EMPOWERMENT ACCOUNTS:

LESS POVERTY AND MORE SELF-SUFFICIENCY

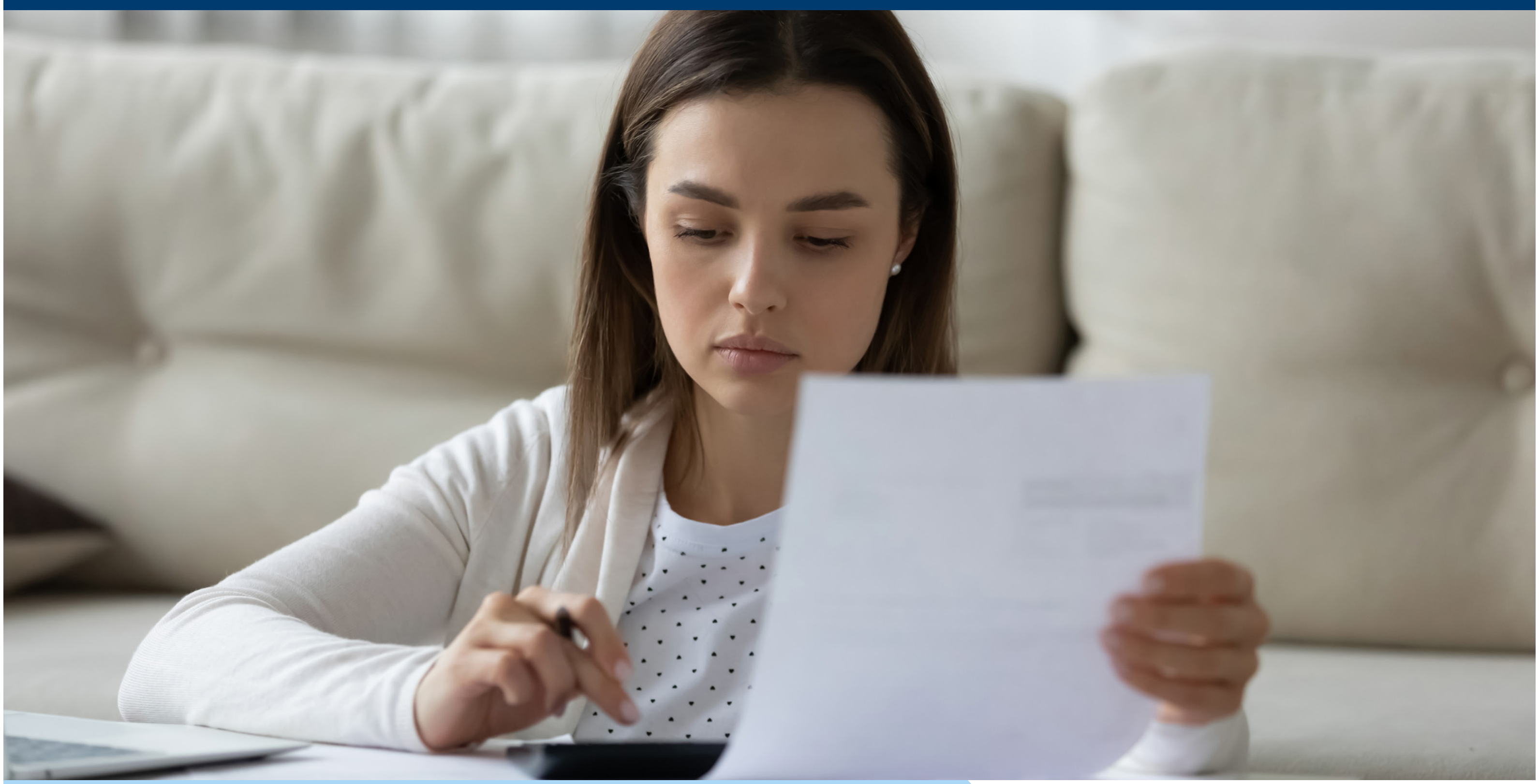

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Table of Contents

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Executive Summary

Work-capable people receiving funding from government safety-net programs have the same underlying dignity, purpose, and capacity as currently self-sufficient individuals. Taxpayer-funded programs that provide resources to needy families, like food stamps and housing vouchers, too often fail to give work-capable recipients the tools and incentives needed to achieve long-term self-sufficiency. Those recipients enroll in these programs to temporarily receive support hoping to bounce back on their feet. But many programs too often ensnare recipients into a cycle of dependence on government. The latter can occur because existing safety-net programs focus primarily on providing material things (e.g., childcare, housing, etc.) rather than empowering recipients to get off the programs. As a result, low-income people can become trapped by an offer of government assistance that can exceed earned wages. To change this dynamic, legislators should use empowerment accounts (EAs)—an innovative and improved alternative that helps provide recipients both the preparation and flexibility to flourish.

