# Letters and Testimony for HF 2666 (Hollins)

# MINNESOTA BASIC INCOME GRANT PROGRAM
# HF2666 (HOLLINS) / SF2559 (FATEH)

A basic income is a monthly, cash payment given directly to individuals with the intent to disrupt poverty, advance racial and gender equity, and support basic needs. It is unconditional, with no strings attached, and no work requirements. A basic income is meant to supplement, rather than replace, the existing social safety net.

## KEY PROVISIONS OF THE BILL

**Builds on the success and lessons learned from Basic Income programs implemented in Minneapolis, Saint Paul, Otter Tail County, and over 80 communities across the nation.**

**Targeted to Minnesotans receiving any public benefit or with an income at or below 300% of the poverty guideline.**

**Funded by both state and private dollars.**

**Grantees will participate in a Basic Income Community of Practice and program evaluation requirements.**

**Grantees will design their program based on community need with insights from people intended to be served by the program.**

**Grantees will work with an independent research-based entity to provide an evaluation of the program.**

**Disbursed as competitive grants to local municipalities, tribal governments and nonprofits to create localized demonstration projects.**

**Monthly payments will be $500/month at minimum for at least 18 months.**

**Potential to help economically stabilize thousands of individuals, children, and families across Minnesota.**

## EXPECTED IMPACTS OF THE BILL

- Increased employment and career growth
- Improved mental health
- Increased ability to withstand unexpected events in life
- Improved child development outcomes
- Prove viability of a statewide basic income program

# IMPACT

## In their own words: Impact on Families and Individuals

*"The guaranteed income payments took a weight off my shoulders. It helped me go from survival mode to feeling like my family is going to be okay, no matter what. The sense of relief is real. It shows that government really can make a difference in our lives."*

\+

*"The People's Prosperity Pilot was a "life raft" and felt "like a brighter pathway opened up for my kids" and "like a little weight - a big weight, actually - just kind of lifted."*

\+

*"I was able to do a training program to learn software coding and find a new job with that new skill."*

# Basic Income...

**Alleviates Barriers to Full-Time Employment**

Findings from the first year of the SEED pilot in Stockton, CA found that the unconditional cash helped recipients find full-time employment. *Source: University of Pennsylvania, 2021.*

**Improves Mental Health Outcomes**

In the Stockton pilot, participants were less anxious and depressed, both over time and compared to the control group. In the Saint Paul pilot, participants' hope for a better future grew and improved over time. *Source: University of Pennsylvania, 2021, 2023*

**Reduces Impact of Unexpected Economic Shocks**

Basic Income prevents the tailspin of trying to make ends meet when emergencies surface. *Source: Research from 10+ guaranteed income studies.*

**Improves Infant and Toddler Developmental Outcomes**

The Baby's First Year Experiment, which included Saint Paul families, found that receiving unconditional cash changed babies' brain activity at age one in ways associated with stronger cognitive development. *Source: Columbia University, 2022.*

**Payments Overwhelmingly Spent on Immediate Needs**

Data from 20 Basic Income pilots from across the Country show that 40% of monthly payments were spent at retailers and discount superstores on things like clothes, food, household goods, and hygiene products, 27% was spent at grocery stores, 9% was spent on transportation costs, and 7% went to housing and utilities. *Source: Stanford Basic Income Lab*

# COALITION SUPPORTERS

Saint Paul Financial Empowerment
Springboard for the Arts
Children's Defense Fund Minnesota
Youthprise
Saint Paul Promise
Minneapolis City of Lakes
Homes for All – Where we live impacts everything
The Arc Minnesota
International Institute of Minnesota
CSH
Birth Justice Collaborative MN
NAZ Northside Achievement Zone
MICAH
Amherst H. Wilder Foundation – Here for good.
American Indian Economic Mobility Hub

## CONTACT

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AFP MINNESOTA

April 3, 2024

Chair Hassan and Members of the Economic Development Finance and Policy Committee:

Thank you for this opportunity to testify on the basic income grant program in Minnesota. On behalf of our thousands of activists, members, and supporters across this state, we strongly oppose House File 2666.

In Minnesota and across the country, AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. Fiscal policy is a top priority for us because no individual or community can thrive without an economy that works for all.

Across the country, state and local governments are facing looming spending crises that threaten state budgets, state economies, and taxpayers. We cannot continue to spend and create new welfare programs without the necessary correlating reforms and reductions to other state welfare spending.

As we understand this bill, it would establish a "Universal Basic Income" grant program to local governments. Eligibility for this program would be determined by the local government and income support would be at least $500 a month for at least 18 months. This new program would be funded by a spending increase of $100 million for the next four fiscal years.

It is not as if Minnesota does not spend money on welfare or income support. The Gopher State currently has the fourth highest level of spending on public welfare per person at 75% above the national average and 90% higher than the median state amount. Only Alaska, Massachusetts, and New York had higher levels of spending. And when only those living below poverty are considered, Minnesota spent the equivalent of $34,379 on state and local public welfare per person in 2019. This is hardly a state in need of a massive welfare expansion.

It is irresponsible to pass such a large spending bill without considering correlating reforms or reductions to spending in other areas. The Minnesota taxpayer is not an unlimited resource, and legislators should be good stewards of taxpayer money.

Moreover, with eligibility set at those making less than 300 percent of the federal poverty level, Minnesota families who are not eligible for other state or federal welfare programs may be eligible for Universal Basic Income. But we simply cannot afford to fund both Universal Basic Income and our existing welfare programs. Those most vulnerable families who rely on our community's safety net programs could be the ones hurt most by any proposed changes. This, in turn, begs the question: if the main difference between UBI and our current safety net is that UBI gives more people who don't qualify for welfare programs access, is this expansion of government worth it? Or should Minnesota focus on removing government barriers to allow individuals to increase their economic wellbeing?

The motivation behind this proposal is admirable: reduce widespread poverty and provide income security to all. However, in reality this proposal falls far short of eliminating poverty while imposing large economic costs.

Instead of focusing on Universal Basic Income, policymakers should instead turn their attention to reducing the barriers that keep Americans from realizing their full potential: giving workers more freedom and flexibility through labor reform, and repealing the regulations that keep businesses, entrepreneurs, and communities from moving forward.

Americans for Prosperity looks forward to working with you on all of these issues.

We oppose HF 2666 and respectfully urge a "No" vote on it, because it would impose needless burdens on Minnesota taxpayers – and because there are better solutions available.

Thank you for this opportunity to share our views.

Sincerely

RaeAnna K. Lee

RaeAnna K. Lee
Legislative & Coalitions Director, Minnesota
Americans for Prosperity
rlee@afphq.org

22 March 2024

Representative Hassan
Chair Hassan & honorable members of the committee.

Dear Chair Hassan and members of the Workforce Development Finance and Policy Committee,

The Birth Justice Collaborative is writing to request your support of HF 2666, a bill to establish a Minnesota basic income grant program to allow entities to provide regular cash payments to eligible recipients to disrupt poverty, build wealth, advance equity, and support their basic needs.

Guaranteed basic income programs have been shown to improve health and education outcomes by supporting several social determinants of health that are proven to impact a child's healthy growth and development. Studies show that after one year of monthly cash support, young children in low incomes families exhibited greater cognitive drain development. By disrupting poverty on the individual level, recipients can address their basic needs while investing in the long-term health, success, and economic stability of their family.

HF 2666 will address Minnesota's maternal health inequities by empowering pregnant people and their families to overcome the financial barriers inhibiting them from accessing nutritious food, transportation, quality education, health care and mental health services.

The Birth Justice Collaborative urges you to join us in supporting HF 2666, to establish a Minnesota basic income grant program to empower families and positively position them to support the healthy growth and development of their children. Please contact Corenia Smith at corenia@collectiveactionlab.com with any questions, concerns, or for more information about the Birth Justice Collaborative.

Thank you,

**The Birth Justice Collaborative**
Cultural Wellness Center,
Division of Indian Work,
Minnesota Indian Women's Resource Center,
Native American Community Clinic,
Liberty Northside Healing Space
University of Minnesota Robert J. Jones Urban Research and Outreach Engagement Center.

DATE: March 29, 2024

RE: Letter of Support for HF 2666 (Hollins): Basic Income Demonstration Project

TO: Chair Hassan & honorable members of the committee.

Through our experience advancing economic stability for families using our Bridge to Benefits tool and network, as well as our involvement in the People's Prosperity Project we have seen how impactful guaranteed basic income projects can be. CDF-MN believes that Minnesota must invest in guaranteed basic income models of flexible financial support to disrupt poverty, improve the economic stability and mobility of families and children and advance racial and gender equity in our state. For this reason, **we urge your support for HF 2666.**

**Children Defense Fund Minnesota is committed to ensuring all children grow up with dignity and joy.** We believe advancing social and economic opportunities so that communities and families throughout Minnesota can thrive is paramount to our mission. Access to financial stability and growth is a critical component of any flourishing community.

**Based on our experience and with this mission in mind, we encourage committee members to support HF 2666**. This bill will enhance the state's ability to offer support that ensures people have the resources to afford childcare, transportation, job training, and accessible housing while maintaining pathways to financial independence.

**Why the HF 2666 framework for Basic Income?**

• Consistent monthly cash payments given directly to individuals are especially effective in disrupting poverty, advancing racial and gender equity, and supporting basic needs;
• Unconditional, with no strings attached and no work requirements, payments advance dignity and trust;
• Payments that are supplemental, rather than a replacement, to the existing social safety net help families actually get ahead;
• Time-limited support targets resources;
• Communities are best positioned to design their program with the people who would be accessing it and…
• Research informs the program to ensure it will:

  ✓ Alleviate barriers to full-time employment
  ✓ Improve mental health outcomes
  ✓ Improve infant and toddler developmental outcomes; and
  ✓ Reduces the impact of unexpected economic shocks.

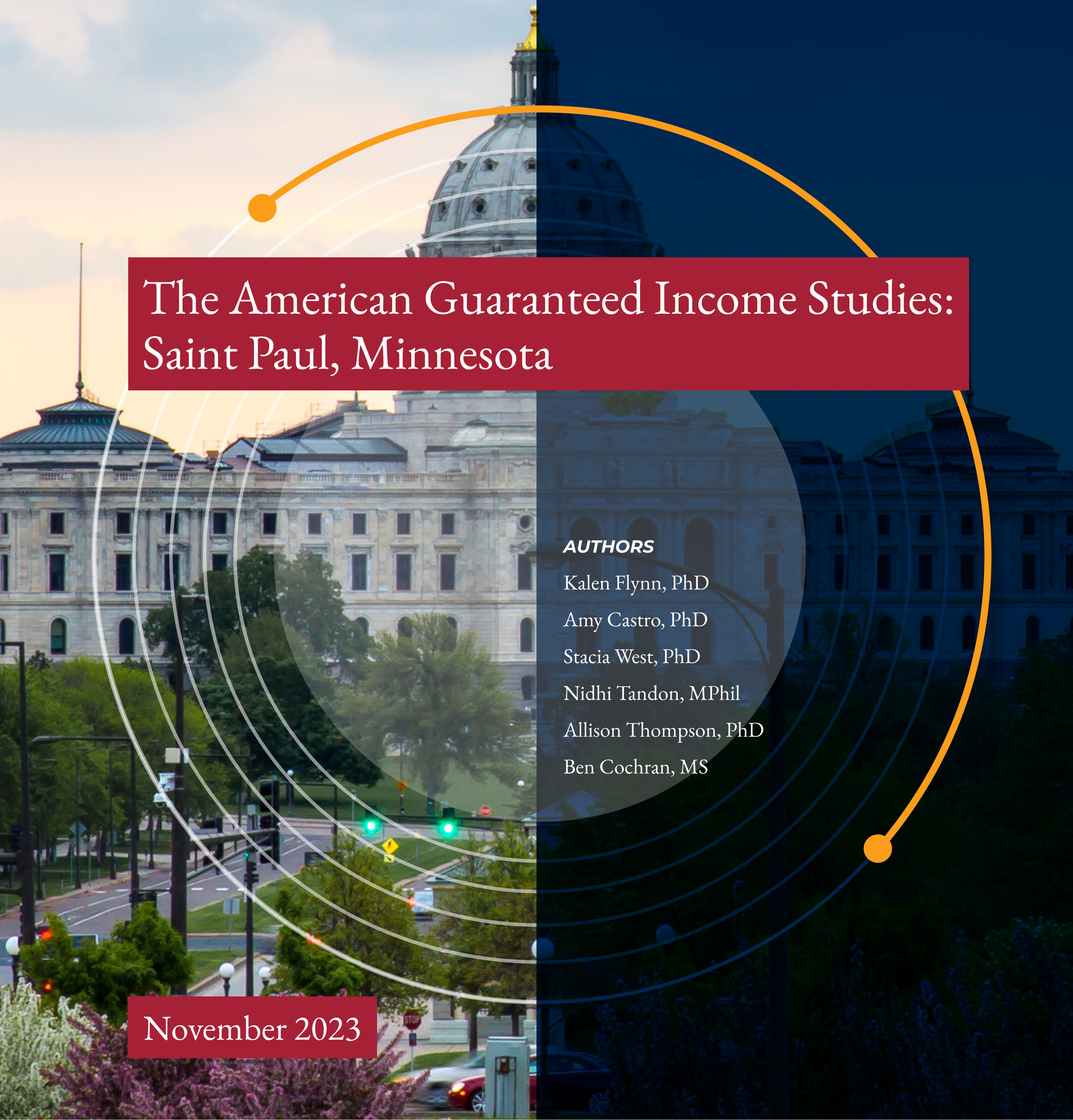
GBI's are tested and demonstrably effective way to ensure Minnesotans have the income they need to increase their economic well-being. **We urge you to support HF 2666.**

If you have any questions regarding the Children's Defense Fund Minnesota support for HF 2666, please contact us.

Sincerely,

Natletha Sumo Kollie
Economic Justice Outreach Manager
Children's Defense Fund Minnesota

CENTER FOR GUARANTEED INCOME RESEARCH
Social Policy & Practice
UNIVERSITY *of* PENNSYLVANIA



# The American Guaranteed Income Studies: Saint Paul, Minnesota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*Front Cover Image: View of the Minnesota State Capitol Building (Source: Shutterstock).*

*Inside Cover Image: Early morning cityscape of downtown Saint Paul, highlighted by the Mississippi River and a railroad bridge (Source: Shutterstock).*

# The American Guaranteed Income Studies: Saint Paul, Minnesota

## Executive Summary

In the fall of 2020, and in the midst of the devastating COVID-19 pandemic, Mayor Melvin Carter and the City of Saint Paul launched the People's Prosperity Guaranteed Income Pilot (PPP), which was the first-ever Mayors for a Guaranteed Income (MGI) pilot and the first since the Seattle-Denver Income Maintenance Experiment (SIME/DIME) to use public funding for a guaranteed income program in the United States. Using a braided funding approach that combined federal, state, and philanthropic dollars, the city implemented PPP within the broader context of the Mayor's priorities of promoting Economic Justice; Community-First Public Safety (CFPS); and Lifelong Learning: Equity, Innovation, and Resilience. These mayoral commitments center the people of Saint Paul as the prime recipients of public investment by seeking to address structural inequities and disadvantage through progressive public policy and programming that promotes belonging, mobility, and agency for all residents, regardless of identity or country of origin. Consistent with these values, PPP was implemented alongside CollegeBound Saint Paul, the city's universal college savings program designed to give all of Saint Paul's young children a $50 seed deposit in a college savings account at the time of birth. In sum, PPP functioned as a recurring, unconditional income strategy designed to reduce present financial precarity while also supplementing an asset-building pathway through inclusive educational opportunities.

