

# Gov policy instruments:

Government have a budget of  $R$  and seek to give out a benefit  $B \leq \bar{B}$

to as many  $a_L$  as possible using the following instruments:

- $\alpha$  :screening intensity/ transaction costs       $\alpha \uparrow \quad f(\alpha) \uparrow \frac{\epsilon}{\alpha} \downarrow$
- $\bar{a}$  :strictness of eligibility criteria/ threshold       $a' = a + \frac{\epsilon}{\alpha} < \bar{a}$  receives  $B$
- $B$  :program benefit       $B \uparrow \quad u(a_i + B - f(\alpha)) \uparrow$
- $S$ : ordeal level       $s \uparrow \quad u(a_i + B - f(\alpha) - s) \downarrow$

	SSDI	TANF
Who is the target?		
Benefit size		
PMT: objective, hard to manipulate info		
Strictness of eligibility (use PMT variables)		
Info from community needed?		
Ordeals: appearing in person, recertification, attending workshops		
Complexity of the application		