EAs would condense and replace some overstretched, wasteful programs into one consolidated and more effective program using existing resources. By cutting down on bureaucratic bloat and streamlining payments, more resources would be used on direct poverty relief without requiring an overall net increase in government spending. Payments would be determined based on income eligibility, similar to the programs replaced; however, they would have a clear and different work expectation and time limit. We provide details for how this could work in Texas: A pilot program would examine the results and expand to other programs and areas if successful in reducing people's dependence on government. This safety-net solution builds on our work on empowerment accounts on the Alliance for Opportunity's website.[1]

Key Points

- Government safety-net programs too often encourage work-capable recipients to remain dependent upon them, harming the very people they are supposed to help.
- Previous policy solutions to mitigate these perverse incentives have not worked well, demanding a different approach.
- Our proposed new program, called empowerment accounts, is an innovative, improved solution that provides a holistic approach to help recipients find self-sufficiency.
- An empowerment account replaces a complex set of safety-net programs with a simpler, more flexible debit card payment along with greater access to work and social capital.
- Texas and other states could start a pilot program for empowerment accounts for eligible recipients, who would forgo current programs, to support an improved path to long-term self-sufficiency.

Introduction

Ideally, dependency on government by those in poverty would be mitigated (and ultimately eliminated) as a result of a prosperous economy and flourishing civil society (i.e., families, churches, nonprofits, communities, etc.). People who have access to jobs and other resources have a better opportunity to thrive or achieve self-sufficiency. If everyone who is capable of working worked, there would be little to no need for a taxpayer-funded government safety-net system. But given that this is not the reality today, there is a need to improve the safety-net system to best serve the intended recipients while reducing the resources redistributed from the private sector. Moreover, government assistance programs have too often become the first resort for those

1 Visit this website for more information about the Alliance for Opportunity's multi-state effort to provide poverty relief with the Texas Public Policy Foundation, Pelican Institute in Louisiana, and Georgia Center for Opportunity: https://allianceforopportunity.com/focus/safety-nets/#promote-financial-independence.

in need instead of a last resort, thereby crowding out private resources to assist them and reducing opportunities for people to flourish. To reverse this tendency and ultimately dramatically reduce (and potentially eliminate) government assistance programs, reforms must provide an institutional framework for those programs and privately funded resources to best serve those in need without increasing recipients' long-term dependency on government programs. These reforms should allow low-income Americans to achieve a better life through financial independence and personal stability.

The three types of broad institutions that are essential to achieve that goal are social, economic, and political (Ginn, 2018). These institutions interact, such as businesses (economic) and families (social) in a free-enterprise system, governments (political) and families (social), or governments (political) and businesses (economic) in a public-choice system. A framework with mostly voluntary exchange and high economic freedom, strong private property rights, and limited government is highly connected with increased individual prosperity, but we need more of this framework across the U.S. to achieve greater human flourishing (Gwartney et al., 2021; Stansel et al., 2021).

One area that has reduced the ability of this framework to work effectively for everyone, especially the neediest among us, is the government's safety-net system, from which we are excluding Medicaid, Social Security, and Medicare for now. In the current U.S. system, self-sufficiency too often remains elusive. Instead, the number of those enrolled in government safety-net programs has increased. Since 1964, when President Lyndon B. Johnson declared a "war on poverty," the U.S. has spent about $25 trillion (adjusted for inflation) on more than 80 federal safety-net programs (Government Accountability Office, 2015) with about $1 trillion spent annually now (Ginn, 2022). In 2020, the official poverty rate was 11.4%, with about 37 million people living in poverty (Shrider et al., 2021). That year, which was plagued by the COVID-19 pandemic and government-imposed shutdowns, Texas had a higher poverty rate of 13.4%, or 3.9 million people (Census Bureau, n.d.). While improved measures of poverty calculated with a broader-based income or consumption measure indicate a sharp decline in the poverty rate (Corinth & Meyer, 2021; Burkhauser et al., 2021), these metrics focus on situational, material well-being at a point in time rather than on a more holistic, ongoing self-sufficiency (Ginn, 2022).

