



# Guaranteed Income Demonstrations

## The Guaranteed Income Pilot Program of 2020, sponsored by Rep. Bonnie Watson Coleman (D-N.J.) would:

- Set up a three-year national pilot program to provide a guaranteed monthly income to 6,000 taxpayers ages 18 to 65.
- Provide a monthly guaranteed income equal to the fair market rent for a two-bedroom home in the recipient's zip code.<sup>1</sup> The subsidy would not be taken into account as income for any federal, state, or local benefits or assistance.
- Require IRS to publish the outcomes of the pilot, including impacts on financial security, health, and the social impacts of income volatility. IRS, in consultation with an external research partner, would also develop selection criteria and other details of eligibility.

## OVERVIEW

Cash offers dignity and self-determination, and recognizes that a one-size-fits-all approach is antiquated and rooted in distrust. Years of research show that when given unrestricted payments, recipients are able to pull themselves out of poverty and create economic stability for themselves and their families. Direct financial supports have also been found to [improve](#) health, educational, and child welfare outcomes.

Pilots and demonstrations allow communities to better understand the impacts that a guaranteed income can have. Recent privately funded programs in Stockton, CA and Jackson, MS, have used quantitative and qualitative research to communicate key outcomes with the public, building new evidence and experience for cash supports on top of a foundation of research from around the world.

## STOCKTON, CALIFORNIA

The Stockton Economic Empowerment Demonstration (SEED) is the country's first mayor-led guaranteed income demonstration. In February 2019, SEED distributed \$500 every month to 125 Stocktonians. This program was originally expected to continue until July 2020, but the ongoing economic impact of the COVID-19 pandemic compelled donors to help continue the monthly payments through the end of 2020.

After 9 months, [early research](#) showed that:

- Less than 2% of SEED recipients were unemployed and not looking for work

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<sup>1</sup> Estimated to be \$1,200 on average, depending on the recipient's zip code.

- 40% of the cash was spent on food, 25% was spent on merchandise (clothing, home goods)
- Recipients have reported an increased amount of time spent with family

## JACKSON, MISSISSIPPI

The Magnolia Mother's Trust, a program of the non-profit organization Springboard to Opportunities, serves Black mothers living in affordable housing in Jackson, MS. In December 2018, the Magnolia Mother's Trust distributed \$1,000 a month for one year to 20 recipients. In March 2020, an expanded version of the program began, distributing \$1,000 to a cohort of 110 new recipients.

After the first 12 months, [survey results](#) showed that:

- The number of participants with a completed high school equivalency education increased from 63% to 85%.
- Collectively, the 20 participants were able to pay off over \$10,000 of predatory debt.
- The number of participants who prepared three meals a day at home for their family increased from 32% to 75%.

## OTHER EXAMPLES IN THE UNITED STATES

- The [Alaska Permanent Fund](#) dividend has kept 15,000 to 25,000 residents (2 to 3% of the state's population) above the poverty line annually since 1990, providing the greatest value to the state's most vulnerable populations – children, Alaska Natives, and rural residents.
- In Native American tribes with casino dividends, an additional \$4,000 per year in income [results in](#) an additional year of school participation by age 21 in families with incomes less than \$30,000.
- [Mayors for a Guaranteed Income](#), launched in June 2020, brings together 25 major-city mayors advocating for a guaranteed income for communities across America.

## RECENT MEDIA COVERAGE

- [Can Guaranteed Income Help Americans Escape Poverty?](#) Katia Savchuk in *Marie Claire*, July 28, 2020
- [These mayors want to fight Covid-19 and the recession with one big idea: A guaranteed income](#), Dylan Matthews in *Vox*, July 21, 2020
- [The Promising Results of a Citywide Basic-Income Experiment](#), Linnea Feldman Emison in *The New Yorker*, July 15, 2020
- [The City That's Giving People Money](#), Annie Lowrey in *The Atlantic*, May 24, 2020
- [Give poor people a guaranteed income and let them spend it however they please](#), Rebecca Ruiz in *Mashable*, April 28, 2020