The commitment to inclusive programming and accessible public benefits is particularly important in the City of Saint Paul, as it is home to a large and diverse group of foreign-born residents and boasts the largest Hmong and Somali populations in the United States. And yet—the poverty rate of Saint Paul is nearly double that of the rest of the state, indicating the need for economic justice opportunities that are equitable for all. As such, the city randomly selected 150 participants from its universal CollegeBound Saint Paul program and invited them to participate in PPP if they self-attested to being impacted by COVID (consistent with funding requirements) and had income at or below 300% of the federal poverty level. Additionally, all PPP participants had a child born in 2020. PPP participants received an unconditional cash payment of $500 on a U.S. Bank pre-paid debit card from October 2020 through April 2022. The University of Pennsylvania's Center for Guaranteed Income Research (CGIR) led a mixed-methods research study to assess the relationship between guaranteed income (GI) and participants' quality of life, sense of self, capacity for and mechanisms of economic mobility, and narrative change. CGIR invited all PPP participants to engage in voluntary, compensated research activities consisting of regularly-administered surveys and one-time interviews. CGIR analyzed both survey and interview data to better understand the experiences and change over time among PPP participants.

In sum, findings suggest that on average, the GI cash transfers served protectively for recipients during the PPP intervention. Specifically, across many of the financial and savings indicators, PPP participants either remained stable or improved throughout the course of the pilot but then declined six months after the cash stopped, suggesting that GI may have the ability to alleviate present financial hardship but its continuing impact once cash transfers end may be limited. However, the relationship between GI and participants' sense of self functioned differently than financial well-being. In addition to an upward trend throughout the PPP intervention, participants still held improved attitudes towards life and its purpose as well as some aspects of hope and mattering six months after cash disbursements had stopped, suggesting an enduring power of GI on participants' sense of self. Similarly, unemployment declined throughout the cash pilot and remained lower than baseline six months after the PPP ended. All the while, household stability remained relatively steady, even in the midst of unprecedented pandemic-related stressors during the PPP. Together, these findings challenge dominant narratives of poverty and add to a growing body of literature re-imagining the social contract.

***Quality of Life:*** Participants shared their desire for financial security and for the ability to pay off debt and save for larger goals during the pilot. For some, this proved difficult, given their burdensome debt in the form of high-interest credit cards, student loans, or medical bills. Many participants responded to these financial stressors by employing strategies of thriftiness, such as stretching food resources, taking on more hours at work, or working multiple jobs. Other participants used humor as a way to cope with and normalize their financial burdens, though minimizing their challenges often led to participants experiencing social isolation and loneliness. For PPP participants, the GI often served to protect them, decreasing financial burden and providing an alternate pathway towards achieving financial goals. Indeed, survey findings corroborated these themes, supporting the notion that participants experienced relatively stable financial well-being throughout the pilot but faced a dip once the guaranteed income stopped. Similarly, the percentage of participants who reported the ability to cover a $400 expense held steady during the pilot but then fell after the cash transfers ended; six months after the PPP ended, fewer participants reported savings that exceeded $500. Income volatility also declined from baseline to the end of the PPP but then increased six months after the disbursements ended. In

***KEY FINDINGS - AT A GLANCE***

- During the PPP intervention, between 40–47% of participants could cover a $400 expense, but six months after the PPP stopped, only 33% could cover this.
- Between 39–41% of PPP participants had more than $500 in savings during the intervention, but this fell to only 27% six months after the PPP ended.
- Income volatility varied between 3–6% during the PPP but increased to 10% post-intervention.
- Participants reported more time with family and experienced relative household stability throughout the PPP.
- The percentage of participants reporting feelings of high hope progressively increased throughout the study from 15% at baseline to 21% at the end of PPP and 22% six months after PPP ended.
- The proportion of individuals employed showed a positive trend throughout the duration of the PPP, and this trend not only held steady but continued to strengthen six months after PPP ended. At baseline, 49% of PPP participants were employed compared to 63% six months after the program ended.

addition, participants experienced more pronounced housing-cost burden and food insecurity six months after the cash payments had stopped. Concurrently, there was a post-intervention increase in the overall symptoms of psychological distress that participants experienced without the PPP. Such findings suggest that recurring unconditional cash transfers may improve financial well-being but that well-being may be hard to sustain when the GI ends without other forms of structural intervention.

***Sense of Self:*** Many participants experienced isolation as parents and reported that it was compounded by pandemic-related social isolation measures and pressures related to financial burden. Specifically, participants reported that as their debt and financial burden grew, they distanced themselves from their social networks in an effort to not burden those they love. Thus, the guaranteed income relieved some of their financial burden and played a role in facilitating improved social support and decreased isolation. Participants were able to give back to their communities and spend more time with their loved ones. The strong sense of self and ability to strengthen social connections seemed to have an enduring quality, extending beyond the receipt of the cash payments. Additionally, participants' sense of self improved across multiple survey measures throughout the GI intervention and continued to trend positively at six months after the PPP had ended. Specifically, there were significant positive trends in affirmation of meaning and value, or a person's feeling that there is inherent purpose in life despite current circumstances, acceptance of their situation despite difficult odds, and faith in a higher power even if things feel stacked against them. Higher scores were also observed throughout the duration of the PPP across measures of a person's intent to meet goals, actions to achieve those goals, and a sum score of both measuring total hope. Conversely, participants reported negative impacts in terms of their ability to overcome situational or personal constraints to make a difference in the world. Scores from the Adult Mattering Scale were mixed. Participants' views of how individuals believe others perceive them decreased throughout the PPP intervention, while participants' perceived emotional investment from others tended to fluctuate, peaking at the end of the PPP and showing a decline six months after cash transfers ended, suggesting that during the study period, participants experienced a heightened sense of being valued by others. Finally, the measure of reliance remained relatively stable throughout the study period.

***Capacity for Economic Mobility and Narrative Change:*** PPP participants expressed a strong commitment to productivity as caregivers and workers. Although the percentage of participants who performed full-time caregiving roles fluctuated across the pilot, those who were employed either seasonally, part-time, or full-time increased, even after the PPP ended. Such findings likely reflect the improved job market throughout the pandemic era as well as the potential role of GI in supporting employment-seeking activities. Participants discussed the challenges that some of them faced when entering the paid labor market. For many parents, the cost of childcare was prohibitive, though participants described strategies they employed to creatively secure childcare, including swapping day and night shifts with their partners or reducing work hours to minimize the use of childcare. The GI created a path for parents to reclaim their time and spend more time with their families, but the power of GI was undercut by lack of paid maternal and family leave. Indeed, household stability remained relatively steady throughout the PPP, even amid myriad stressors related to the global pandemic. Together, the overall experience of receiving GI led to shifts in perceptions of trust and deservedness: participants noted the flexibility and predictability of unconditional cash as well as the ways GI counters common myths about poverty and the struggle to make ends meet.

# Acknowledgements

**CGIR and the City of Saint Paul would like to acknowledge and thank Mayor Michael Tubbs, the Mayors for a Guaranteed Income, the study participants, and the following partners:**

**MAYORS FOR A GUARANTEED INCOME**

Founded by Michael D. Tubbs, MGI is a coalition of mayors advocating for a guaranteed income to lift all of our communities and build a more resilient, just America. Since launching in 2020, MGI has grown its ranks from 11 to over 125 mayors, supported the launch of 50-plus guaranteed income pilots across the country, and delivered more than $250 million in direct, unconditional relief to everyday Americans. MGI has also launched two affiliates, Counties for a Guaranteed Income and United for a Guaranteed Income Action Fund. MGI's work has ensured that guaranteed income spreads from a single moment in Stockton, Calif. to a national movement—pushing the conversation forward in cities, state capitals, and Congress.

MGI was a founding donor of CGIR, as well as a donor, adviser, and technical assistance provider to Saint Paul's PPP. Saint Paul's Mayor Carter is a national co-chair of MGI.

### People's Prosperity Pilot

| | | |
|---|---|---|
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| Tracy Fischman | Maureen Ramirez | Gena Lewis |
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| Kara Peterson | Kedar Hickman | Caroline Taiwo |
| Ling Becker | Anna Odegaard | Kristy Snyder |
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Claire Migliore, MSSP
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Nina Cross, MSEd

### Stanford Basic Income Lab

Sean Kline
Juliana Bidadinure, PhD

*"I think that guaranteed income is probably preventing a lot of people from being homeless, or on the verge of it, or having to make tough decisions about food and basic necessities."*

Briauna
Guaranteed Income Pilot for Artists – Saint Paul, MN (Springboard)

## Impact of GI on Artists and Creative Workers in Rondo and Frogtown Neighborhoods

In 2021, Springboard for the Arts launched a complementary pilot to the PPP, the Guaranteed Minimum Income Pilot. Targeting 25 artists in the Rondo and Frogtown neighborhoods of Saint Paul, the goal of this pilot was to explore the impact of GI on artists and creative workers at the neighborhood level while also working to provide a model for inclusion of artists in economic policy. Springboard worked with the City of Saint Paul on a narrative change project titled Artists Respond: People, Place, and Prosperity, through which a cohort of five artists created pieces related to the PPP across various media. Katy DeCelle developed a podcast featuring families in the PPP; this podcast was made available on postcards outfitted with a linked QR code that residents could quickly send to their elected officials. Kashimana wrote, produced, performed, and recorded three original songs about guaranteed income. DejaJoelle choreographed, performed, and recorded an original dance and movement piece inspired by the space to breathe and be that GI afforded participants. The Milligan Studios created a glass sculpture entitled "Altitude" that is installed at the YWCA. Briauna Williams created a mindfulness coloring book that has been used by CollegeBound, libraries, and recreation centers throughout Saint Paul.

Briauna Williams created a mindfulness coloring book (shown: partial page from coloring book upper left) that has been used by CollegeBound, libraries, and recreation centers throughout Saint Paul.

The Milligan Studios created a glass sculpture (image below) titled "Altitude" that is installed at the YWCA.

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Image: Landmark Center in Rice Park Saint Paul, Minnesota (Source: Shutterstock).

Image: PPP participants (l-r) Mya, Anders, Abby, and Lucille pose for the camera with Mayor Melvin Carter at the 2023 premiere and 50-city kick-off tour of the "It's Basic" documentary.

# Background

Two main thoroughfares lead to the white dome and golden accents of the Minnesota State Capitol building: Summit Avenue and University Avenue, each carrying varied histories of development and stratification. Summit Avenue begins at the Mississippi River, with ample tree coverage and manicured greens gracing the roadway to the capitol. Beautifully maintained Victorian houses dot Summit, along with the campuses of Macalester College and the University of St. Thomas. Predominantly White, middle- to upper-class households fill the neighborhoods calling Summit Avenue home, and each year Twin Cities marathon runners find their way along the avenue to the capitol building.

University Avenue stands in contrast, spanning from Minneapolis to Saint Paul, with the light rail connecting their downtowns. Fast-food restaurants stand alongside sparse tree coverage and limited green space. Immigrant enclaves call these neighborhoods home, resulting in a spectacular array of Somali, Vietnamese, Hmong, and Thai businesses. The avenue cuts through the neighborhoods of Frogtown and Rondo, with vestiges of the racial uprisings of 2020 still present on park benches, storefronts, and boarded up windows. University Avenue will lead you to the back of the state capitol building—absent greenery and, from this angle, looming large and uninviting.

These two main roadways to the capitol each tell different stories of power, place, and prosperity in a city heavily influenced by Midwest culture. Three traits anchor Midwest culture: belief in hard work and perseverance, "Midwest nice," and reservedness, especially about personal difficulties or perceived negative emotions. These traits reflect the Scandinavian populations who settled here in the early 1850s and were heavily influenced by farming and religious cultures whose adherents were forced to rely on neighbors and mutuality to survive harsh Minnesota winters (Anderson & Blanck, 2001). Hardiness complements these traits—doing what it takes to survive, focusing on need versus want, eschewing extravagance, and, importantly, never framing hardiness through the lens of struggle. In essence, if one can save enough, thrift enough, and stick to the bare essentials, one can control the impact of a risky economy. Taken together, these cultural traits form the Midwestern survival script.

Within this script is a conviction that while structural forces may create financial hardship, an inability to rise above them represents individual failure. By this logic, one need not fear a lagging economy, job loss, or one unexpected financial shock after another—if you cling to the script, it will save you. The underlying assumption is that everyone has access to the same set of resources, the same ability to save, and/or the same capacity for addressing the financial risks so part and parcel of life in America. But this fails to account for the deep structural racism and inequity of opportunity and resources that Indigenous, Black, and immigrant communities face while navigating the intricate web of social services, benefits, and life in the Twin Cities. It also does not account for the ways that niceness reinforces Whiteness by recasting the complexities of racism into an oversimplified narrative that does not threaten the status quo. In her seminal piece on niceness, Angelina Castagno (2019, p. 2) describes this dynamic by saying, "niceness compels us to reframe potentially disruptive or uncomfortable things in ways that are more soothing, pleasant, and comfortable. This avoidance and reframing are generally done with the best intentions, and having good intentions is a critical component of Niceness." This alluring veneer of "silence, passivity, denial, and avoidance" (Castagno, 2019, p. 13) provides an avenue for avoiding conversations on race, upholding Whiteness, and masking economic vulnerability. This cultural milieu has stark ramifications for people of color living in places characterized by wildly disparate experiences: Midwestern cities are consistently featured on lists of the best places to live and simultaneously ranked as some of the worst places for Black Americans (Williamson, 2020). As Williamson (2020) argues in *Black in the Middle*, the marginalization of Black communities is not unique to the Midwest—rather, it is the ways Black lives are obscured from view by institutions, culture, and the national conversation that sets it apart.

The murder of George Floyd and the subsequent racial uprisings throughout the Twin Cities exposed this rift, along with the ways that communities of color in Saint Paul have always thrived through joy, mutual aid, and resistance. Floyd's death and the disparities of the pandemic brought the years of inequity, invisibility, and violence felt by Black, Indigenous, and immigrant communities in the Twin Cities to the forefront. It also marked a shift and a choice for leadership. Faced with racial uprisings, an unjust death, decades of inequality, and the socioeconomic threats imposed by the pandemic, Mayor Melvin Carter's administration led interventions designed to directly combat the lack of economic mobility and justice. From increasing the minimum wage to experiments with unconditional cash and CollegeBound Saint Paul savings accounts, Mayor Carter addressed these structural inequities through legislative approaches that created space for belonging, mobility, and agency, rather than stripping it away.

The People's Prosperity Pilot (PPP) was the first guaranteed income pilot launched by Mayors for a Guaranteed Income and the first in the country to use public dollars for GI cash transfers since the Seattle-Denver Income Maintenance Experiment of the '70s and '80s. Guaranteed income is a form of unconditional cash—no strings attached—that recipients are free to spend as they see fit. Rather than tying means-testing to performing behaviors deemed deserving by policymakers and the public, unconditional cash is tied to one's existence as a human being. The PPP was launched in October 2020 and gave 150 participants $500 a month for 18 months, with the final disbursement in April 2022. Interviews were conducted midway through the intervention in November of 2021, and surveys were administered at baseline, every six months thereafter, and six months after the last disbursement to better understand the participants' experiences and the impact of GI.

# Program Implementation, Benefits Interaction & Participant Selection

The City of Saint Paul utilized a braided funding strategy to implement the PPP, combining funds from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act; repurposing state-level dollars from a Minnesota Department of Human Services grant; and securing private funding from individual donors and philanthropic organizations, including the Kresge Foundation, McKnight Foundation, and the Saint Paul and Minnesota Foundation. The PPP was developed with and grounded in the city's broader commitment to a human-centered economic approach (Hart et al., 2010), whereby social well-being is elevated over profit and people are centered through worker power and choice.

