

## *Delivering Financial Benefits in an Emergency*

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**Emergency benefit system – what is it?** For most disaster victims, recovery begins when, but not until, basic human needs such as food, clothing and shelter are met. After every catastrophic event, emergency commodities are vital and “cash is king.” For that reason, the delivery of emergency financial benefits is critical. Benefits include pensions, Social Security and Temporary Assistance for Needy Families, as well as payments relating to the disaster such as emergency food stamps, unemployment insurance and emergency cash assistance.

### **The nation needs to develop and maintain an effective emergency benefits system.**

During the summer of 2005, Hurricanes Katrina and Rita dramatically impacted the lives of over four million people in the Gulf Coast region. Beginning with the hurricanes’ landfall on August 29, hundreds of thousands of individuals had immediate need for food, housing, medical care, and other critical human services. Due to conditions immediately following the hurricanes, many of these individuals lacked the ability or resources to access in a timely or efficient manner the much needed local, state, and federal benefit programs and services that were available to them. To mitigate the consequences of a future large-scale disaster, whether natural or man-made, the nation needs to develop and maintain an effective emergency benefits system.

### **Experience shows that we can build an effective emergency benefit delivery system.**

Some Katrina relief efforts were remarkably successful. Using the existing electronic benefit transfer (EBT) infrastructure, the Food and Nutrition Service in the U.S. Department of Agriculture worked with state governments and private EBT vendors to deliver \$907 million in emergency food stamp benefits to 2.3 million households. The American Red Cross provided emergency financial assistance to over four million survivors, amounting to about \$1.5 billion by April 2006.

Traditional hierarchical government departments and agencies acting alone are no longer adequate to meet the challenge of a disaster situation. The Katrina experience shows that effective disaster response requires the design, creation, maintenance, and management of a non-hierarchical network that includes private as well as public actors and all levels of government.

**Promising practices and positive models exist.** It is time to build on them so that citizens are properly protected from the consequences of another catastrophe in the future.

- The U.S. needs to develop and maintain an effective emergency benefits system. Basic components are available on which to build an effective system.
- The necessary organizational structure (i.e., functional network) must be developed to bring together the disparate efforts of multiple federal, state, and local government agencies, nonprofit organizations and private firms, with a common focus on providing emergency benefits effectively.

- Leadership is needed for effective creation and operation of an emergency benefits network. It must come from the federal government because of its strength, capabilities, and ultimate responsibility for the safety, health, and welfare of the people of the United States.
- Leadership backed by strength at the federal level, preferably from a strong agency such as the Office of Management and Budget, is needed to bring everyone, including the more influential stakeholders, to the table. ■

## Resources

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[Thomas H. Stanton, "Delivery of Benefits in an Emergency: Lessons from Hurricane Katrina" \(IBM Center for The Business of Government\) 2007.](#)



*This issue brief is one of a series of IBM Center for The Business of Government mission and program issue briefs prepared in anticipation of the 2008 national election and transition in government.*

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