

Moving Beyond First-Come First-Served Towards Promising Practices

To maximize the impact of relief funds, program managers should avoid simple first-come first-served allocation methods

What motivated this work?

In the wake of the COVID-19 crisis, U.S. General Services' the Office of Evaluation Sciences spoke to representatives from over twenty city and state governments to uncover priority evidence gaps. A common question we were asked was: what is the most equitable way to distribute emergency relief funds? We initiated work to answer this important question given a lack of existing evidence.

What did we do?

We compared ten different ways to distribute money with real data from city small business relief programs that accepted applications and disbursed funds between March 2020 and February 2021. With these methods, we were able to ask "what if" funding had been allocated with different approaches—and compared the portion of funding that would be awarded to applicants from underserved businesses, such as those owned by women, racial and ethnic minorities, and those located in low-to-moderate income areas.

What did we learn?

This work identified promising practices to maximize impact and reach identified populations most in need of emergency relief. Several lessons emerge, including:

- Simple first-come, first-served methods can disadvantage applicants from historically underserved groups, because their applications typically come in later.
- Points systems that do not explicitly prioritize businesses from historically underserved groups can inadvertently disadvantage those businesses, because they tend to score lower on common metrics (FTE, past revenue, etc.).
- Weighted lotteries and set asides within first-come, first-served methods are promising practices to facilitate more equitable outcomes.

Detailed information on the context, methodology, and results can be found within the report <u>Who Receives Access to Small Business Relief? A Simulation - based Approach</u>. More information on our portfolio of work surrounding Equity and Small Business Recovery are <u>detailed in this write-up</u>, and summaries of individual evaluations and their results can be found on our website.

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