The City of Saint Paul piloted the PPP as a subgroup of their universal college savings program, CollegeBound Saint Paul, which also launched in 2020. By doing so, the city innovatively combined an income-stabilizing strategy aimed at addressing present income volatility with an asset-building strategy designed to increase future savings over time (Elliott et al., 2023). The mission of CollegeBound Saint Paul is to improve access to higher education and college attainment for all of Saint Paul's youth, regardless of parental citizenship status (CollegeBound Saint Paul, n.d.). Children are eligible for CollegeBound Saint Paul if they are born on or after January 1, 2020 and either are residents of Saint Paul at birth or move to Saint Paul by age six. Children enrolled in CollegeBound Saint Paul receive a $50 seed deposit in a college savings account, and children with public birth records are automatically enrolled. However, because of a Minnesota law, only babies born to legally married parents have public birth records and are therefore eligible for auto-enrollment into CollegeBound Saint Paul (Minnesota Statutes, 2020). The city estimates that roughly 40% of birth data for Saint Paul children is private and therefore inaccessible to the CollegeBound Saint Paul program for auto-enrollment. Babies whose parent(s) must opt into CollegeBound Saint Paul include those whose mothers were not legally married, those born outside of Saint Paul but later moved into city limits by age six, and those born in the foster care system. To increase manual enrollment, the City of Saint Paul conducts targeted outreach through volunteer community ambassadors, social service organizations, and Women, Infants, and Children (WIC) offices. According to the City of Saint Paul, 3,091 children were enrolled in CollegeBound Saint Paul in 2020, representing 72% of all children born to Saint Paul parents in 2020. Of those enrolled, 88% were auto-enrolled and 12% opted into the program. Of families who manually enrolled, 68% were referred to CollegeBound Saint Paul from a WIC office.

Families were randomly selected to participate in the PPP from the full population of CollegeBound Saint Paul participants and were eligible if they self-attested to being impacted by COVID, which was a requirement of the CARES funding, and if their household income was at or under 300% of the poverty line.[1] The city chose this threshold because all recipients of any public benefit would meet these criteria. Benefits counseling[2] was not required for participation in the PPP, as the GI was deemed

1 The city elected to use self-attestation to confirm eligibility for the PPP, though in subsequent GI pilots, the city has had to request minimal written documentation.

2 Benefits counseling is an informed consent strategy developed in the Stockton Economic Empowerment Demonstration to mitigate loss of benefits when introducing unconditional cash. It involves determining one's risk level for losing means-tested benefits such as Section 8, WIC, SNAP, and TANF (Castro Baker et al., 2020).

disaster relief and did not count as income considered in the receipt of public benefits, such as food stamps. However, optional benefits counseling was offered using a tool developed by the Children's Defense Fund Minnesota (www.economicstabilityindicatormn.org). The City of Saint Paul worked closely with Ramsey County to support the continuation of public benefits throughout the course of the PPP.

To generate the PPP outreach list, the city randomly selected batches of 150 households from the full population of CollegeBound families, drawing 60% from the auto-enrolled list and 40% from the opt-in list to account for the over-representation of auto-enrolled families. Although each outreach list maintained a 60:40 proportional split, the enrollment process did not. According to the city, a higher proportion of opt-in families met the income requirements for the PPP and subsequently enrolled in the GI pilot. Thus, the overall study sample has a sizable proportion of WIC-eligible families, as significant opt-in enrollment for CollegeBound Saint Paul occurred through WIC offices. Using the outreach list, the city engaged with eligible families using physical mail, phone calls, or literature drops at selected families' doors. Each family received three outreach attempts. Families that responded and consented to participate underwent an onboarding process, during which they were also invited to partake in the research surveys. Participation in the research was voluntary and not contingent upon receiving the GI. This selection and engagement process continued until the desired sample size was achieved. Out of the 150 participants enrolled in the GI program, 95 elected to partake in the research study.

Once families were enrolled in PPP, the City of Saint Paul activated a U.S. Bank ReliaCard for families to receive direct cash transfers from the city, setting precedent for local goverment to directly facilitate cash transfers without a third party. The city utilized U.S. Bank as their disbursement partner because their government-issued cards were free to the city, had very low fees, and were easy to use. The city was able to issue these cards directly to PPP participants and had the ability to support participants who lost their card by closing old cards and opening new cards with ease. U.S. Bank only required a name, address, and date of birth to open a card, aligning with the PPP's commitment to ensure easy access for all communities and residents of Saint Paul, regardless of identity or citizenship.

# Context and Demographics

Characterized by its growing diversity, its flourishing immigrant and refugee populations, and its commitment to inclusive economic justice policies, Saint Paul is a mid-size city with an estimated population of just over 300,000 people, located in the Midwest (U.S. Census Bureau, 2022b). As a multi-national city, one in five people are foreign-born, and Saint Paul is home to the largest Hmong and Somali populations in the United States (New American Economy, 2021). Yet, the poverty rate of Saint Paul is nearly double that of the rest of Minnesota, suggesting a strong need for economic policy and programming that is both supportive of and accessible to foreign-born communities (U.S. Census Bureau, 2022a).

### *DEMOGRAPHIC CHARACTERISTICS*

Located just above a turn in the Mississippi River, Saint Paul is the capital of Minnesota and a cultural and economic force in the state. According to the U.S. Census Bureau (2022b), the population of Saint Paul is 303,176, representing a slight decline from 2020, when its population was over 311,000. Notwithstanding this recent decline, Saint Paul's population grew by 9.3% between 2010 and 2020 (Metropolitan Council, 2021), with increased ethno-racial diversity. The most recent U.S. Census Bureau figures (2022b) report that just over half of the residents of Saint Paul identify as White (55%), 19% as Asian, 16% as Black, 9% as Hispanic or Latino, and 7% as multi-racial. Relative to 2010, the percentage of White residents has declined, while Asian, Black, and Latinx populations have grown.

### *IMMIGRANT COMMUNITIES*

Saint Paul is a multinational city; from 2017–2021, 19.1% of its population was foreign-born, compared to 13.6% across the United States and just 8.5% in Minnesota during this same timeframe (U.S. Census Bureau, 2022b). However, the vast majority (82.9%) of Saint Paul's immigrant community has resided in the region for longer than five years. Among St. Paul's immigrant community, the most common country of origin is Laos (15%), followed by Thailand, Mexico, Myanmar, Ethiopia, and Somalia. Other than English, the most frequently spoken language is Hmong, followed closely by Spanish and Karen (New American Economy, 2021).

Saint Paul's close relationship with the Hmong people began nearly 50 years ago. Following the United States' withdrawal from the region after the Vietnam War, many Hmong people faced retaliation for being U.S. allies. Over the following decades, several waves of Hmong refugees settled in Minnesota, which has historically been a destination for immigrants, as relatives reunited with each other. Since that time, Saint Paul has remained home to the largest Hmong population in the United States (Grigoleit, 2006; Budiman, 2021).

Further, new immigrants contributed to 62.4% of the growth in Saint Paul from 2014–2019, and immigrants comprised 22.2% of Saint Paul's labor force and 33.2% of the city's business owners during this period of time (New American Economy, 2021).

Table 1. Demographic Profile of Participants in the People's Prosperity Pilot (PPP)

| SAMPLE SIZE | 95 |
|---|---|
| AVG. AGE OF RESPONDENT (YEARS) | 31 |
| GENDER (%) | |
| Male | 11 |
| Female | 89 |
| CHILDREN IN HOUSEHOLDS (%) | |
| Yes | 98 |
| AVG. NUMBER OF CHILDREN IN HH | 2 |
| AVG. HH SIZE | 4 |
| ETHNICITY (%) | |
| Non-Hispanic | 91 |
| RACE (%) | |
| White | 23 |
| African American | 27 |
| Hmong | 20 |
| Other/Mixed | 30 |
| MARITAL STATUS (%) | |
| Single | 40 |
| Married | 31 |
| Partnered/in-relationship | 29 |
| PRIMARY LANGUAGE AT HOME (%) | |
| English | 74 |
| Spanish | 3 |
| Other | 23 |
| EDUCATION (%) | |
| Less than High School | 50 |
| Associates/Bachelor | 34 |
| Other | 16 |
| ANNUAL HH INCOME (IN $) | |
| Median | 32,387 |
| Mean | 31,891 |

### FINANCIAL LANDSCAPE

As of July 2022, the median household income in Saint Paul was $63,483, just below the national median income of $69,021. Using the federal poverty measure, Saint Paul's poverty rate was 17.6%—substantially higher than the national rate of 11.5% and nearly double the statewide rate of 9.6% across Minnesota (U.S. Census Bureau, 2022a). At 7.6%, Saint Paul also had a higher percentage of residents in deep poverty (i.e., at or below 50% of the federal poverty line) compared to Minnesota's 4.2%. Moreover, poverty is not distributed equally in Saint Paul: compared to White residents, Black residents are roughly three times as likely and Asian residents more than twice as likely to live in poverty (U.S. Census Bureau, 2022a).

### PPP SAMPLE

Given this backdrop, the city has sought to institute policies that resonate with its unique demographic fabric. Recognizing the critical economic disparities, the City of Saint Paul has directed its efforts and resources towards promoting justice and equity. It is within this context that the PPP was conceived and implemented. To comprehend its reach and impact, it is helpful to undertand the characteristics of the GI recipients, and a sample of 95 study participants was analyzed. The average age of the respondents was 31 years. The sample predominantly consisted of female participants, accounting for 89% of the total, with male participants representing 11%. All of the PPP participants were parents of at least one infant or small child, and a significant majority (98%) of the participants lived with their child(ren). The average number of children in the household was two and the average household size was reported to be four individuals.

The majority of participants were non-Hispanic (91%). The racial distribution was diverse, with White (23%), African American (27%), and Other/Mixed (50%) races represented. Within the Other/Mixed category, a significant proportion, nearly 20%, were of Hmong ethnicity. Additionally, single participants represented 40% of the sample. 31% of the participants were married, while 29% of the participants were either partnered or in a relationship. English was the primary language spoken at home (74%), followed by Spanish (3%) and other languages (23%). Within this 'Other' language category, Hmong was identified as the primary language for approximately 10% of the participants. Half of the participants reported high school education or less; 34% had attained either an Associate's or a Bachelor's degree, while 16% had other levels of education. The mean annual household income was approximately $31,891. Approximately 22% of the participants had income less than $26,200 a year, which is slightly above the 2020 Federal Poverty threshold of $24,600 for a family of four (ASPE, 2017). About half of the sample reported receiving SNAP and/or WIC benefits.

### POLICY SUBSYSTEM

The PPP was implemented at the height of the 2020 COVID-19 pandemic, which had exacerbated the economic challenges that the City of Saint Paul's children and families already faced. Increases in unemployment and financial precarity, particularly for immigrant and non-English speaking communities, led to the need for prompt and flexible economic solutions that were accessible and concrete. At the city, state, and national levels, efforts were made to ameliorate the devastating pandemic-related financial consequences for children and families. During this time, the state of Minnesota and the City of Saint Paul offered examples of progressive jurisdictions committed to investing in policies and programs aimed at directly reducing poverty and supporting children and families.

Nationally, the expanded Child Tax Credit was included in the American Rescue Plan Act, which was passed by Congress and signed into law by President Biden in March of 2021. The law increased the maximum credit per child and made the credit fully refundable, so that parents who did not have earned income could still claim it. The expanded tax credit led to a historic reduction in child poverty, cutting it by 43%. Of note, groups of vulnerable children and families who were historically excluded from this tax credit (e.g., children of color, single-parent homes, rural families) experienced large declines in child poverty. However, the expanded tax credit was temporary and expired in 2022, calling into question its ability to sustain this impact (Wimer et al., 2022).

At the state level, Minnesota continues to shine as an exemplar state, serving as a lead in its investment and spending in public welfare (U.S. Census Bureau, 2021). Such state-level support creates a policy context conducive to implementing progressive programming at the local level, and Minnesota's commitment to concretely supporting families has continued in the post-pandemic era. For example, in February 2023, the Minnesota Management and Budget released their economic forecast, which confirmed that the state's general fund balance had reached $17.5 billion (Minnesota Management & Budget, 2023), and this surplus was ultimately used to invest in more robust social programs, family leave support, and tax credits for children and families (League of Minnesota Cities, 2023).

Within Saint Paul, Mayor Carter and his administration have extended investments in the social and economic welfare of the city's residents. Early in his tenure, Mayor Carter signed into law a measure that would gradually increase the city's minimum wage to $15 an hour. As of July 2023, the $15 wage applies to all businesses with more than 100 employees, with smaller businesses scheduled to incrementally increase to $15 by July of 2025 (Karabarbounis et al., 2021). Mayor Carter also launched the city's universal college savings account program, CollegeBound Saint Paul on January 1, 2020. In addition to the guaranteed income, PPP participants also received a $10 CollegeBound bonus deposit in their children's accounts each month they were enrolled in the pilot. This wealth-creating asset complements the guaranteed income strategy of the PPP, which provided recurring unconditional cash payments to smooth income volatility and reduce financial precarity. Shortly after the launch of CollegeBound Saint Paul and at the start of the pandemic in March 2020, the city announced an emergency relief program called the Bridge Fund, which provided 1,265 families with $1,000 cash for direct housing assistance. The infrastructure created to launch the Bridge Fund and disburse cash payments to select residents of Saint Paul contributed to a more efficient and effective startup and implementation of PPP. In other words, the Bridge Fund was the institutional primer that readied the city for PPP.

# Theoretical Framework & Research Questions

This research builds on the emerging empirical literature on unconditional cash that Widerquist (2019) has termed the "third wave" of global experimentation, which started in 2010 and accelerated during the pandemic. Given that context, the research questions are anchored in literature demonstrating that chronic material hardship generates poor financial and well-being outcomes (Mani et al., 2013; Shah et al., 2012), while psychologically miring people in the present and structurally undermining pathways out (West et al., 2023). The economic development literature likewise indicates that a capacity for hope in the face of uncertainty represents a key component to economic mobility, because hope requires the ability to set a goal, visualize a pathway, and believe one has the agency to move forward (Lybbert & Wydick, 2018; Castro et al., 2021). However, the height of the pandemic eliminated such hope and pathways because it was an all-encompassing socio-economic crisis with no discernible end point. For that reason, the PPP experiment was also guided by cruel optimism and tragic optimism theory. Cruel optimism posits that chasing something you desire, like the American Dream or success under late-stage capitalism, may conversely create obstacles to your well-being by trapping you in an unwinnable scenario that erodes your sense of self (Berlant, 2011). The tragic optimism literature demonstrates that the capacities for gratitude, self-transcendence, acceptance, and connection with others serve as a buffer and mechanism for resilience in dire circumstances where individuals are structurally trapped (Leung et al., 2021; Mead et al., 2021). Therefore, we theorized that recurring unconditional cash payments would reduce scarcity and increase well-being while either creating the conditions for hope or the conditions for resilience based on structural vulnerability, sense of self, and the timeline of the acute, early days of the pandemic.

**The People's Prosperity Pilot of Saint Paul provided a recurring unconditional cash transfer for 18 months to answer the following questions:**

- How does guaranteed income impact participants' quality of life?
- What is the relationship between GI and sense of self?
- How does GI impact the capacity for economic mobility and through what mechanisms?
- To what degree does GI shift perceptions of shame, deservedness, and trust?

## Methods

All research protocols were approved by the University of Pennsylvania's Institutional Review Board. This research employed a quasi-experimental parallel mixed-methods design (Teddlie & Tashakkori, 2009), meaning that quantitative and qualitative data collection and analysis occurred within independent research strands and were not integrated until quantitative and qualitative analyses were complete. In keeping with the politically-purposive (otherwise known as storytelling) approach developed in the Stockton Economic Empowerment Demonstration (SEED; Martin-West et al., 2019), PPP worked in consultation with Mayors for a Guaranteed Income to identify a small self-selected group of participants who consented to share their experiences publicly. However, their stories were distinct from the qualitative data presented here.

