

As a banking alternative, the card would provide financial services to the approximately 6% of Americans who remain unbanked. These citizens currently rely on expensive check-cashing services and money orders, often paying hundreds of dollars annually in fees. The Universal Benefit Card would offer secure storage of funds, bill payment capabilities, and basic banking functions without monthly fees or minimum balance requirements.

The card could integrate with other government services as well, functioning as a library card, transit pass, or healthcare identification. Local governments could add functions relevant to their communities, creating an increasingly useful tool for daily life.

Let's look at a hypothetical example of how this system might work in real life:

Michelle, a single mother in Detroit, demonstrates how this card might work in practice. Each month, her Universal Benefit Card automatically receives a nutrition stipend, housing assistance, and a childcare credit. She uses the card for groceries and pays her rent and daycare provider directly through the card's payment system. The system recognizes these as approved expenses for the relevant benefits.

As Michelle's income from her nursing assistant job fluctuates, she doesn't worry about reporting changes or losing benefits. At tax time, her tax obligation would be adjusted accordingly as the tax rates would reflect the amount she owes. In months when she earned more, she effectively returns a portion of the benefits through taxes. During months when her hours were cut, the benefits provided crucial support without requiring new applications.

Economic and Social Impacts

This universal approach would transform our social safety net in several key ways:

Economic mobility would increase as the "benefit cliff" disappeared. Currently, someone

receiving assistance who gets a raise or better job often loses benefits worth more than their additional income, creating a disincentive to advancement. With benefits reconciled through taxes rather than immediate cutoffs, people could improve their financial situation without facing this penalty.

Administrative savings would be substantial. The Center for Budget and Policy Priorities estimates that **means testing costs approximately \$9 billion annually** across major assistance programs. A universal system would redirect most of these funds to actual benefits while simplifying government operations.

Market stability would improve in sectors like housing and groceries. Landlords and food retailers in low-income areas would know that their customers had reliable access to benefits, reducing risk and potentially lowering prices.

Community well-being would rise as fewer people experienced food insecurity, housing instability, or untreated health problems. Research consistently shows that reliable access to basic needs improves educational outcomes, reduces crime, and enhances public health.

The psychological impacts might be the most profound. The current system often forces people to prove they're "poor enough" to deserve help, creating shame and stigma. A universal approach would recognize that economic circumstances fluctuate throughout life and that access to food, shelter, and healthcare represents a basic right of citizenship rather than a special accommodation for the poor.

Addressing Common Concerns

Critics might raise several objections to this approach, each deserving thoughtful consideration:

Some worry about cost, fearing that universal programs would prove prohibitively expensive. However, this concern overlooks the massive administrative savings and the fact that higher-income people would return benefits through taxes. The net cost might actually decrease compared to current fragmented systems with their extensive bureaucracy.

Others express concern about fraud, wondering if benefits would go to people who don't need them. The tax reconciliation process addresses this concern directly. Someone with high income who receives benefits would effectively return them through higher taxes, while the secure identification features of the Universal Benefit Card would prevent

impersonation or unauthorized use.

Questions about work incentives often arise when discussing universal programs. Would people work less if benefits came automatically? Research on similar programs suggests the opposite. When people have secure access to basic needs, they often invest more in education, entrepreneurship, and career advancement. The elimination of benefit cliffs would further encourage work and advancement.

Some might question giving benefits to wealthy citizens who don't need them. This approach does not recognize that means testing itself creates costs and barriers that outweigh the savings from excluding the wealthy. Furthermore, higher-income citizens would effectively return the benefits through the tax system, making their inclusion administratively efficient without changing the progressive nature of the overall system.

Implementation Considerations

Transitioning to this new system would require careful planning and a phased approach:

Initial rollout might focus on consolidating existing nutrition programs like SNAP, WIC, and school meals into a universal food benefit. This would demonstrate the concept while addressing the fundamental need for food security.

Technology infrastructure would need development and testing to ensure that the Universal Benefit Card works reliably across various contexts. This would include secure identification features, payment processing capabilities, and integration with the tax system.

Legislative changes would establish the legal framework for automatic benefit distribution and tax reconciliation. These would define benefit amounts, reconciliation thresholds, and procedures for special circumstances.

Public education campaigns would help citizens understand the new system and how to use their Universal Benefit Cards. These would emphasize the program's universal nature to reduce stigma and encourage participation.

The transition might take several years, with different programs incorporated gradually to allow for adjustments and improvements based on real-world experience. Throughout this process, maintaining benefits for current recipients would remain a priority to ensure no one loses necessary support during the change.

It Just Makes Things Better

America's current approach to assistance programs creates unnecessary barriers, wastes resources on bureaucracy, and fails to reach many people in need. By shifting from upfront means testing to universal benefits with back-end reconciliation through taxes, we could create a more efficient, dignified, and effective system.

The Universal Benefit Card represents more than a new way to distribute assistance; it embodies a different philosophy about citizenship and mutual support. Rather than treating economic need as a personal failing requiring extensive verification, this approach recognizes that access to basic necessities represents a foundation of meaningful citizenship and human dignity.

Such a transformation would require significant policy changes and initial investment. However, the potential benefits—reduced administration, universal coverage, increased dignity, enhanced financial independence, and greater economic stability—offer compelling reasons to consider this alternative approach.

As we continue exploring ways to strengthen America's social fabric and economy, reimagining how we deliver assistance deserves serious consideration. The technology exists. The administrative savings could be substantial. The question remains whether we possess the political will and vision to create a system that truly serves all citizens with efficiency and respect.