



The Guaranteed Income Pilot Program of 2021

The Guaranteed Income Pilot Program of 2021, 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.¹ The subsidy would not be taken into account as income for any federal, state, or local benefits or assistance.
- Require the 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.

BENEFITS OF GUARANTEED INCOME

Cash offers dignity and self-determination, and recognizes that a one-size-fits-all approach is antiquated and rooted in distrust and misguided notions of deservedness. Years of research show that when given unrestricted cash, recipients are lifted out of poverty and are able to 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 for cash supports on top of a foundation of research from around the world.

Guaranteed income demonstrations are gaining popularity across the country. Building on the success of the Stockton and Jackson demonstrations, and in response to the coronavirus pandemic, dozens of guaranteed income programs and direct cash transfer programs have been developed around the country over the last year. Launched in June 2020, [Mayors for a Guaranteed Income](#) now has 50 mayors committed to advocating for a guaranteed income – many of whom are launching pilots in their cities. In addition, the [Guaranteed Income Community of Practice](#) brings together more than 200 advocates, academics, policymakers, and practitioners – dozens of whom are launching guaranteed income demonstrations.

STOCKTON, CALIFORNIA

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

The Stockton Economic Empowerment Demonstration (SEED) is the country's first mayor-led guaranteed income demonstration. Beginning in February 2019, SEED distributed \$500 every month to 125 Stocktonians for 24 months.

[Results](#) from the first year of disbursements show that:

- **Guaranteed income helped recipients find full-time employment.** At the start of the program, 28% of recipients had a full-time job. After one year of cash payments, 40% of recipients were employed full-time.
- **Guaranteed income reduced income volatility.** The control group experienced nearly 1.5 times more income volatility than the treatment group. In addition, program recipients had more liquidity to pay for unexpected expenses.
- **Program recipients were healthier,** showing less depression and anxiety and enhanced wellbeing.

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%.

An [evaluation of the second cohort](#) of The Magnolia Mother's Trust, in which initial payment coincided with the start of the coronavirus pandemic in the U.S., found that:

- The ability of mothers to pay all of their bills on time increased from 27% to 83%.
- The percentage of mothers who had money saved for emergencies increased from 40% to 83%.
- The number of mothers who had health insurance coverage increased 25%.

OTHER EXAMPLES IN THE UNITED STATES

- The [Alaska Permanent Fund](#) dividend has kept 15,000 to 25,000 residents (2 to 3 percent 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.

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
- [Universal basic income is here -- it just looks different from what you expected](#), Eileen Guo in *MIT Technology Review*, May 7, 2021
- [Every U.S. city testing free money programs](#), Chase Dibenedetto in *Mashable*, May 03, 2021
- [Guaranteed Minimum Income: What is it and How is it Different From Universal Basic Income?](#), Jacqui Germain in *Teen Vogue*, February 16, 2021
- [Guaranteed Income in Jackson Designed By Black Moms for Black Moms, Showing Results for Black Moms](#), Oscar Perry Abello in *Next City*, March 23, 2021