A safety-net system that leads to self-sufficiency for work-capable recipients, who can mentally and physically perform work, would empower them with more flexibility to purchase a responsible basket of goods and services like the approved provisions under the status quo (i.e., shelter, food, clothing, childcare, etc.). Additionally, while on the program, safety-net recipients should be required to work—with skills training or education being a path to gainful employment. Finally, recipients should enjoy the benefits of increased earnings from work without a proportional dollar-for-dollar reduction in payments (i.e., benefit cliff).

State policymakers can take a substantial step toward achieving meaningful poverty relief by creating a pilot program for empowerment accounts (EAs) to study the feasibility of consolidating some chosen safety-net programs into a single account restricted to pre-approved expenses and accessible via debit card. To qualify, recipients would be required to work at least part-time, and meet regularly with a community-based case (CBC) manager and attain financial literacy. To encourage financial prudence and budgeting, recipients would retain any unspent funds in their EA account even after their eligibility expires. The pilot program could start with up to 1,000 work-capable recipients in a specified geographical location eligible for standard assistance programs such as the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF). It would function like a health savings account (HSA) or electronic benefits transfer (EBT) debit card to purchase the same items available to be purchased in the replaced safety-net programs. Details of EAs will be described below, but in general, they are a more holistic approach to encourage work-capable recipients to achieve longer-term self-sufficiency quicker, thereby reducing the number of citizens on government assistance over time. Fewer citizens enrolled in safety-net programs would in turn generate greater economic prosperity by reducing government spending, thereby keeping more resources in the productive private sector. This would allow for more opportunities for people to prosper and reduce the need for government safety-net programs.

Issues With Select Safety-Net Programs in Texas

Texas is the second largest state in terms of economic output and population. As such, it is a reasonable place to evaluate the possible benefits of EAs, which will be discussed in more detail below, compared to the current safety-net system. As a starting point, four government safety-net programs in Texas, though other programs should be considered now or later, could serve their intended recipients better if they were replaced with EAs:

Table 1
Summary Data and Eligibility Criteria for Select Safety-Net Programs in Texas, FY 2019

	Women, Infant, and Children (WIC)	Supplemental Nutrition Assistance Program (SNAP)	Temporary Assistance for Needy Families (TANF)	Housing Choice Voucher Program (HCV)	Total
Individuals	681,555	3,187,238	50,123		
Households		1,364,935	23,544	147,919	
Administrative cost	$76,630,520	$390,053,855	$118,890,950	$99,187,819	$684,763,144
Total cost	$656,295,886	$4,767,112,796	$992,750,930	$1,126,708,357	$7,542,867,969
Admin cost / Total cost	11.7%	8.2%	12.0%	8.8%	9.1%
General eligibilities	Women pregnant, breastfeeding, postpartum, children up to the child's 5th birthday.	Net income must fall below the poverty line after deductions in income.	Must be unemployed or underemployed, have a child 18 or younger, be pregnant, or be 18 years of age or younger and the head of household.	Must be a Texas resident and have an income at or below 50% of the Area Median Income based on family size.	
Annual income eligibility threshold	$40,182	$28,548	$2,472	Must have an income at or below 50% of the Area Median Income based on family size.	
Asset saving threshold	One must qualify for SNAP, TANF, or Medicaid. No other requirements listed.	Liquid assets may not exceed $2,250, unless one is living with a resident that is disabled or at least 60 years old, in which case the limit increases to $3,500.	$1,000 and $4,650 of each vehicle owned by household.	Withdrawal of assets counts as a part of income limit.	