### *QUANTITATIVE METHODS*

***Approach:*** The quantitative research approach was longitudinal and non-experimental, focusing on a recipient group of 95 individuals. These participants, all residents of Saint Paul, were enrolled in the city's CollegeBound Saint Paul program at the time of application. Notably, a non-experimental research design does not have a randomly assigned comparison or control group. Thus, any observed changes in outcomes over the course of the study cannot be conclusively linked to the receipt of GI. However, non-experimental studies are beneficial to understanding how people receiving an intervention may change over time.

***Sampling and Eligibility:*** The sampling strategy was designated to ensure the random selection of participants from families holding a CollegeBound Saint Paul Saint Paul savings account. The City's Office of Financial Empowerment conducted randomization of the existing CollegeBound Saint Paul participants, and contacted these families through various channels such as mail, email, or phone to inform them of their selection. To qualify, families had to self-certify that they faced adversities stemming from the pandemic and their income was under 300% of the federal poverty threshold.

***Data Collection:*** Quantitative data were collected via online surveys from voluntary participants at six-month intervals beginning at baseline (October 2020), six months into the program (May 2021), one year into the program (November 2021), after disbursements had ended (May 2022), and six months after the program concluded (November 2022). Surveys included validated instruments (specified in the Results section) to provide a holistic measure of changes in income and savings, financial well-being, stress, mental health, physical health, parenting and family dynamics, parent and child engagement, food security, and attitudes and orientation. Participants were compensated with gift cards for their time completing surveys.

***Data Analysis:*** Extreme outliers were identified through conventional distributional statistics, and then substituted with winsorized values. The potential impact of GI on specific outcomes over time was assessed using ANOVA, where the later observations of the outcome of interest were regressed onto the outcome of interest at the earliest observation. Due to the limited sample size, the model was simplified to include only the outcome variable at baseline, omitting additional covariates, to adjust for potential baseline variations. A repeated measure ANOVA was employed to ascertain significance. The findings were supplemented by tables and figures and woven into the qualitative analyses.

To address the challenges of missing data, the research employed Multiple Imputation by Chained Equations (MICE) (Azur et al., 2011) as the imputation technique. MICE is a versatile and iterative method that handles missing data by generating multiple imputations for each missing value, allowing for a more robust statistical analysis. The process involves a sequence of regression models, wherein each variable with missing data is modeled conditionally upon the other variables. By generating multiple datasets, each with a slightly different imputation for the missing value, it accounts for the uncertainty of the imputation process. Datasets are analyzed separately and pooled together, producing results that are statistically valid and unbiased. This methodology also ensures that the standard errors of the estimates are correctly computed, which in turn reinforces the accuracy and reliability of subsequent statistical inferences.

### *QUALITATIVE METHODS*

***Data Collection:*** At the midpoint of the experiment, 25 participants were recruited to participate in a semi-structured interview. Five participants canceled due to illness or schedule change, yielding a sample of 20. Interviews were conducted either in the participant's home, in the community, or on Zoom to mitigate COVID risk when necessary. Interviews lasted between 1–2.5 hours, were digitally recorded on a DVR, professionally transcribed verbatim, and compensated with a $40 gift card. The domains in the protocol were informed by the theoretical framework noted prior and included prompts on financial well-being, household dynamics, pooling behaviors, values and ideology, benefits interaction, trust, health, care work, parenting, and employment.

***Data Analysis:*** Narrative data were uploaded to Dedoose for coding by a team of six research assistants led by the Principal Investigators. Analysis occurred on a semantic and latent level. Semantic analysis followed the first four phases of Braun & Clark's (2012) approach to thematic analysis to address pathways and barriers to economic mobility, well-being, decision-making and adaptation. Latent analysis followed Charmaz's (2014) approach to grounded theory for understanding values, ideology, meaning-making, and sense of self. A theoretically driven codebook, anchored in the framework noted prior, was utilized with process and values coding (Saldana, 2010). A thematic map of salient themes was created based on the framework after the entire corpus of data was coded. Then, "thick description" analytic memos were generated and cross-checked against the structured memo-writing that was employed throughout all stages of data collection and analysis (Ponterotto, 2006, p. 358).

# Findings

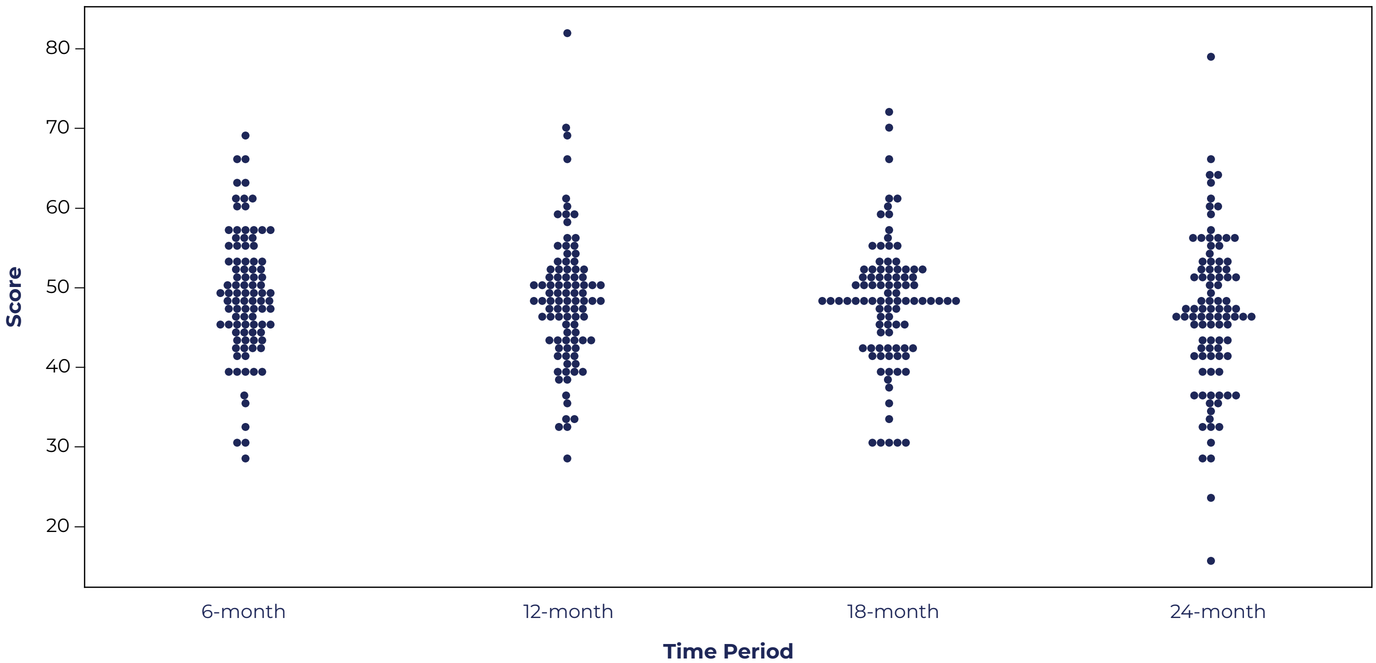
## 1. Financial Well-Being, Humor, & Thrift: A Midwestern Script for Survival

***Summary:*** At the heart of Midwest culture is the concept of hardiness, an ability to survive in harsh conditions that often translates into priding oneself on individual self-sufficiency to avoid becoming a community burden. This manifests as shame and avoidance when seeking help, while counterintuitively extending empathy towards others' needs. Within this cultural milieu, a penchant for thriftiness functions as moral currency, and the strategies one uses for saving and getting by guard against outside structural forces shaping one's fate. Thus, participants directly connected the ways unconditional cash impacted their financial well-being with their overall quality of life. Pre-pandemic participants were already sustaining their families on constrained incomes marked by income volatility. However, while receiving the guaranteed income, participants on average experienced a stable sense of overall financial well-being and a reduction in income volatility, felt better prepared to withstand an unexpected financial emergency, and were able to save more money, despite the pandemic-related economic stressors. Of note, these financial advances that many participants experienced during the pilot tended to decline within the six months after the cash transfers stopped, and on average, participants reported greater housing-cost burden and food insecurity during the post-disbursement period. Together, these findings suggest a need for continued unconditional cash transfers to address financial precarity.

### *FINANCIAL WELL-BEING*

Participants' financial well-being remained relatively stable from Wave 2 to Wave 4, with average scores around 47, situating the sample between the 25th and 50th percentiles on the Consumer Financial Protection Bureau Financial Wellbeing Scale (2019). A repeated measures ANOVA comparing the financial well-being scores from Wave 2 and Wave 4 found no significant difference. However, a slight yet significant difference emerged between Wave 4 ($M=47.08$) and Wave 5 ($M=45.39$); $F(1, 94)= 4.7077$, $p=.033$. The dip in scores from Wave 4 to Wave 5 suggests a decline in financial well-being post-intervention.

Figure 1. Financial Well-Being Scores




## ABILITY TO HANDLE A $400 EMERGENCY

Though Americans' ability to cover an unforeseen financial emergency using cash or a cash equivalent has improved over the past decade, only 57% of parents could still confidently handle a $400 emergency in 2022. The inability to cover such emergencies can lead to use of risky financial products or going into debt—further jeopardizing an already financially precarious household (Federal Reserve, 2023).

Table 2. Temporal Shifts in the Ability to Cover a $400 Emergency (in %)

| Time Period | No | Yes |
|---|---|---|
| 6 months | 56 | 44 |
| 12 months | 53 | 47 |
| 18 months | 60 | 40 |
| 24 months | 67 | 33 |

In Wave 2, a significant 56% of participants felt no confidence in their ability to cover a $400 emergency expense using cash or cash equivalent, suggesting prevailing financial vulnerabilities, particularly in comparison to national data. Post intervention saw a further decline in the confident respondents to 33%, indicating a waning of influence of the GI over time. These fluctuations underscore the ephemeral effects of GI on perceived financial stability and emphasize the intricate dynamics of financial assurance when faced with unpredictable expenses.

## SAVINGS

Concomitant with preparedness for a financial emergency is household savings. The proportion of respondents with higher savings, especially those with savings exceeding $500, improved between Waves 2 (39%) and 4 (41%), but experienced a slight decline after the GI ceased (27%). Particularly, between Waves 2 and 4, respondents either reported an increase in savings (23%) or maintained their savings levels (87%); this pattern was statistically significant across the waves ($x^2(6)=41.59$, $p=.0047$).

### Table 3. Trends in Savings over Time (in %)

| Time Period | Improved | Declined | Stable |
|---|---|---|---|
| Baseline to 6 months | *Data not collected at Baseline | | |
| 6 months – 12 months | 23 | 13 | 64 |
| 12 months – 18 months | 6 | 6 | 87 |
| 18 months – 24 months | 13 | 17 | 71 |

### Table 4. Temporal Variations in Savings (in %)

| Time Period | < $200 | $200–500 | > $500 |
|---|---|---|---|
| Baseline | *Data not collected at Baseline | | |
| 6 months | 26 | 35 | 39 |
| 12 months | 34 | 24 | 42 |
| 18 months | 37 | 22 | 41 |
| 24 months | 54 | 19 | 27 |

Given the moral emphasis placed on thriftiness and savings, it is unsurprising that many participants described saving some of the disbursements as their primary goal at the start of the pilot. Strategies revolved around three items: saving for their children's futures, saving for larger goals like home ownership or higher education, and leveraging the GI alongside the cash received from the expanded Child Tax Credit to enable stronger savings strategies. Most described a desire to save for their children's future while teaching them about the importance of planning ahead financially. Mary, a Hmong immigrant with six children, described focusing on each child saying, "every time we have, like, cash left over from the pilot I kind of split it evenly towards them to put in their little piggy banks. And then, um, yeah, it's, it's just money for them to save for the future." Others, like KM, linked a desire to save with her own lack of economic mobility as a first-generation college student.

> *We're going to save, and we're going to teach them to save early because we don't want them to walk our path. And both my significant other and I are first generation in the U.S. And so first-generation college students too. So because of it, we don't know*

> *anything. Like, we don't know about finance. We don't know about college. We don't know about any of those things. So learning from our experience, we're trying to prevent our kids from walking our path and be in debt like how we are. And with the cost of living going up too, we just know that we have to start now immediately. I think the baby benefits the most because I mean, he went through St. Paul.*

Meanwhile participants like Savannah employed two-pronged strategies using the GI for an immediate financial need and using the CTC for long-term savings, "the [PPP] automatically just goes into our rent. Yeah, because it's the biggest chunk of money that we get.... We haven't really spent that money [CTC] yet, because we're kind of just saving it… we're kind of just saving it for future use." Given these participants were recruited from CollegeBound Saint Paul, these strategies offer insight into the ways that households may potentially combine short-term interventions such as unconditional cash with asset-building strategies like Children's Savings Accounts.

Many expressed plans for using the GI to pay down debt and enable saving for larger goals, but this proved difficult as emergencies and other urgent needs cropped up. Mary described saving the cash as competing with life happening, like a car breaking down, repairs being needed on their home, or caring for her elderly father. Similarly, Leah talked about not being able to save: "Actually, we don't have 'saving savings.' But sometimes we keep a little thing if there are days the car may break down or something may come up, like little things we use, but not like saving, big saving." These expressed desires and goals to save run counter to the assumption that low-income households need education on financial literacy and budgeting for surviving the risks of American capitalism. Participants like Leah did not lack information about how finances and budgeting worked—both are intuitive when living on the economic margins. Rather, they lacked fungible cash to meet basic needs and were forced to engage with punitive financial instruments that further enmeshed them in poverty.

Debt created the largest barrier to savings, which shackled participants to financial stress and precarity even with the GI. In keeping with the cruel optimism Berlant (2011) describes, this debt included student loans and mortgages, which people had taken on believing that would lead to economic mobility. It included credit card debt—leveraged to patch holes created by inflation, income volatility, and the costs of raising a family. It included medical debt from unexpected healthcare costs, a fraying safety net, and inadequate medical insurance. Participants described feeling forced to rely on credit cards to cover emergencies before the PPP because they had no other option when wages were failing to keep pace with inflation. Michelle described the wear and tear of this strategy, saying,

> *That's money that we learned that we like to put away. We're like, nope, you really can't, you know? That's something that we don't [SIGH] want to go back to, because we paid off all our credit cards before the pandemic. And when it started coming up, creeping back up, like, oh no. No, no. Can't.*

Others discussed the crushingly high interest rates of credit cards as steadily adding to their debt and constraining options for pathways out. Participants like Savannah described being forced to choose between using savings for the down payment on a house or for higher education while knowing that both are often necessary for securing stability and avoiding the exorbitant costs of rent.

> *I went back to school like three years ago, um, that's when we were—we were in the process of buying a house. But then since I chose to go back to school, my partner was like, well, if you go back to school, like we can't pay the bills. And so it was either buy a house or else go to school. So I ended up choosing going back to school. So then we didn't buy the house.*

Student loan repayment, though paused for federal and some private borrowers throughout the pandemic, was a looming stress for many participants. While students are taking on less educational debt than they were 10 years ago, student loan debt has a disproportionately negative financial impact on lower-income students of color, women, and those targeted by for-profit educational institutions (National Center for Education Statistics, 2023; Miller, 2017; Addo et al., 2016). Education held the promise of a better job and higher wages for participants, though there was a palpable frustration when this led to downward mobility instead of upward. Bill described the impact of interest on student loans, and how this can feel like an insurmountable obstacle.

