

## New Treasury Department, IRS, and Census Study Finds Economic Impact Payments Quickly and Effectively Reached Underserved Communities and Americans Most In Need

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*New research shows receipt rates were high overall, with limited differences across racial, ethnic lines*

WASHINGTON – A team of researchers at the U.S. Department of the Treasury, U.S. Census Bureau, and Internal Revenue Service published a [working paper that studies the demographic breakdown of Economic Impact Payment \(EIP\) recipients](#) to examine potential disparities in the receipt of these payments by race and ethnicity. The new study examines the first round of payments made in 2020, coming from the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act). These payments were designed to blunt the economic effects of the pandemic.

This research is part of the Treasury Department’s broader, groundbreaking efforts to assess the impact of policies across demographic groups.

“Today’s research reflects work by multiple agencies to understand how government policies and programs have impacted different communities,” said Deputy Secretary of the Treasury Wally Adeyemo. “This research will be instrumental as we develop, design, and implement fair and equitable policy responses to potential future economic shocks.”

Today’s analysis found that 55 percent of people who received an EIP did so in the first week the payments were made, and 95 percent received their EIP within six weeks. Younger individuals, lower-income families, and families with children received EIPs more quickly, likely due to the higher rate at which these groups receive tax refunds via direct deposit. In order to issue payments as quickly as possible, as required by the statute, payments were first issued electronically to individuals who received a refund via direct deposit on the tax return used to generate their payment.

Approximately 60 percent of multiracial, Hispanic, or Native Hawaiian or Pacific Islander recipients received a payment in the first week, compared to approximately 55 percent of White,

American Indian and Alaska Native, Black, or Asian recipients. In contrast, White and Asian recipients were the most likely to receive their payments in the first six weeks, though more than 90 percent of payments were received in the first six weeks for every racial/ethnic subgroup the authors examined.

Overall, 92 percent of potentially eligible individuals received an EIP, which outpaces estimated receipt rates for other tax credits and other non-tax benefits. Receipt rates were near 90 percent for most race and ethnicity groups, but they were highest for White individuals and lowest for Hispanic individuals and individuals of a race other than American Indian or Alaska Native, Asian, Black, Native Hawaiian or Pacific Islander, or White.

Today's paper is one of several studies the Treasury Department has undertaken to better understand whether and how government policies and programs expand access to equal opportunity. The Treasury Department will continue to explore opportunities for further research that can help us better understand both the tax code and federal policies more broadly.