Notes. Data for WIC participation from *WIC Program: Total Participation*, Food and Nutrition Services, May 13, 2022 (https://fns-prod.azureedge.us/sites/default/files/resource-files/26wifypart-5.pdf) and for dollar amounts from *WIC Financial Management and Participation Report*, Food and Nutrition Services, 2019 (https://www.hhs.texas.gov/sites/default/files/documents/doing-business-with-hhs/provider-portal/wic/financial/dec2019closeout-fns798-fy2019.pdf); SNAP from *Supplemental Nutrition Assistance Program, State Activity Report, Fiscal Year 2019*, Food and Nutrition Service, July 2021 (https://fns-prod.azureedge.us/sites/default/files/resource-files/FY19-state-activity-report.pdf); TANF from *FY 2019 Federal TANF & State MOE Financial Data*, Administration for Children and Families, September 2020 (https://www.acf.hhs.gov/sites/default/files/documents/ofa/tanf_financial_data_fy_2019_91020.pdf); and HCV from *Reports: FY 2019 Reports*, Department of Housing and Urban Development, n.d. (https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/psd/reports).

1. Women, Infant, and Children (WIC),
2. Supplemental Nutrition Assistance Program (SNAP),
3. Temporary Assistance for Needy Families (TANF), and
4. Housing Choice Voucher Program (HCV).

Table 1 provides an overview of these programs, which had a cumulative cost of $7.5 billion in fiscal year (FY) 2019. We chose FY 2019 to provide less-inflated figures before the substantial legislative changes in eligibility, enrollment, and costs due to the COVID-19 pandemic (Bitler et al., 2020; Mulligan, 2020).

Issue 1: Improper Spending

Safety-net programs may have specific goals, but funding is not always being used to directly meet those goals. For example, TANF's original intent, which still stands, was to help needy families achieve four broad goals:

- Provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage
- Prevent and reduce the incidence of out-of-wedlock pregnancies
- Encourage the formation and maintenance of two-parent families. (Office of Family Assistance, 2019)

In 2019, Texas spent about $1 billion on TANF, of which only 4% was dedicated to basic assistance, which includes "cash payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs" (Office of Family Assistance, 2020, p. 2). The share of TANF spending on basic assistance for needy families across the nation declined from 71% in 1997 to 22% in 2020 (Azevedo-McCaffrey & Safawi, 2022), making the share in Texas very low. TANF funds in Texas are also spent on program management ($118.9 million; p. 15) and on Pre-Kindergarten/Head Start programs (almost $350 million; p. 13), which is, at best, tangentially related to the four broad goals. There are opportunities to better allocate these resources.

Improper spending has also plagued other safety-net programs and should be addressed. The payment error rate that includes over- and under-payments for the SNAP program in Texas was 6.6%, or $317 million, in FY 2019, which was below the total error rate for the nation of 7.36% (Food and Nutrition Service, n.d.). And while we are not including Medicaid in our pilot currently, there was a record amount of $87 billion in improper spending on the program across the nation in FY 2020 (Centers for Medicare & Medicaid Services, 2020).

Issue 2: Eligibility Requirements

The current safety-net programs in Texas are plagued with eligibility requirements that can steer recipients into cycles of poverty. Each program requires recipients to earn below a certain income threshold. These eligibility requirements can create benefit cliffs: Recipients realize greater losses in total safety-net payments than from increased wages from work, being more productive, finding a better-paying job, or getting married (Randolph, 2017). In Texas, once an individual earns about $20,000 per year, their food assistance and medical assistance drop substantially following an increase in pay of around $500 (Georgia Center for Opportunity, n.d.). These programs are intended to help families exit poverty and achieve self-sufficiency but instead disincentivize increased productivity, better pay, and marriage. Asset limits may also lead to perverse incentives and should be examined closely (Chen & Lerman, 2005).

Issue 3: Administrative Costs

Administrative costs are an inevitable part of any safety-net program, and the higher the number of eligibility criteria, the higher the costs. Herd and Moynihan (2020) note that the administrative burdens in safety-net programs can be costly for both the recipients and taxpayers. These costs should be minimized to ensure recipients are receiving the maximum amount of the finite funds appropriated for the programs. Per **Table 1**, the total administrative costs of these four programs in Texas in FY 2019 amounted to $684.8 million, or 9.1% of the $7.5 billion total cost that year. Therefore, at least $9 out of every $100 spent on these programs are not ultimately reaching intended recipients. This share is the greatest for TANF (12.0%) and the least for SNAP (8.2%).

