

Equity Action Plan Digests: Department of the Treasury

Summarized by Madeline Baxter

This is one in a series of Urban Institute digests summarizing federal agencies', subagencies', and commissions' 2022 equity action plans, which were released in response to the Biden administration's January 2021 executive order, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. The Department of the Treasury's equity action plan is available at https://assets.performance.gov/cx/equity-action-plans/2022/EO%2013985_USDT_Equity%20Action%20Plan_2022.pdf (PDF).

Overview

What problem is the agency trying to solve?	Working to include everyone in economic recovery, working to remove any barriers that would prevent any member of the American public from having equal access to Treasury's programs and services (p. 1)
Priority groups	Black people (p.3), Latino people (p. 3), Native Americans (p. 3), and underserved consumers in rural areas (p. 2)
Historic harm mentioned?	No
Partners in implementation	Department of Education (p. 8); other data producers (does not specify) (p. 5); state, local, and tribal governments (p. 2); supplier diversity organizations (p. 11); Social Security Administration (p. 6)
Equity defined as	Not defined beyond executive order

Pillars and Principles of Equity

Acknowledgement of past harm and present barriers	Racial wealth gap (p. 3); disparities in homeownership and median household wealth (p. 3); uneven risk communities of color faced as frontline workers during the pandemic (p. 3); lack of current demographic data of taxpayers (p. 5); small businesses have received a smaller proportion of spending (p. 10); adding equity to the agenda in the middle of the fiscal year limited fund access (p. 12)
Impact goals	Implement robust pandemic response programs and policies that encourage an equitable distribution of funds (p. 4); facilitate sustainable economic recovery (p. 4); equitably collect delinquent debt (p. 7); facilitate exchange of data between the Internal Revenue Service and the Census Bureau (p. 7)
Actions and activities	Developing a sound method to impute demographic data (p. 5); using demographic data to understand underserved communities (p. 6); updated category management stewardship practices (p. 10); developing job aids, providing technical assistance (p. 11)
Accountability measures and approaches	Inclusion within strategic plan (p. 4); new agency priority goal to track progress of equitable American Rescue Plan program implementation (p. 4); documentation of system enhancements into Bureau of the Fiscal Service's roadmap (p. 9); monitor small business achievement (p. 11); review by Treasury's Procurement Equity Council (p. 11)

Note: For the rubric we used to evaluate these components of the equity action plans, see the appendix to the Urban Institute's 2023 brief "Pathways to Equity at Scale: An Analysis of the 2022 Federal Equity Action Plans and Recommendations for 2023 Plans," available at https://www.urban.org/sites/default/files/2023-03/Pathways%20to%20Equity%20at%20Scale%20Appendix_0.pdf.

Types of Equity and Related Activities

Procedural (example: expanding language and translation services; simplifying the vendor application process)	State and local reporting guidance updated to include equity (p. 2); Non-Filers Tool and Get My Payment Tool for tax credits available in English and Spanish (p. 6); reviewing the Treasury Offset Program to define avenues for those with delinquent debt to increase access to creditor agencies (p. 8); examining Federal Claims Collections Standards for fairer debt collection (p. 9); incorporating equity in quarterly review process (p. 12)
Distributional (example: creating new procurement program)	Emergency Capital Investment Program (p. 2); Community Development Financial Institutions' Rapid Response Program (p. 2); emergency housing programs (p. 2); economic impact payments initiative (p. 6)
Structural (example: policy change via proposing legislation related to an equity goal; changing organizational functions)	Appointment of racial equity counselor (p. 2); creation of the Internal Revenue Service Research, Applied Analytics and Statistics Division to coordinate interagency data exchanges (p. 7); created Treasury Procurement Equity Council (p. 10)

Key Metrics to Measure Progress on Equity

- taxation equity analyses using new imputation methods (p. 5)
- new procurement entrants (p. 10)
- small disadvantaged business achievement (p. 11)

Looking Ahead: Key Reflections for Plan Implementation

Where is the agency set up for success?	Alignment of equity goals with the strategic plan (p. 4); publication of quarterly and annual performance reviews (p. 5); goals incorporated in quarterly reviews (p. 11); updated agency priority goals quantify success metrics and work to simplify user experience
Areas for future investment and growth	Address differences between equity action plan goals and the goals in the department's one-year progress report; clearly define how department will engage new stakeholder communities based on its tax equity or recovery equity analyses; engage program beneficiaries in development of agency priorities for equitable recovery; address historic harm in tax code