

Addressing Child Poverty: The Power of Guaranteed Income Programs

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“I am now convinced that the simplest approach will prove to be the most effective – the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.”

-Dr. Martin Luther King Jr. in “Where Do We Go From Here: Chaos or Community?”, 1967

What are Guaranteed Income programs?

- Provide unconditional cash transfers to individuals and households.
- Distinct from traditional safety net programs:
 - Recipients free to spend the money any way they see fit
 - Do not require recipients to engage in specific activities (employment, drug-testing, enrollment in training etc.) to remain eligible.
- Universal Basic Income—a type of Guaranteed Income program—receives most attention on media

Why the renewed interest in Guaranteed Income programs?

- Displacement due to accelerated adoption of technology, on warp speed with recent advances in AI.
- COVID-19 pandemic exposing fault lines in safety net systems while exacerbating hardships
- Success of pandemic-era assistance programs (e.g., 3 rounds of stimulus checks and fully refundable, expanded advance payment of federal Child Tax Credit)

Where are the on-going Guaranteed Income programs? ([Link](#))

Guaranteed Income Pilots Dashboard				
Home About Pilots Stories In the News				
LOCATION ↕	# OF PARTICIPANTS ↕	MONTHLY PAYMENT ↕	DURATION ↕	
Atlanta	275	\$500	1 year	LEARN MORE
Baltimore	200	\$1,000	2 Years	LEARN MORE
Birmingham	110	\$375	1 Year	LEARN MORE
Cambridge	130	\$500	1.5 Years	LEARN MORE
Columbia	100	\$500	1 Year	LEARN MORE
Durham	109	\$600	1 Year	LEARN MORE
Gainesville	115	\$1,000 1st month then \$600	1 Year	LEARN MORE
Ithaca	110	\$450	1 Year	LEARN MORE
Los Angeles	3202	\$1,000	1 Year	LEARN MORE
Los Angeles County	1000	\$1,000	3 Years	LEARN MORE
Louisville	150	\$500	1 Year	LEARN MORE
Madison	155	\$500	1 Year	LEARN MORE
Mount Vernon	200	\$500	1 Year	LEARN MORE
Mountain View	166	\$500	2 Years	LEARN MORE
New Orleans	125	\$350	10 months	LEARN MORE
New Orleans and Indianapolis	470	\$200 (\$50/week)	1.3 Years	LEARN MORE
New York City	600	\$500-\$1,000	3 Years	LEARN MORE
Newark	400	\$500	2 Years	LEARN MORE

Where have Guaranteed Income programs been studied (“completed”)?

Stockton, CA (SEED program)

North Carolina
(Casino Dividend to Cherokee Indians)

Finland (\$635 to 2,000 unemployed individuals for 2 years)

Manitoba, Canada
("Mincome" program)

