Administrative Burdens in the Time of COVID-19

Pamela Herd and Donald Moynihan

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Webinar begins at 2 pm ET/1 pm CT/12 pm MT/11 am PT
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Jennifer Ailshire @DrAilshire · Apr 1

Just received this series of messages from my niece, who was laid off from her waitress/bartender job

I just spent an hour downloading documents for food stamps and health insurance and it wouldn’t process it

I want to cry

They make it impossible to actually get assistance
Outline

• What are administrative burdens?
• How do burdens matter?
• How can we reduce them?
Why the term “Administrative Burden”? 

- We need a language—and a clear conceptual frame—to talk about the experiences people have when they engage with government, be it when trying to vote or enroll in Social Security.
Are burdens always bad?

NO!
What are Administrative Burdens?
Defining the concept

- Learning Costs
- Compliance Costs
- Psychological costs
Learning costs

- Engaging in search processes to collect information about public services, and how they are relevant to the individual
Compliance costs

• The costs of following administrative rules and requirements
Psychological costs

- Stigma
- Loss of Autonomy
- Stress
Why burdens matter
Burdens are consequential
Opinion

The Coronavirus Stimulus Is Playing Hard to Get

Why do we make it so difficult for people to receive unemployment and other forms of relief?

By Pamela Herd and Donald P. Moynihan
The authors are professors of public policy at Georgetown University.

April 13, 2020
Florida unemployment pay drama rages on as residents face evictions

PUBLISHED TUE, MAY 12 2020•8:31 AM EDT | UPDATED TUE. MAY 12 2020•9:23 AM EDT

KEY POINTS

• Florida has paid unemployment benefits to just 28% of the state’s 1.9 million total applicants since mid-March.

• A moratorium on evictions for renters and homeowners is set to expire on May 17, unless the governor extends it.

• The state hasn’t yet instituted a 13-week federal increase in unemployment pay.
Banks Warn of ‘Overwhelming’ Demand and Messy Start for Small Business Loans

The government has promised to lend $349 billion to small businesses starting Friday, but banks and owners have no idea how it will play out.
Burdens are distributive
Exacerbating Inequality: Targeting

• Poor more subject to means-testing, more subject to burdens
Exacerbating Inequality: Human Capital

- Education, economic resources, health, language skills, time and other individual resources shape peoples’ ability to navigate burdens.

Exacerbating Inequality: Third Parties

- Connections with third parties also matters
Banks Gave Richest Clients ‘Concierge Treatment’ for Pandemic Aid

Some businesses seeking coronavirus loans got to avoid flaky online portals or backed-up queues. Many other small businesses couldn’t get their loan requests submitted before the money dried up.

Universal to Enroll Furloughed Workers into Florida's Unemployment System

BY ASHLEY CARTER | ORLANDO
PUBLISHED 12:30 PM ET APR. 24, 2020
Burdens are constructed
Burdens are constructed

Florida (aide to current Governor): “It’s a shit sandwich, and it was designed that way by [former Governor] Scott. It wasn’t about saving money. It was about making it harder for people to get benefits or keep benefits so that the unemployment numbers were low to give the governor something to brag about…Everyone we talk to in that office when we ask them what happened tells us: ‘The system was designed to fail.’ That’s not a problem when unemployment is 2.8 percent, but it’s a problem now.”
How to reduce burdens
How public officials should evaluate burdens

Transparency & rationality

- Benefits *and* costs (e.g. people not getting needed benefits) must be considered
- Who is affected (distributional impacts), how are their views/interests considered

- Training
- Sludge audits
Deconstructing burdens: Technology

- Can both reduce and increase burdens
Deconstructing burdens: Automation

- Changing the default and otherwise automating processes – powerful type of nudge that reduces all types of costs
- Relying on ex-post rather than ex-ante checks
- Needs state capable and willing to use administrative data
Deconstructing burdens: When help is required

- Information does not solve compliance problems
- Individuals feel overwhelmed, lack capacity
- Third parties can help, but can reinforce inequality
When nudges are not enough: Shifting the burden to the state

- Design principles
  - Simple
  - Accessible
  - Respectful
That’s it!
Questions?

Slides from today’s presentation