Recommendation: Empowerment Accounts

Safety-net recipients face steep challenges to self-sufficiency. Many do not learn financial literacy and are disincentivized to earn more income, restricting their access to essential social capital. Previous attempts at mending the shortcomings of existing safety-net programs over the past two decades have too often fallen short of substantial improvements, excluding many of the positive outcomes from the 1996 safety-net reforms, primarily because they tend to focus on material things rather than a needed holistic approach for work-capable recipients to achieve self-sufficiency (Ginn, 2022). Texas, along with other states and the federal government, needs a new, innovative, holistic approach to poverty relief. We recommend the empowerment account. EAs will initially streamline some state-administered safety-net programs into one account accessed with a debit card, but they could replace most if not all other safety nets over time if they achieve the intended outcomes of reducing people's dependency on government. EAs include a work requirement for all work-capable adults, except those adults with children under the age of 6, which should be combined with skills training and attending school when appropriate. There would also be ways for recipients to learn financial literacy, participate in community-based case management, and increase savings while on the program. This approach to poverty relief provides more than just material benefits with the goal of leading to more opportunities for less dependency on government and more long-term self-sufficiency. By doing so, EAs empower recipients to quickly spring back into society with a stronger foundation to flourish.

EAs should start as a pilot program by states, local governments, or nonprofits, then be expanded at the federal level and to other programs not initially included provided superior outcomes are demonstrated. The need and scope of EAs would taper off over time as recipients gain permanent employment and financial independence. The EA program would replace some current safety-net programs so that money goes directly to families every month in an account accessible via debit card tied to a financial app (e.g., You Need A Budget or something simple and at no-cost to the recipients). The app, financial counseling, and lessons on the success sequence would be essential to meeting the needs of the recipient as they learn financial literacy and best practices on how to stay out of poverty.[2]

The amount the government sends to the account would be determined by current income, assets, dependents, and other factors. In contrast to current safety-net programs that use harmful income thresholds, which lead to costly benefit cliffs and recipients clustering at specified income levels, EAs would use a time limit with more flexibility with income limits for as long as one year. After this period, the recipient would need to recertify for an EA if given the opportunity or go back on the former programs if still eligible. Any unspent funds when the program expires would stay with the recipient to incentivize prudent budgeting. The community-based case management provided by nonprofits would help connect recipients with needed resources. Keeping recipients accountable on multiple levels, rather than just material things at the local level, is unique to most other programs and will help recipients build social capital, such as a network built in the community (Joint Economic Committee, 2019). Like existing local case management programs, the state should delegate the functions of case management to private contractors like local charity organizations, religious groups, and other nonprofits with a proven record of successfully helping people out of poverty. This local case management entity would be funded within the available resources in the state agency (i.e., Health and Human Services Commission in Texas) running the safety-net programs and held accountable based on performance outcomes.

Empowerment Accounts Help Mitigate the Three Issues With the Current Programs

Issue 1: Improper Spending

If the funds for government safety-net programs, including TANF, were given directly to families through an EA and accompanied with community-based case management, it would provide an opportunity for families to gain financial literacy and personal stability. EAs could also help dramatically reduce wasteful spending. The U.S. Government Accountability Office (n.d.) found at least $175 billion in improper payments in FY 2019, with 70% of it misspent on Medicare, Medicaid, and the Earned Income Tax Credit. EA funds would be restricted to only government-approved reasonable items (like those already provided by existing safety-net programs as discussed above), but there would be flexibility across those approved items between programs. This would allow recipients to best meet their needs in consultation with their financial app and community-based case manager. For example, it could be that the recipient needs less funding for housing but more funding for food so the funds that would ordinarily be restricted to either just housing or food would be flexible to be spent on either one that meets the need of the recipient.

Issue 2: Eligibility Requirements

Eligibility for an EA would be time-limited to work-capable recipients, such as for up to one year, and based on the income threshold eligibility criteria of the current safety-net programs. This eligibility, along with incentivized savings throughout the program, should help reduce the costs of benefit cliffs. To maintain eligibility, work-capable recipients would be required to work at least part-time and participate in training or education programs in order to attain a well-paid, full-time job.