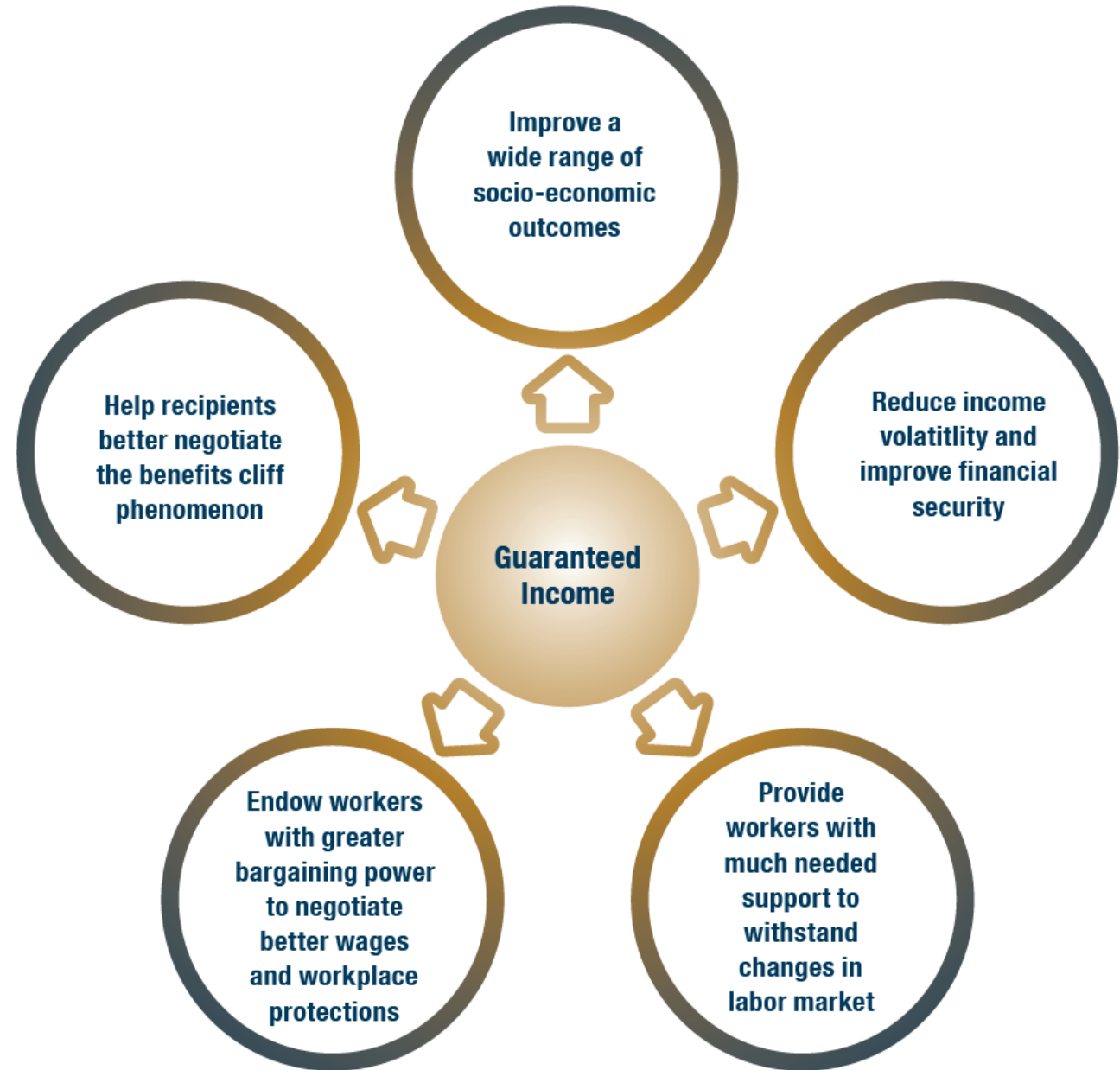
Barcelona, Spain
("B-Mincome" program)

Rio de Janeiro, Brazil
("mumbucas" digital currency)