> *Well, the past year or two, they have allowed us to not pay them or it has not accrued interest. But in the past, I paid off a lot. And then, you know, I was strapped for money. And then I didn't pay that. So actually, that's a bill that you can delay. You know, that's fine if you don't pay them. It will just keep going into interest and it'll go back up. And so all that money that you did pay off, it will come back, and you'll be like, oh my God, how did this happen or how did I get $10,000 in interest again that I already paid off? So that sucks, you know. But you have to pay that off. So you got to constantly keep paying on it if you don't want to go back and revert. So I have a lot of—um, because I got, you know, went to school twice, you know. I owe a lot of money.*

## INCOME

Analysis of annual household income revealed notable fluctuations across the study period. At baseline, the median income was $32,837—less than half of the median income for Saint Paul in 2021 (U.S. Census Bureau, 2023). By Wave 2, the median income dropped to $29,305, suggesting possible reductions in other income sources. Subsequently, a marginal recovery was evident in median income in Wave 3 ($30,046), followed by an increase in Wave 4 ($36,023), before retracting to $32,624 at endline after the discontinuation of the GI. The observed variability across Waves correlated with the pandemic-era labor market fluctuations, underscoring the multifaceted influences on earning patterns during unprecedented times.

The observed declining income trend in Wave 2 was consistent with national trends (Blanchet et al., 2023). In 2021, the bottom 50% of income earners experienced volatile and generally declining income growth, reflecting the uneven distribution of wage gains amid economic recovery post-pandemic. Concurrently, any income gains experienced by this group were neutralized by rising inflation. This aligns with perceptions reported by many who did not feel financially better off, despite overall economic growth.

Figure 2. Trends in Income Dynamics for Households: Volatility, Mean, and Median Measures

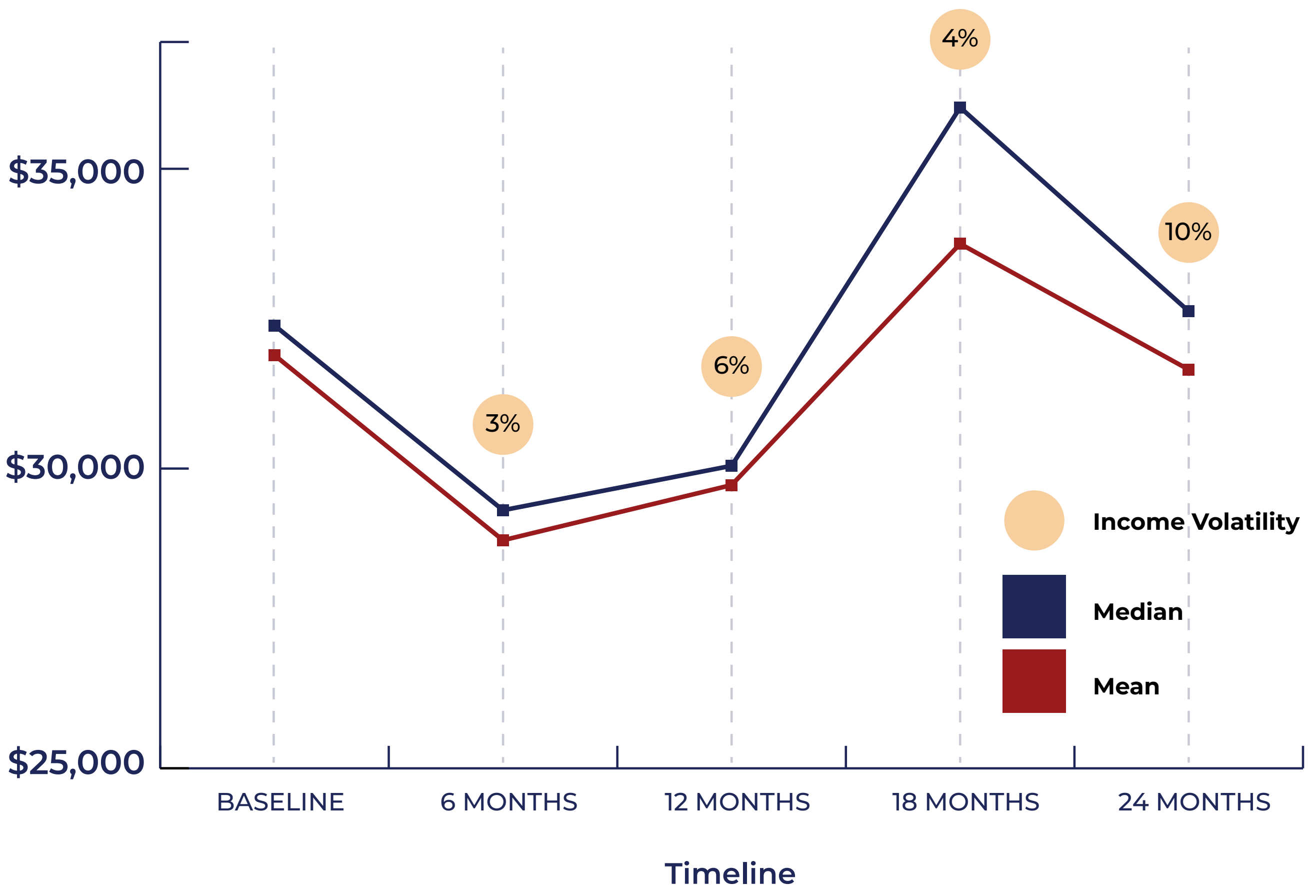


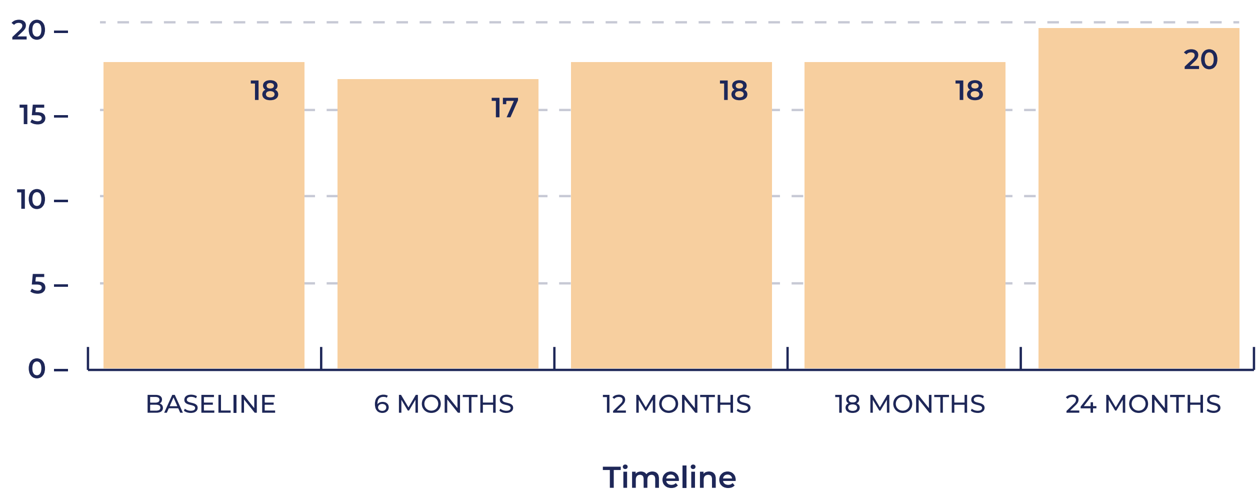

Table 5. Trends in Income Dynamics for Households: Volatility, Mean, and Median Measures

| Time Period | Mean Annual Household Income ($) | Median Household Income ($) | Income Volatility (%) |
|---|---|---|---|
| Baseline | 31,891 | 32,387 | -- |
| 6 months | 28,804 | 29,305 | 3 |
| 12 months | 29,725 | 30,046 | 6 |
| 18 months | 33,749 | 36,023 | 4 |
| 24 months | 31,650 | 32,624 | 10 |

## STRESS, ANXIETY, AND DEPRESSION

Ongoing financial stress can lead to greater overall stress and may lead to symptoms of anxiety and depression. Using the Kessler-10, a validated instrument commonly used to detect distress and symptoms of anxiety and depression (Kessler et al., 2022), baseline scores (M=18.68) indicated participants were likely to be mentally well, showing few symptoms of anxiety or depression. Throughout the program, participants maintained scores below the cut-off of 20, indicating that, on average, they were within the mentally healthy range. However, there was a discernible, yet statistically insignificant, rise in symptoms of psychological distress as the mean score (M=19.96) approached the threshold six months after the payments ceased.

Figure 3. Trends in Kessler Score over Time




## PHYSICAL HEALTH

Physical health and function were tested using the Short Form Health Survey-36 (SF-36) (Hays et al., 1995). Amid the challenges of the pandemic, participants reported a decrease in their overall perception of general health. However, their self-reported physical capabilities and lack of limitations remained resilient. At the outset, participants generally reported favorable levels of well-being across the three subscales of general health, physical limits, and physical functioning. Average general health was 67.15, suggesting a moderate level of perceived general health. Physical limits were relatively high (M=79.49), indicating lower perceived limitations due to physical health. Additionally, physical functioning was also substantial, with M=71.26, reflecting good perceived physical capabilities. By Wave 4, there was a perceptible decrease in average general health (M=60.03), though the physical limits and physical functioning subscales remained positive (M=86.12 and M=81.15, respectively). Results from the repeated measures ANOVA were statistically significant for all three subscales.

Despite overall good health, participants were impacted by their own medical debt, that of their family members, and the costs of managing their family's health needs. This debt layered the stressors of financial precarity with shame and indignation, but participants also credited the GI with assisting them in caring for medical needs when few other options existed. Michelle, a mother of four, gave birth to premature twins at the start of the pandemic, necessitating NICU care and complex pediatric care for both throughout the pilot, impacting her ability to work. Like for others, the GI provided a way to absorb the unexpected medical costs while compensating for lost wages. Nonetheless, not being able to provide care for loved ones due to cost weighed heavily on other participants when the $500 was not enough to overcome more expensive medical needs and insurance gaps. This was exacerbated by insurance companies, particularly for participants who did not have employer-sponsored healthcare and were relying on state benefits or private plans. Cecilia discussed this in relation to her daughter, who has a chronic illness and thus needs medical attention often.

> *I think the biggest thing for us has been medical debt because, um, our daughter has had lots of expenses. Um, some of which are covered, some of which are not, some of which are just a gnarly mess of insurance. And, um, I actually wrote to our insurance company this week, online, with a thing that was like, I'm literally begging for help and writing because we can't sort this out and you're not helping us and we need your help. And so today I got an email that says that we're getting a case manager. So great. I would say that's probably one of the, right, the biggest ones. And it's not even … sometimes it's not even the financial piece of it. It's just not understanding it enough. Not understanding. I mean, like my husband paid a bill that we shouldn't have paid. And then it took months to try to get the money back.*

For families like Cecilia's, the constant back-and-forth with insurance companies along with having to weigh what care one can or cannot afford causes high levels of stress, and in some cases shame over feeling unable to protect loved ones.

## HOUSING AND UTILITIES

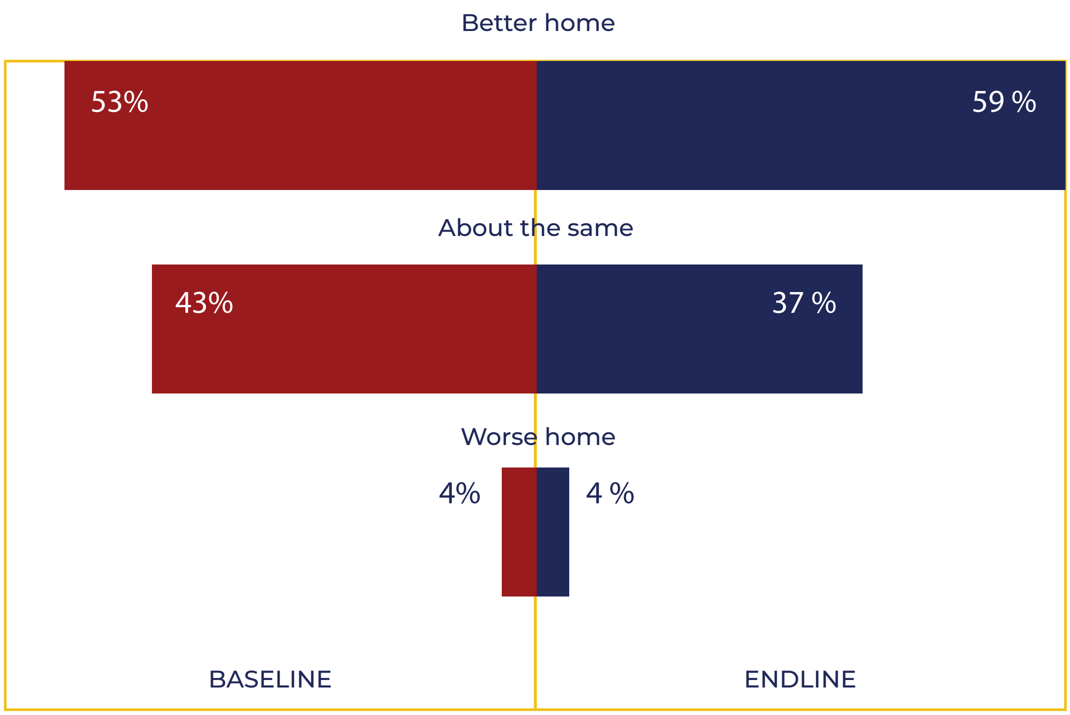
In Saint Paul, nearly 70% of renter households face housing-cost burden, where the amount paid for rent and utilities is 30% or greater of the household's monthly income (Minnesota Compass, 2023; U.S. Department of Housing, 2023). This study defines housing cost burden as the total monthly housing cost encompassing rent or mortgage, but excluding utility costs and any condominium or association fee, divided by the average monthly household income. For PPP participants, the average cost burden increased from Wave 1 (M=28.32) to Wave 5 (M=36.54), meaning participants began the program without significant housing-cost burden, but were facing this financial burden six months after the program concluded. The proportion of participants spending over $400 in monthly utilities saw a 3 percentage point increase, while the proportion whose utilities were included in their rent decreased (by 2 percent points), as did the percentage of those who had someone else covering their utility costs (by 12 percent points). Amid these challenges, a silver lining emerged: there was a 7 percentage point increase in participants transitioning to better quality homes between Wave 1 and Wave 5. Overall, the broader housing landscape presented hurdles, with escalating rents, especially as the pandemic-era subsidies were phased out. The median rent reported for the area was $1,200, not including utilities. This is a marked contrast to the gross median rent of $1,080 recorded for the area between 2017 and 2021 (U.S. Census Bureau, 2023). The observed results align with recent findings from the St. Louis Federal

Reserve (2023) and Harvard University's Joint Center for Housing Studies (2022), which underscored prevailing trends of renters grappling with financial strain. Securing affordable housing in this context remains a substantial challenge.

Table 6. Change in Housing Utility Costs: Baseline vs. Endline (in %)

| Utilities category | Baseline | Endline |
|---|---|---|
| < $200 | 33 | 38 |
| $200 – $400 | 33 | 37 |
| >$400 | 12 | 15 |
| Included in rent | 8 | 6 |
| Someone else pays | 14 | 3 |

Figure 4. Home Quality: Baseline vs. Endline (in %)




Housing costs and mortgage debt were also common stressors across participants. Many of the homes that are more affordable tend to need renovations, and artists' lofts and condos are perceived to be driving an increase in housing costs. Some described feeling like they needed two incomes to afford a home, and increasingly even renting an apartment required a salaried position. Nonetheless, participants leveraged the GI to offset their rent and, in some cases, were able to pair the unconditional cash with other interventions to make ends meet. Lilly's family paired the $500 with the CTC and several months of rental assistance from a refugee resettlement program to keep her family housed after moving to Saint Paul from West Africa and losing her prior career track in engineering. Starlet credited the GI with offsetting her rent to the point that she was able to save in advance: "I find myself having no anxiety, like less anxiety about things like that. I feel like I got anxiety from having to worry about, you know, am I going to make the next month's rent? Like I be having my rent ready a month in advance."