Issue 3: Administrative Costs

Recall from **Table 1** that the cost of administering WIC, SNAP, TANF, and HCV programs was about $9 of each $100 spent. EAs would substitute much of the administrative expenses with community-based case managers, who would be held responsible for outcomes, not inputs, and be done within existing funding from the state agency administering the program (i.e., Health and Human Services Commission in Texas). Consolidating these four programs into EAs would streamline and simplify administration, thus likely cutting costs, allowing for more of the resources to go directly to recipients and community-based case management. Additionally, the bloated bureaucracy is burdensome to recipients. Differing eligibility requirements for each program can be difficult to navigate and related paperwork can be time-consuming, both to the bureaucracy and recipients. The resources necessary to manage these administrative costs would be better concentrated on direct support to recipients. Consolidating the programs into a single EA with a set eligibility over a set period would make progress toward this effort by reducing bureaucratic inefficiencies while keeping guardrails on the program in place.

Recommended Implementation Plan

State Legislation to Implement an Empowerment Account Pilot Program

- Legislation could use currently available flexible federal block grants to create the EA pilot for specific eligible recipients of at most 1,000 people who are currently eligible for the safety-net programs selected for the pilot

2 For example, millennials who followed the success sequence of finishing high school, getting a full-time job, and marrying before having kids are only 3% likely to be poor (Wang & Wilcox, 2022).

in determined geographic areas. Texas could also use general revenue to avoid federal restrictions and supplement with private donations, as long as the program is ultimately cost-neutral to the state.[3]

- Available federal block grants[4]:
  - TANF, $484.7 million for FY 2022
  - Social Services Block Grant (SSBG), $142 million for FY 2022
  - Community Services Block Grant (CSBG), $84.7 million for 2022-23 biennium (p. 443)
  - Community Development Block Grant (CDBG), $75.3 million for 2022-23 biennium (p. 444)
- There would be a single, consistent eligibility criterion based on income, assets, dependents, and other factors, which would be modeled on the replaced safety-net programs. The pilot program would have a requirement for at least part-time work, with training or education completed to attain full-time employment.
- This EA pilot program would provide a debit card to meet basic needs, similar to a health savings account (HSA) or electronic benefits transfers (EBTs) for a specified, limited number of low-income individuals who qualify for other safety-net programs (for instance SNAP, Housing, WIC, and TANF programs).
- An EA would replace the payments from the recipient's current safety-net programs. The recipient would agree to be removed from those programs during the EA pilot.
- The EA debit card would be combined with a financial application or literacy lessons, along with an understanding of the success sequence, that would allow the recipient to learn budgeting and improve their financial independence.
- The amount of EA funding would end after at most 12 months to avoid benefit cliffs and then the recipient could receive the original programs if still eligible or the EA could be extended. New recipients could receive an increasing amount over time based on the chained consumer price index (CPI), like the income tax brackets in the federal tax code, as most current safety-net programs are already adjusted for a measure of inflation.
- Any amount remaining in the EA at the end of the allotted period would go to the recipient to help reduce improper spending and help incentivize savings.
- The program would connect recipients with a case manager from a qualified nonprofit organization (e.g., faith-based organization) that would provide support and connections to a community that could last long past their time on the EA.
- Eventually, states could request waivers from the federal government to run a state-wide project that better serves low-income citizens who currently qualify for federal programs while also saving federal funds.
- Reduced administrative costs are just one example of savings from a streamlined EA program. The less states spend on administrative costs, the more money they can use for its intended purpose: to serve the neediest Texas families.
- Because an EA program provides recipients with tools to achieve financial self-sufficiency and not return to safety-net programs, it will demonstrate that there can be reduction in expenditures over time as need declines.
- In implementing an EA program, the state would specify and track outcomes for the pilot group, such as connection to work, earnings, job stability, recipients' savings from the EA payments, etc.

Federal Legislation

After examining the effects of the EA program at the state level, pass federal legislation and an amendment to the federal budget bill to replace federal safety-net programs, such as the Earned Income Tax Credit or Child Tax Credit, with

3 EAs may look similar to HB 1483 that passed in Texas in 2019 but ran into issues regarding federal legislation needed to run the program based on it not being cost-neutral and the funding to the Padua program (*Dallas Morning News* Editorial, 2021). EAs may also look similar to HB 3905, which did not pass in Texas in 2021. We have evaluated issues with prior bills to help construct a path to avoid such roadblocks with this EA pilot program.