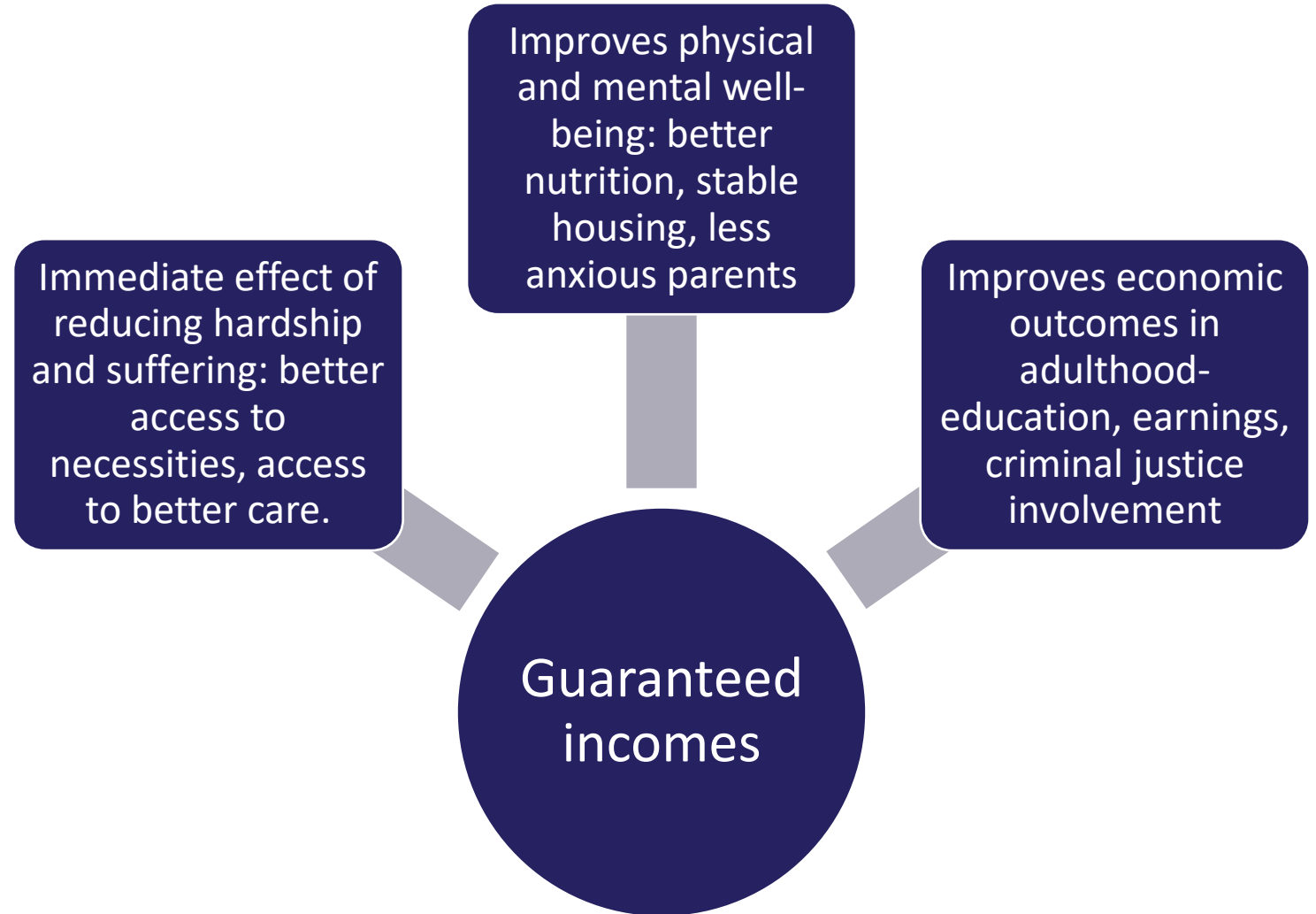
Kenya (long running program through GiveDirectly)

Alaska (Permanent Fund Dividend)

How Guaranteed Income programs help workers?



How Guaranteed Income programs help improve outcomes for children?



Do Guaranteed Income programs discourage work?

Critics against guaranteed income argue that it disincentivizes work, a notion that has been thoroughly debunked. Systematic and rigorous evaluations of most guaranteed income programs have indicated that they do not encourage individuals to be less productive in their work or be more reluctant to seek out job opportunities. Providing a minimum income in all the cases cited in this report did not make recipients work less or be less productive. Workers did not reduce hours worked, nor did they compromise the quality of their work when receiving income assistance. Additionally, unemployed workers who were guaranteed income recipients, did not take any longer to find jobs than unemployed workers who were not receiving the same income

assistance. In the case of Stockton, CA, full-employment among the recipients increased from 28 percent before the trial to 40 percent afterwards—a much larger improvement compared with the non-recipients, among whom the share engaged in full-employment increased from 32 percent to 37 percent. In fact, because the guaranteed income eased the stress of meeting basic needs like food, clothing, and shelter, it freed up both time and capacity to engage in more ambitious goal-setting and risk-taking. The only instances where a basic income program led to a reduction in hours worked involved mothers who had care-giver duties. In these cases, a guaranteed income compensated mothers in an implicit manner for the unpaid labor of caregiving.

Should Guaranteed Income Programs replace or supplement existing safety net programs?

- Replacement proponents argue that administering it would be much easier.
- But admin costs are only max. 9% of the cost of all means-tested programs; not enough for a meaningful replacement.
- Current programs keep millions out of poverty but leave out many that are most in need. SNAP leaves out 3.4m children, TANF leaves out 9m children in poverty.
- Expanded CTC of 2021– example of great design.

Thank you!

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