## *GI Case Study 1*

KM is a 32-year-old mother of three boys, ages 9, 4, and 18 months. She and her partner moved from Saint Paul to a suburb due to housing costs, including property taxes. KM is a scientist and has been working in the same industry for seven years. In 2020, she decided to pursue higher education to further her career. Her partner handles most of the childcare responsibilities to enable KM to focus on work and classes. KM's parents are Hmong immigrants. As a first-generation student, she views education as a pathway to the American Dream and financial stability. She chose science as her undergraduate major because she was told that working in the sciences would mean having a secure job and that "it will compensate you enough to pay off student debt, to have a living, to be able to have a family." At 21, newly pregnant and starting her first job that paid hourly, she quickly realized her wages would only allow them to survive on the bare minimum. She took on extra hours, stating that if she had no obligations besides "literally surviving and paying off student debt," it would have been fine. But with a child, she was surviving from paycheck to paycheck and working extra hours. Now, she has a salaried position but more children. "There's two more mouths to feed. And then with pay—trying to pay off student debt and a mortgage, um, and paying off a car, it's just—my debt is accumulating, and my pay doesn't compensate for it." KM felt that she was made a false promise—that if she went to college and got a four-year degree, she would make enough money that she would be able to thrive. She was grateful for the pilot because she felt there were no programs or support for families like hers, making too much to qualify for government programs but still needing help. KM was frustrated by assumptions that needing help meant that you were lazy. "I think the misconception is that you are not working hard. And the reality is that you are working hard. You just can't make ends meet because of internal problems that don't—people don't ask about."

"I think the misconception is that you are not working hard. And the reality is that you are working hard. You just can't make ends meet because of internal problems that don't—people don't ask about."

For participants like Emmy, the GI, paired with COVID stimulus payments, presented an opportunity to pay down debt. She described life before the pilot:

> *I mean, with—with the extra money that we have gotten all this year and, like, the stimuluses, I feel like I've gotten ahead a little bit where I still have money left over after my check. But, like, before the pandemic, before I had my baby, like, it definitely was get paid on Friday, pay all the bills, and then by—by Tuesday, it's like when do we get paid again kind of thing, because just between every bill that I had and all the credit cards that I had racked up.*

Emmy was saving up for a home, using the pilot money to build her savings for a down payment while also paying down her credit card debt to better her credit score. She went from having 20 maxed-out credit cards at the beginning of the pilot to one card that she is paying down. To save for a home, she is living in a duplex owned by her mother's boyfriend. He is renting it to her at a very low rate so that she can save for her own house. Emmy also talked about renting versus owning and how she thinks it would not be a good decision for her to rent again at a higher rate. In deciding where she wants to buy, Emmy has to consider her son's school, her daughter's daycare, and the distance she will have to travel for work.

## *FOOD INSECURITY*

Several key findings emerged from the food insecurity analysis of households. The data revealed an escalating concern about households potentially running out of food, with 19% of the respondents expressing this worry in Wave 2, which increased to 31% in Wave 5. Notably, while 11% of the respondents in Wave 2 indicated that household members had to eat less due to insufficient food, this proportion dipped to 4% in Wave 3, only to rise again, reaching 15% in Wave 5. An upward trend was also evident in both the consumption of undesired foods, as well as in the inability to consume preferred foods because of limited resources. Financial worries were not amiss, with the data revealing a steady climb in respondents' anxiety about settling utility bills, increasing from 35% in Wave 2 to 55% in Wave 5. It is crucial to note that Waves 4 and 5 coincided with one of the most severe inflationary periods in U.S. history, with inflation rates reaching 9.1% in June 2022. This economic context likely intensified the hardships experienced by households, a sentiment captured in the study's findings. Overall, the results highlight an escalating trend in food insecurity across the waves, amplified by the inflationary pressures. The marginal decline in anxiety over adequate food availability in Wave 2 underscores the transient relief provided by the GI in mitigating household food insecurity.

Participants described a variety of strategies they used for weathering food insecurity. Notably, these typically revolved around stretching food resources, including buying whole ingredients in bulk and utilizing multiple freezers. Others, like Emmy, discussed food for themselves as a secondary priority compared to bills and other essentials. "I won't starve at work, but I'll literally, like just make it through the day without buying anything to eat because I just feel like it's a waste of money. And why spend the money on it when you could put it towards one of your bills kinda thing." Sophie talked about utilizing sales and freezers to make the most of her budget:

> *Yeah. So I try to do that, where, like, if there's like a sale on or something, like, OK, I try to get, like, five of those and I just put them downstairs, OK, five soaps. Because we're going to end up using them. Like in the future. And like, if there is like, a fruit or something that's like, a pineapple, like, it's at its point, and I don't want to, like, I don't throw it away. I'm like, Imma cut it up and put it in the freezer, and we'll make some water with it later. You know, and stuff, and like, making the most with the clothes, and stuff. And like, instead of, you know, if there was a sale or something at Walmart, OK, like, two-dollar pants, or, like, look around for certain prices.*

Another approach participants used revolved around work, either taking on more hours, looking for higher pay, or cobbling together odd jobs. For Cecilia's family, finding work where they could, especially during transition periods like postpartum and during the pandemic, was their primary strategy to make ends meet.

> *We both, even when we were working full-time, we both worked part-time jobs. [LAUGHTER] Yeah. Um, to, so we both have music in our background and so we'll sing for anything someone asks us to, if we can make it work. Um, so with my job, actually today, I was here doing work and the kids were here, and he went and sang for a funeral. Um, which is great. I mean that earns, it's taxable income. [LAUGHTER] Um, and so, yeah. We, we do extra, extra whatever we can. Like I said, he'll do handyman stuff. He'll go hang a door, um, you know, in someone's house and they'll pay him for that, or um, yeah. I've looked at things like being a Shipt shopper or some of those other things, um, or holidays, kind of doing things around the holidays. I don't think I've ever done any other ones. I mean, there was a, there, there were some tougher times where I would work, like, a day shift and then a night shift, like doing temp work and things like that. Um, but I haven't been able to do that in a while just from family and stamina and stuff.*

These strategies embody the heart of Midwest hardiness: making the most of what you have, stretching resources through multiple seasons, and using your time and energy towards work and production. This often went hand-in-hand with a discussion of need versus want, something participants described almost constantly asking themselves as they assessed their budgets. Here, Michelle explains how she and her husband evaluate each budget item.

> *Um, it's if, is it an essential need? Do we need it, or is it a want? Um, that's what I find, that's what I've been doing lately, ever since I had the chance like, OK, is this what we really need? As long as we have a roof, food on the table—our bills are, you know, make sure they're paid on time. That's what's really important to us right now.*

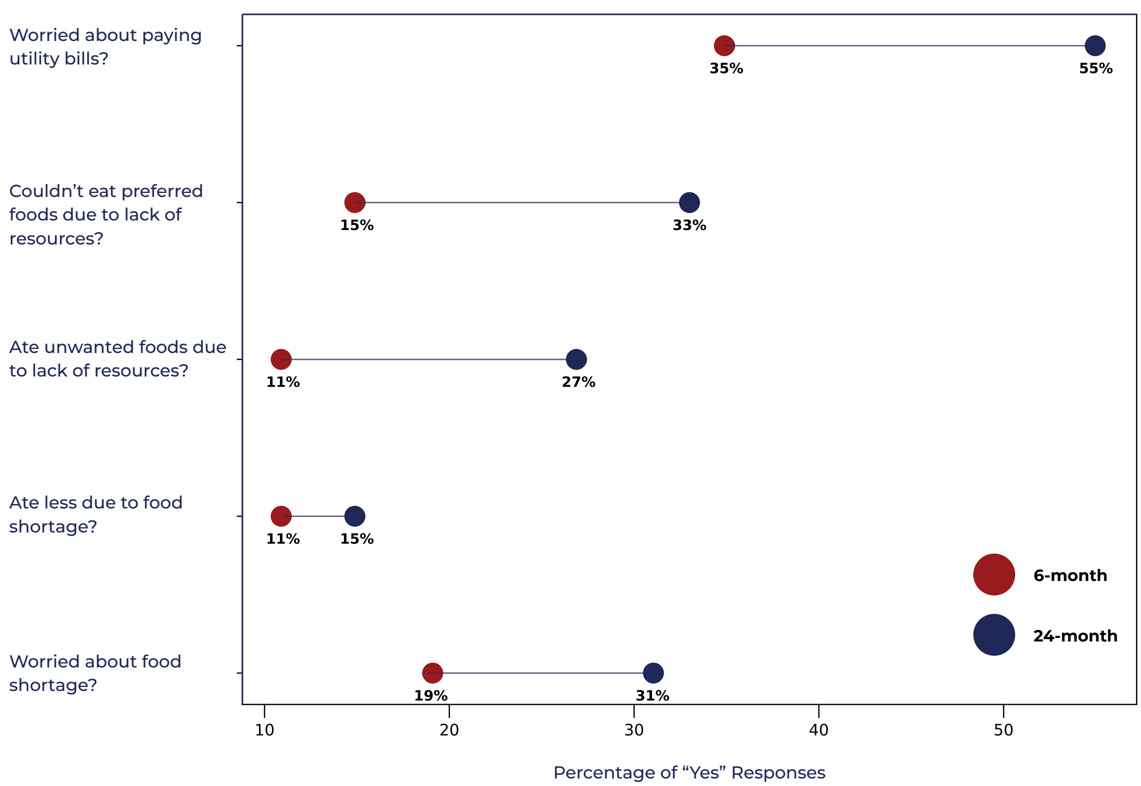
Still, there were many instances where participants could not meet their basic needs because of persistent financial strain. Overwhelmingly, this was communicated with a unique Midwestern humor, not wanting to admit the presence of struggle. For example, Cecilia described the anguish of not being able to afford medical care for her family, especially for her children:

> *I consider that a basic need, right? If someone is sick and hurting, maybe other people don't. Um, but it's, yeah. It's not a proud moment. Um, I've done it to myself plenty of times. But I don't cry over that one. I only cry over, you know, doing it when it's our kids … They [her children] made it through. They're just stronger without having the antibiotics, right? [LAUGHTER]*

The use of humor was one way for participants to normalize and cope, but it contributed to an overall pressure to act as though chronic stress were not present and led to social isolation and loneliness. This script of "everything's fine" took a toll on participants and their families. It strengthens the narrative arc of savings and thriftiness as a moral test to individuals' ability to thrive, even when it is mathematically impossible for them to thrift their way to financial stability. Michelle described how this mentality adds to stigma around benefits overall.

> *But like with me myself, I feel like, I, I don't know, you know, it's, it's great that we have help, because I receive the help … and it's beneficial to me. But in other people's view, they're like, why? They're driving a nice car … They have a nice house. They … they have, you know, an Apple Watch. How can they afford this and get all the help from the state? And I feel like some people, they just don't understand what really lies … underneath it … Of the struggle, of the real struggle, what someone's going through. You know, we can put on a happy face, like everything's fine. But you're really broken inside and you need help.*

## Figure 5. Change in Food Insecurity



In addition to the financial precarity experienced prior to the pandemic, participants were enduring unprecedented uncertainty. School closures, food and formula shortages, unpredictable wages, and furloughed workers combined with the threat of COVID and contributed to participants feeling overwhelmed. Yet, the resilience of PPP participants in the presence of profound obstacles is clear. One mechanism through which GI works is by decreasing financial stress and increasing participants' sense of self and agency, which can have a ripple effect on their lives and their most important relationships. For Sophie, this meant an improved relationship with her spouse, "Because it's like, you're stressing less, instead of like, bickering we don't, you know? Or, or like, cause sometimes, it's like, that stress can take a hold of you, and just like, you see everything not so, black and white and stuff." Others, like Ashley B., began to create pathways for their future, finding hope in being able to set a goal like going back to school to become a nurse. Starlet, an entrepreneur, was able to focus on growing her business and spending more time with her family: "I would be more worried about bills. And so this program helped me less have to worry about that, so I can focus on the good—the more important things."

## 2. Countering Social Isolation & Institutional Neglect

***Summary:*** All PPP participants were parents with at least one infant or small child, and as such, many expressed a common feeling of parental isolation, which was exacerbated by pandemic-related safety measures such as social distancing as well as financial stressors. Within the context of Midwest hardiness and self-reliance, several participants shared that they did not want their debt and financial stress to be a burden on their families and communities, and so they were less likely to reach out and connect with their social supports during times of financial precarity. However, during the hardships of the pandemic and the ensuing, mounting financial stress, guaranteed income served as a mechanism to improve financial well-being, creating a pathway for supportive social connection. Many participants experienced a sense of self-transcendence as the GI allowed them to be part of something bigger than themselves, which then led to stronger community connections as they were able to give back to their communities and spend more time with their loved ones. On average, participants reported an improved attitude towards life and their purpose as well as increased hope for the future six months into the GI program; this positive trend continued through the last point of data collection, six months after the PPP ended. Further, during the PPP intervention, many participants experienced a heightened sense of being valued by others.

The People's Prosperity Pilot was launched in 2020 and was one of the earliest cash responses to the public emergency created by COVID. From losing family members to losing jobs, the pain and grief of the pandemic left a lasting mark. In Saint Paul, PPP participants were parents with at least one infant or child, and as caregivers felt both the isolation of social distancing and the acute stress of pronounced financial precarity. Many described seeking help that never arrived prior to the pilot, or how the PPP functioned as a replacement for a key benefit they were not otherwise receiving, such as child support or paid maternity leave. At first, the stress and anxiety that the pilot money relieved still did not seem to diminish their sense of isolation, particularly in feeling like they were struggling alone. Participants expressed feeling reluctant to ask for or accept help, feeling like they would be burdening others who were dealing with their own struggles. Savannah, for example, discussed not wanting to ask for help from family members.

> *I mean, not too much, because, um, kind of don't want them to worry about, you know, our needs and stuff. Um, so I think it's only been a couple of times when we had to let my mother-in-law know. Um, and she's helped just, just a couple of times.*

Among PPP participants, financial stress often acted as a precursor to social isolation. As bills and debt mounted, financial stress and isolation intensified. Problematically, the internalization of the Midwest work ethic script led to shame and a sense of failure for not being entirely self-sufficient.

LL and her family felt this in relation to medical debt that continued building as the care required for her mother-in-law increased. LL elaborated on the compounded stress of medical debt when discussing what these bills meant for her family, particularly in relation to meeting basic needs.

> *I don't know. It's dark. It's just like, oh, I don't have enough money. Or, oh, my g—like, it's just very stressful. Um, yeah, a lot of stress. And also, like, feeling like, oh, I need to fi—I need to have a better job. Or I need to work harder for a better job or I need to get paid better. And, you know, just kind of, like, yeah.*

At the same time, participants spoke of the importance of social connections, especially in relation to childcare. Emmy, for example, used the same babysitter she had as a child, who babysat her son and then for her daughter. This relationship allowed her more flexibility than a traditional daycare setting, which then allowed her to take on extra hours or keep up with the demands of the holiday season on her job. Emmy's network also allowed her to secure reliable and affordable housing, as noted above. Emmy was also able to stay with her mother for five months after her landlord unexpectedly sold the home she'd been renting previously, pointing to the importance of having a network to fall back on for temporary assistance as well as the ability to escape the exploitative nature of most landlord-tenant relationships.