4 TANF and SSBG annual amounts are provided by the Legislative Budget Board (2022a). CSBG and CDBG biennial amounts are provided by the Legislative Budget Board (2022b, p. 443-444).

an EA program (Alliance for Opportunity, n.d., Promote Financial Independence).[5]

Empowerment Accounts Are Not a Universal Basic Income

Policymakers have suggested potential solutions for returning independence and dignity to the impoverished. One proposal already being implemented in a few cities, states, and countries is the Universal Basic Income (UBI), in which the government gives recipients money directly with little strings attached (Samuel, 2020). The UBI concept most recently grew in popularity in 2019 when then–Democratic presidential candidate Andrew Yang proposed a stipend called the "Freedom Dividend" of $1,000 per month for every American adult over 18 years old (Yang 2020, n.d.). UBI allows families to decide how to allocate the money they receive from the government, rather than the government making important financial decisions for them. However, the cost of UBI would place a tremendous burden on taxpayers leading to perverse incentives to work across the income spectrum. Yang's proposed program was estimated to cost $2.8 trillion every year (Pomerleau, 2019). This costly program would reduce economic activity and leave more impoverished over time.

Alternatively, inspired by Milton Friedman's negative income tax (Friedman, 1962, p. 190-195), Charles Murray (2016) has proposed his own version of a UBI, which would replace all current government safety-net programs, although without a work requirement. The lack of a work requirement provides a perverse incentive not to work thereby reducing productivity and increasing dependency on government rather than self-sufficiency, dignity, and purpose. Murray's UBI would give monthly cash installments to every American adult aged 21 and older. Although it may cost less than the current system, Murray's UBI, like Yang's, would still be a huge cost to taxpayers by any federal, state, or local government that would implement such a system.

A UBI like those mentioned above would offer universal eligibility, which would result in a massive increase in government spending and taxes along with crowding-out effects in the private sector, particularly disincentives to work (Tanner, 2016). Jaroszewicz et al. (2022) find that giving people unconditional cash transfer amounts of $500, $2,000, or $0 did not improve a person's financial situation and made them distressed because of newly found unmet needs. These costly effects should not be realized under an EA program due to the connection with work and eligibility criteria. In fact, if properly constructed and implemented, a statewide EA program will likely help reduce government spending and taxes over time from reduced bureaucracy, more efficient use of government funds, and a more self-sufficient citizenry.

Conclusion

The time is overdue for a new approach to improve self-sufficiency that will ultimately help mitigate poverty and reduce dependency on government programs. Too many Americans remain impoverished because money spent on safety-net programs aims to improve material wealth rather than holistically uplift those most in need. An empowerment account, as outlined here, is not a one-size-fits-all solution to poverty relief, but it can be a drastic improvement from the status quo. An EA program would help eliminate administrative bloat, build social capital, increase accountability, incentivize work, and impart lasting lessons on financial literacy and savings, which other programs have historically failed to do. This innovative, holistic approach to promote human flourishing is exactly the type of last resort society should rely on until there is no longer a need for governmental safety nets.

5 The quotes are mostly directly from the website, on which the authors have worked.

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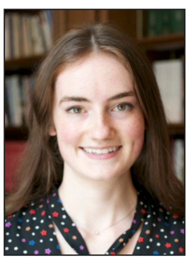
Vance's work at the Foundation includes producing high-quality research with free-market reforms on multiple policy areas and works with other state think tanks on conservative budgeting approaches, which he has been honored with multiple awards for these efforts. Before joining the Foundation in his current capacity, Vance served as the associate director for economic policy of the Office of Management and Budget (OMB) at the Executive Office of the President from 2019 to 2020, where he advised the White House on economic and fiscal policy matters. Before that Vance worked at the Foundation and fought for and won many free-market reforms to let people prosper during multiple legislative sessions. Before these endeavors, he taught multiple economic courses at Sam Houston State University and Texas Tech University, where he won a teaching award.

Vance earned his doctorate in economics from Texas Tech University. He graduated high school from home school in South Houston, Texas. He resides in Round Rock, Texas with his wife and three kids and is a drummer who played for a top rock band in Houston.



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