The large immigrant population that calls Saint Paul home has cemented intergenerational social connections and relationships that aid families in accessing help and building community. Sometimes this is through word of mouth, as when participants told their communities about their PPP selection in hopes that others in their network would also qualify. Participants spoke about their communities helping them navigate government processes and, in some cases, creating networks for childcare.

Tala's story illuminated the network of support that many immigrant and first-generation families rely on to get by. Tala lived in a large apartment complex that was mostly occupied by families from her home country, effectively recreating the food ways and norms from her country of origin. She spoke throughout the interview about ways that the families in her building support each other, and also noted that she shared information about the pilot with everyone in the building.

> *If they need help, to call. Because probably, for me it was like a miracle. I'm trying to take through, like, like, I was like how long would I [INAUDIBLE]? Like, I was not going to make sure, like, I was not going to think about my babysitters for the next, like, 21 months, like—That was, that was huge. So I just tell everyone.*

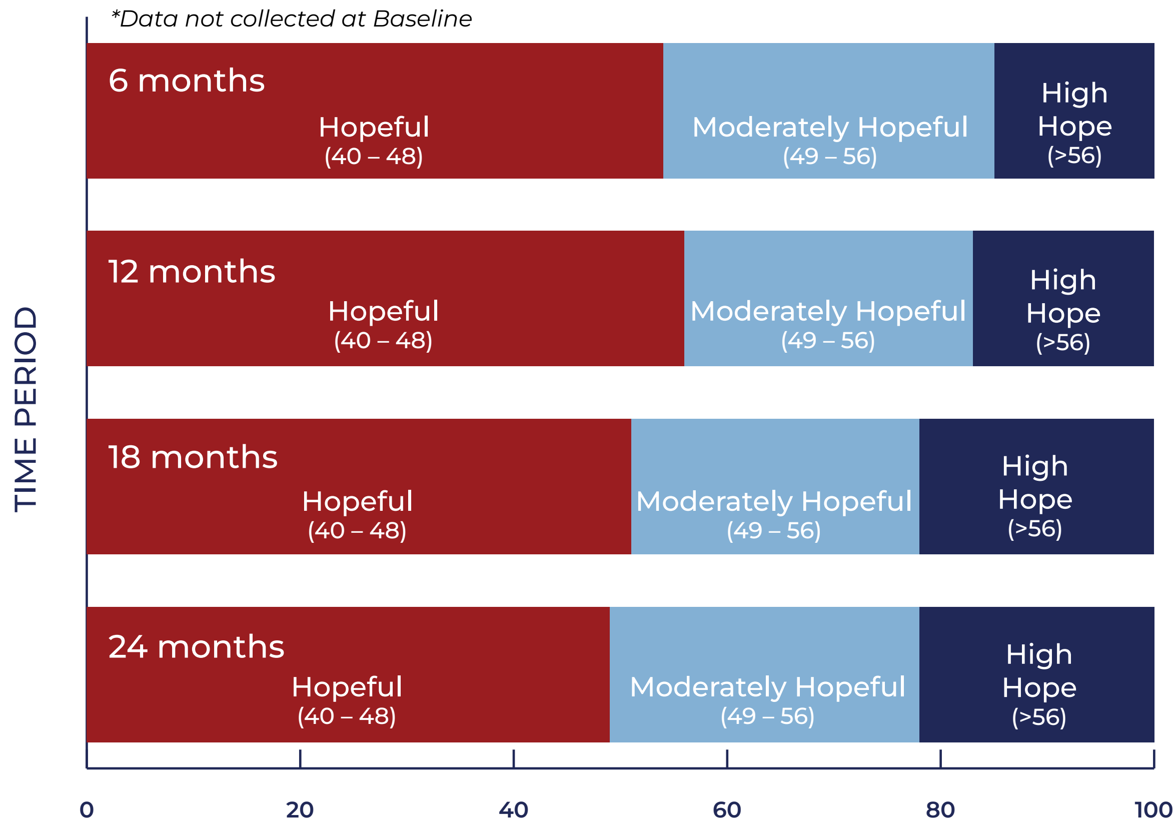
Tragic optimism posits that through social connection, self-transcendence, gratitude, and acceptance, individuals can locate wells of resilience when confined by structural forces (Leung, 2019; Leung et al., 2021). The pandemic served as a dire circumstance in which the majority of people experienced intense social isolation, financial precarity, and acute physical, mental, and emotional stress. The GI and PPP served as a way for participants to feel as though they were a part of something bigger than themselves (self-transcendence), build social connections through giving back to their communities and spending time with loved ones, created space for gratitude, and ultimately forged acceptance of their circumstances. This was captured by Michelle:

> *I feel like, I have to accept like, OK, where I'm at with my life, my kids, and my husband. I should be grateful for the help that my parents have helped us, so far. Um, be grateful so that we're healthy. So I just feel like, you know, money is a part of that sometimes, I just have to realize that. It just, it comes and goes, as long as I have a roof over my head. I feel like, you know, it doesn't matter if you have a lot of money or a little money. You know, money comes and go. And I feel like we have to accept that. Um, and it's just a temporary thing. But you really have to find happiness with yourself, and, um, and try to make, not make ends meet, but just be happy with what you have.*

These same markers of resilience were notable in three indices of quantitative data, as well. Results of the Life Attitudes Scale (Wong et al., 2022), which measures subdomains of tragic optimism, indicated that participants were significantly more likely to demonstrate positivity despite persistent financial strain. From six months after the PPP started to six months after it ended, there were significant positive trends in affirmation of meaning and value, or a person's feeling that there is inherent purpose in life despite current circumstances (Relative Impact=2.7%, $p<.05$); acceptance of their current situation against difficult odds (Relative Impact=6.9%, $p<.05$); and faith in a higher power even if things feel stacked against them (Relative Impact=2.0%, $p<.05$). Conversely, participants reported significantly negative impacts in terms of self-transcendence, or the ability to overcome situational or personal constraints to make a difference in the world (Relative Impact=-.6%, $p<.05$).

Results of the Adult Hope Scale (Snyder et al., 1991) indicated that throughout the duration of the PPP and six months after, participants were hopeful for their futures. This scale measures a person's intent to meet goals (Agency), actions to achieve those goals (Pathway), and a sum score of both (Total Hope). While higher scores were observed for all three subscales (Agency, Pathway, and Total Hope) between Wave 2 and Wave 4, the upward trend was not statistically significant.

Figure 6. Perceptions of Hope




The Adult Mattering Scale (Elliott et al., 2004) assesses how individuals perceive their value in the eyes of those around them, encompassing three dimensions: Awareness, Importance, and Reliance. The mean scores for Awareness, or how individuals believe others perceive them, decreased starting at Wave 2 (M=48.5) and reaching the lowest at Wave 5 (M=44.9). The scores for Importance, which gauges the perceived emotional investment from others, fluctuated, peaking at Wave 4 (M=38.1) and showing a decline at Wave 5 (M=36.2). The scores for Reliance, how much individuals feel others depend on them, remained relatively stable, with minimal variation observed across the waves. Linear regression results showed a positive relationship in the Importance subdomain between the six-month mark and endline (t=2.13, p<.05). However, this significance was not mirrored from endline to the six-month follow-up period or in other subdomains. This suggests that, during the study, participants experienced a heightened sense of being valued by others, but that this effect did not persist after the GI ended.

# 3. Caregiving on the Edge: Paid Versus Unpaid Labor

***Summary:*** PPP participants were resolute in their commitment to productivity as parents and workers. As all participants were welcoming new children into their homes during the pandemic, tensions between employment, caregiving responsibilities, healthcare, and childcare created both obstacles to financial security and opportunities for demonstrating resilience. Unemployment declined from the beginning to the end of the study, suggesting both a recovery in the job market as the pandemic unfolded and the potential role of GI in fostering increased job opportunities. During the PPP intervention, participants also reported relatively steady household stability, which extended six months after the cash transfers ended.

Table 7. Employment Trajectories: Baseline to Endline (in %)

| Category | Baseline | 6 months | 12 months | 18 months | 24 months |
|---|---|---|---|---|---|
| Caregiver | 16 | 24 | 15 | 22 | 21 |
| Employed | 49 | 38 | 54 | 47 | 63 |
| Not in Labor Force | 17 | 12 | 15 | 14 | 9 |
| Student | 0 | 3 | 2 | 2 | 1 |
| Unemployed | 18 | 23 | 15 | 15 | 5 |

## EMPLOYMENT

Building on the insights from the annual income levels reported above, employment data provides a nuanced picture of the labor market's response to the broader economic context created by the pandemic. One consistent trend was the number of those employed either full-time, part-time, or seasonally, which varied from 49% at baseline to 63% six months after the program ended. This trend suggests both a potential resurgence of job opportunities following the pandemic, as well as the potential role of GI in fostering employment-seeking actions. The unemployed category showed a decline from Wave 1 to Wave 5, suggesting both a recovery in the job market and individuals transitioning to caregiving roles or other categories. Findings from recent research imply that a rise in Minnesota's minimum wage led to a slight rise in hourly wages (by 0.5%), but a concurrent decline in job numbers (by 2.2%) and total hours worked (by 2.3%) (Karabarbounis et al., 2021). These effects were particularly pronounced in sectors like restaurants and retail, predominantly impacting low-wage earners. This also aligns with recent monopsony trends, where employers taking advantage of the labor surplus did not raise wages commensurately with the economic recovery (Congressional Budget Office, 2019). The consistently low percentage of students in the sample across Waves is indicative of the sample's educational makeup, given the preponderance of participants without a college degree. As these individuals are generally more susceptible to the ebbs and flows of a pandemic-affected labor market, especially given the variable minimum wage rates in Minnesota, the observed employment trends further underscore the intertwined nature of market dynamics, the GI intervention, and individuals' choices during the study period.

## UNPAID CARE WORK

Participants who indicated their primary employment status as a caregiver[3] fluctuated between 15% and 24% across Waves, hinting at the potentially shifting roles and responsibilities individuals had to take on during these turbulent times. For caregivers, especially parents, the pandemic marked a turning point in their relationship to work. Disruptions in daycare and schooling coupled with job insecurity and mass shortages of essentials like formula created crises for families. Many described living with uncertainty about the impact on their health, and mothers talked about having to choose between paid work, caregiving, and functioning as de facto school and daycare teachers on Zoom.

In the midst of the pandemic, families were forced to find ways to balance caregiving responsibilities with working remotely. The mental, and sometimes physical, acrobatics required for simultaneously being present for a child and for work wore on parents. Bill spoke to this in his interview when asked how he and his partner, who both work full-time, handled caring for their infant, born in June 2020. His partner was able to take vacation time after her maternity leave ran out, which gave them a little buffer at the start of the pandemic.

> *So he, you know, tends to go to bed at about 7 or 8 o'clock PM. And then he wakes up at 7 or 8 o'clock AM. So from that point, I work Monday through Friday, 9:00 to 5:00. So you know, it's very difficult for me to take, you know, a good chunk of time off to deal with him. Because I—you know, you can't—I can't be on the computer and watch him at the same time. It's not possible ... But we alternate in the mornings ... So—and if I wake up with him at 7AM, I have him until about 9 AM. And then I pass—once that happens, you know, 9:00 AM is when I start my job. And then she gets him from 9:00 PM to about 5:00. And then I finish my work at 5:00. I take care of him from 5:00 to about 7:00 or 8:00, you know, until he goes to sleep. And then she may do some work or something after that afterwards on a day that I have him.*

3 Our categorization of unpaid caregivers as not part of the unemployed segment is a deliberate and mindful approach to labor force participation reporting. This distinction underscores the importance of caregiving, a vital yet often overlooked component of the workforce. Unemployment statistics differentiate between individuals actively seeking employment and those not actively looking for a job, such as caregivers, students, retirees, etc. This distinction prevents the conflation of unemployment figures and highlights the value of caregiving. Our methodology not only aligns with the Bureau of Labor Statistics (BLS) standards but also adheres to internationally recognized protocols. Organizations like the International Labour Organisation (ILO) and the World Bank distinguish between active labor force participants and the 'inactive population.' By doing so, we accurately represent true unemployment rates and acknowledge the significant role of caregivers, ensuring their contributions and circumstances are appropriately reflected in our study.

Bill and his partner alternate care days with his partner's mom, who is older and has her own health concerns. She could not begin watching their son until vaccines became available, and she now takes one or two days a week of childcare. Bill estimated that he spent about 20 hours a week caretaking, and that his partner likely spent at least double that—40 hours a week—because, as a mother, more was required of her. Their story highlights the invisible costs of caregiving, the time and mental energy required to make it work.

The cost of childcare and lack of policies like paid parental leave also shaped mothers' relationships to paid work. Minnesota ranks fourth in the country for childcare costs, making it one of the most expensive states in the country to have a child (The Itasca Project, 2022). Childcare costs have risen in the Twin Cities, where the average yearly cost of home daycare for an infant is $10,764; the average cost of center-based daycare for an infant is $18,356 (The Itasca Project, 2022). To contextualize, this would be equal to 14.7% of median income, when the U.S. Department of Health and Human Services (2016) defines affordable childcare as being less than 7% of one's income (The Itasca Project, 2022). For many mothers, this cost in relation to their wages made the decision for them. Other participants described strategies they developed to work around this cost. Some swapped shifts with their partners, with one working night shift and the other working daytime hours. While this strategy did patch budget holes, it came at the expense of families spending time together, creating discontinuity in the home and parenting. Others reduced their hours at work to pay less in childcare, but this increased financial stress, as there was less money coming into the household. Talia reflected on the cost of childcare while mulling a potential return to work.

> *So if we go to work somewhere else we're getting $15 or $14 or $13 per hour. And they cannot work seven days because even then who's going to watch their kids? What they going to do? And the babysitter is taking four kids it's a madness, anywhere you go. What's the point?*

Many parents spoke about the lack of protections for them in the workplace, especially paid maternity leave and paid family leave. Mary, a mother of five, was put on bedrest during her pregnancy, forcing her husband to take an extended unpaid leave from his job in a hospital pharmacy to care for their family and manage Zoom school. The $500 GI and the CTC filled the budget gap created by lack of paid family leave and the pressure of the pandemic. Although this kept their family afloat, it raises the question of what types of mobility they may have achieved if he had had access to paid family leave.

Without paid maternity leave, mothers are faced with impossible choices of either leaving the workforce all together or using other workplace benefits to create a patchwork safety net for themselves. Emmy describes utilizing this strategy after experiencing complications with her labor and not having childcare for her oldest child due to the pandemic.

> *I had probably about, I want to say, close to 200 hours of time saved as far as sick or vacation, because we have different—like we have a set amount of sick time that we get each pay period, and then we have a vacation time that is more or less, like, fronted to us in the beginning of January. And I knew I was pregnant in October, so I just didn't take any days off all that time, and I just saved it, and then we got those stimuluses. So*

> *any money was coming I just sat on it. I didn't touch it. That's pretty much it.*

The financial impacts of giving birth and staying home to care for a newborn represent only one facet. Whether participants identified as full-time caregivers or participated in the paid workforce, they described motherhood as not just a full-time job, but overtime. The invisible labor of motherhood was apparent as participants talked about the time and work they put into their families. The GI allowed participants to reclaim their time by choosing to focus more on their families instead of work. This reduced stress for participants in palpable ways. KM hoped that future generations would be able to do things differently because of programs like the PPP.

> *But just knowing that it's there, I think that will help a lot of future generations not stress out so much. Programs like the pilot, I think it's great just knowing that the money is there and that you don't have to worry about it. If you are in a position where you can opt out of it to help other people, I think that's even—that's even, you know, the best thing in the world is that you have that to help you. And now you can get out of this that other people can benefit from it. So I think overall, I am so thankful for the program.*

## HOME ENVIRONMENT AND ENGAGEMENT

Michelle's experience is similar to many parents in the PPP; even with competing demands, financial precarity, and cobbling together resources to meet her family's needs, their home environments, time spent with children, and hopes for their futures were promising. Using the Confusion, Hubbub, and Order Scale (Matheny et al., 1995), which measures household peace, unpredictability, and organization—all home attributes that can impact child development— findings suggest relative stability in chaos levels across the Waves. In other words, amid the many stressors accompanying a global pandemic, household organization and stability held relatively steady between Wave 2 and Wave 4 (Mean Difference=1.67). Though statistically significant, these variations should be interpreted with caution given the scale's broad spectrum of scores that range from 15-60 as well as the pandemic's far-reaching impact on economic stability and financial uncertainty faced by the participants. The subsequent increase from Wave 4 (30.76) to Wave 5 (31.13) was minimal and not statistically significant. Over time, there were also no significant changes in the amount of time parents spent with their children reading or looking at picture books, telling stories, playing and building things, or attending out of the house activities for child development.

The data indicated fluctuations in the frequency of parental interactions across various activities, reflecting the evolving and dynamic nature of parent-child engagements. For example, a parent might interact daily through storytelling at one point, but this interaction may reduce to a few times a week or even a few times a month at subsequent points. These variations in interactions can be attributed to myriad factors including changes in the child's interests, alterations in family routines, availability of time, or the introduction of new commitments. For instance, a child's shifting preference from building toys to other forms of play or activities can result in altered interaction patterns. Despite these fluctuations in interactions and expectations, parents maintained high, stable educational aspirations for their children over time, underscoring the consistent value placed on education within this study population.

## GI Case Study 2

Michelle is a 31-year-old mother of four children, a nine-year-old, four-year-old, and infant twins. She lives in an intergenerational household with her husband, children, parents, and one sister. Michelle's twins were born in February 2020, just before the pandemic led to mass shutdowns, and stayed in the neonatal intensive care unit (NICU) for about a month and a half. While they were in the NICU, Michelle had to navigate childcare coordination as well as supply and grocery shortages that developed at the start of the pandemic. As a medical assistant in a public high school, Michelle finds her work to be very rewarding, seeing her clinic as the "face of help" to support students with medical, nutritional, and social work needs. However, as pandemic era school closures took hold, she found herself out of work without pay, as she had just used her PTO with her maternity leave. She felt that "with the twins and the pandemic, everything just went downhill." Her husband, a carpenter by trade, was able to maintain stable hours, and her parents were able to contribute to rent which, in addition to the GI and expanded tax credits, made it possible for her family to get by. All in all, Michelle framed that first year and a half of the pandemic as "the most difficult years I've been in." Since the pandemic, Michelle has gone back to work, but her hours are now variable. Finding the cost of daycare immense and the limitations on children per age group unworkable, Michelle relies on her mother to care for her children while she works. The GI helped Michelle to cover expenses, but it also enabled her to spend more time with her children, and she felt it changed her outlook in many ways. The largest shift for her was "just being thankful that there's programs out there that really do help people."

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## HOME ENVIRONMENT AND ENGAGEMENT

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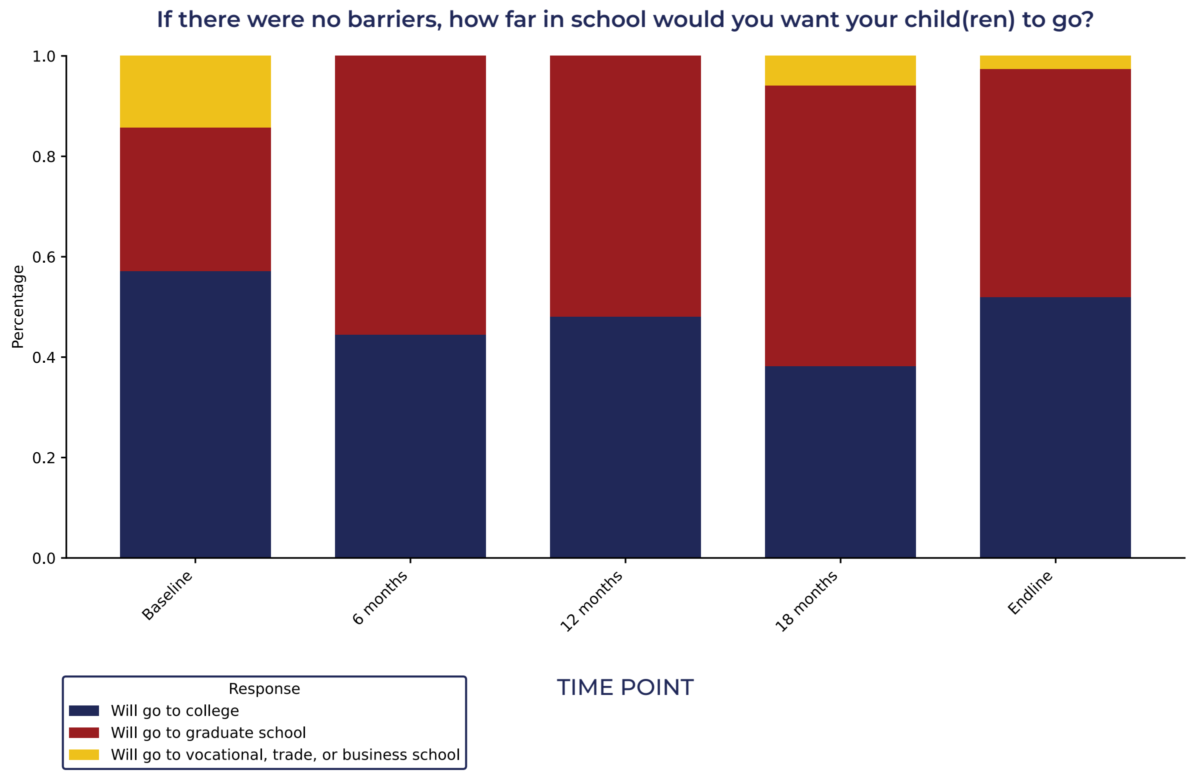
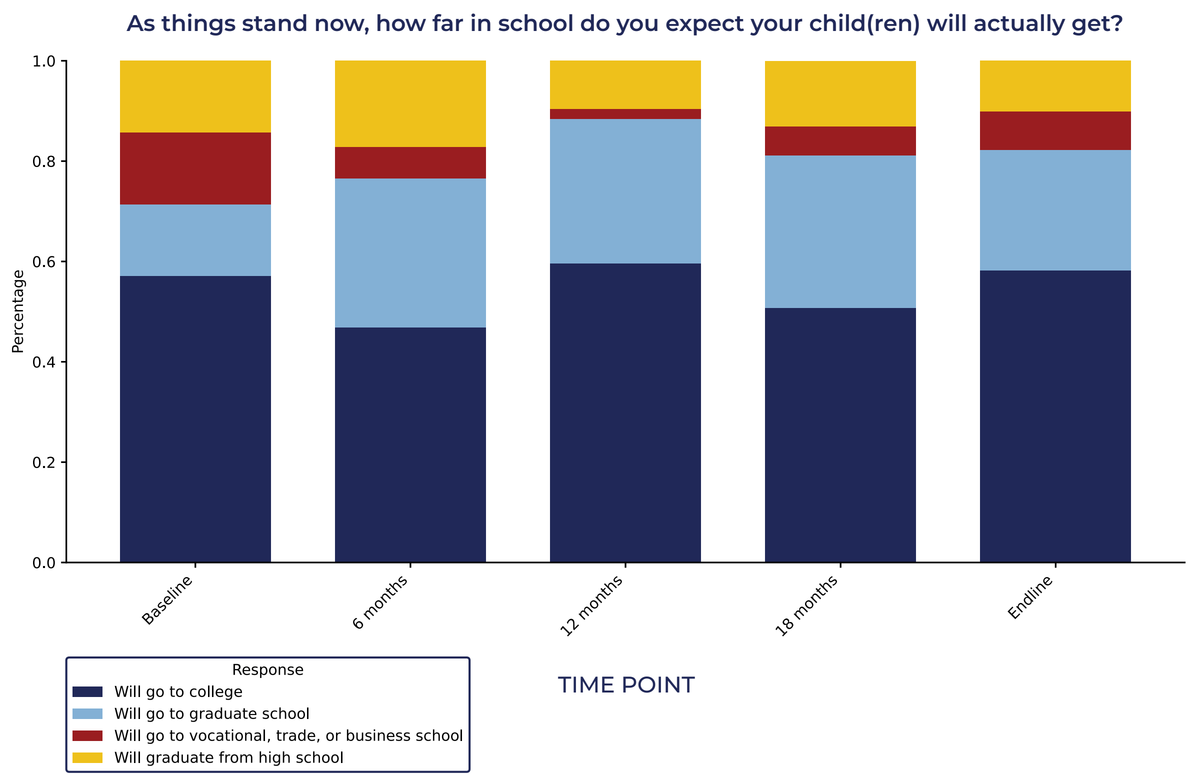
Figure 7. Parental Aspirations and Expectations for Children's Education



# 4. Rewriting the Script of Deservedness

**Summary:** The receipt of guaranteed income served as a catalyst for altering the narratives of traditional deservedness and common assumptions about poverty, creating space for re-conceptualizing the social contract. Specifically, the GI challenged several problematic features of the traditional safety net by offering both flexibility and stability, and disrupted the script of deservedness by promoting trust and countering unexpected shocks. Participants contrasted the flexibility of cash transfers with the rigidity of traditional benefit programs, and they reported a sense of safety and security associated with the predictability of monthly, unconditional payments. The core value of trusting recipients to know how best to spend cash counteracts myths surrounding poverty and deservedness.

Accessing safety net benefits in the United States requires navigating administrative hurdles and means-tested benefits governed by a benefits cliff. The benefits cliff, or cliff effect, means that any increase in household finances beyond pre-set eligibility criteria can abruptly push one off the benefit, thereby eroding financial stability unless the increased income can substantially replace the benefit's value (Dinan et. al., 2007; Ballentine et al., 2022). Practically speaking, this means that if a family earns even $10 more than the predetermined amount, they can experience a substantial loss (fall off the benefits cliff) that pushes them deeper into poverty. The enduring myth of the welfare queen (Hancock, 2004; McCormack, 2005), along with false poverty narratives of shame and blame, inform the ways these benefits are designed and employed, thereby disincentivizing participation, perpetuating stigma, and undermining trust in community and institutions. In contrast, the PPP provided GI with no strings attached and no threshold for deservedness, uncoupling assistance from waged labor and the benefits cliff. This divergence invites questions about the degree to which GI can alter negative perceptions, counter the cruel optimism obstacles Berlant (2011) notes, and potentially inform a more equitable safety net.

Narratives indicate how an infusion of GI, administratively disentangled from traditional deservedness assumptions, fractures popular assumptions about poverty and offers alternative ways to reimagine a static safety net. Participants' responses highlighted two ways GI operationally departs from the traditional safety net (flexibility and stability) and two mechanisms (trust and countering unexpected shocks) by which this process disrupts the script of deservedness. First, participants consistently compared and contrasted the flexibility of unconditional cash with the comparatively restrictive and punitive nature of safety net benefits such as WIC and SNAP or food stamps.[4] John used the needs a notoriously brutal Minnesota winter creates to highlight the difference, saying:

4 The Supplemental Nutrition Assistance Program (SNAP), also known as food stamps, provides food benefits to low-income individuals and families (U.S. Department of Agriculture, n.d.).

> *One of the issues with food stamps is it doesn't buy winter boots. And so you can have all this food, but you don't have money for winter boots … what I do like about this [GI], is it gives people a little bit more freedom and flexibility with very low, um, administrative costs for them to use the money on what they feel is best.*

In a similar vein, Cecilia echoed data on how restrictions on benefits like WIC invite emotional distress, demand math calculations while holding babies in the grocery store, and create unnecessary travel burdens to secure what she needs by moving from store to store.

> *It is so hard to find, like, the exact item that you're allowed to buy that sometimes I would have to go to multiple stores, because you can only get one type of loaf of bread that's a certain size. And if it's, I mean there's, there's options but it's really hard to find a lot of, [LOCAL STORE] doesn't carry it at all and you can't go there. Target has some. [GROCERY CHAIN] has some … buying cereal … you get like 107 ounces of cereal. Well, they don't make a 107-ounce box of cereal. And if you've ever looked at cereal it's like 13.5 ounces and 22.5 ounces and there's only certain brands. And I would literally be in the aisle with my phone out and, like, boxes and be like, and a brochure … The first time I did it I was bawling in the aisle, because I couldn't figure it out.*

Second, the recurring nature of GI engendered a sense of safety and security because it arrived predictably each month without administrative hassle or fear of the cliff effect. Participants pinpointed the constant calculations and cognitive bandwidth the benefits cliff demands as driving their decision-making and undermining feelings of security. John described this dynamic as plaguing government programs, saying, "things can get cut pretty quick, so you don't ever know if it's actually an indefinite thing … which is kind of a scary thing." Meanwhile Savannah explained being caught between fearing the cliff and fearing the hours her boss assigned her at work:

> *It's really hard, because, um, once you make a certain amount, like you don't qualify for it [benefits]. But … you still need the benefits, like it's, it's sad that you can't get the benefits just because you're making just a couple of over the, you know, the eligibility money. I feel like we're in—we're in that situation where like, you know, we just make a little bit over like the maximum, um, money guideline … Because like I'm not just going to cut off a few hours just to make sure I can get it, you know.*

The flexibility and stability of GI represents an outgrowth of the core ethos of GI, which is that people are the experts on their own lives and ought to be trusted to allocate their resources as they see fit. This trust counteracts myths around poverty and deservedness by linking the provision of cash to the presence of humanity rather than economic or familial performance. Participants directly connected this extension of trust to feeling as though they mattered. In Savannah's words, the trust embedded in unconditional cash creates, "a good feeling, just you know … that they can trust you with—you know—something as important as that." Trust also acted as a durable mechanism for countering the recurring economic shocks endemic to financial life in the U.S. In other words, receiving the cash arrives with an implicit message that recipients are trusted and that they in turn can trust the arrival of the cash each month to help them weather the financial shocks that erode mental health and well-being (West et al., 2023). In Morticia's words, the GI extends trust and humanity because, "there wasn't any unknown. It was like, OK, here you go, you're accepted. This is what you're going to get every month. This is when it's going to start. This is when it's going to end." Morticia continued by saying that being trusted by someone in a position of authority, such as administrators of a GI program, "ma[de] me feel like I'm a good human," which runs antithetical to the myth of the welfare queen and similar tropes painting those in need of assistance as lazy, irresponsible, and promiscuous (Hancock, 2004; McCormack, 2005; Seccombe et al., 1998).

# Limitations

While the study offers valuable insights into the impact of unconditional guaranteed income, there are several limitations that should be considered when interpreting the findings, especially when generalizing the results to different populations, contexts, or time frames outside the conditions of the COVID-19 pandemic.

First, the study's limitations stem from the sampling frame, primarily restricted to the CollegeBound Saint Paul program enrollees. This small sample could potentially lack diversity representative of the broader population of Saint Paul and could limit the generalizability of the study findings. Due to prevailing state laws, children of married parents were more likely to be auto-enrolled, and while the city made efforts to enroll children of single mothers, this was not reflected in actual enrollments. Weighting the solicitation of PPP participants to counteract this imbalance led to a sample with an over-representation of WIC-eligible families. Additionally, engagement methods varied, introducing potential self-selection bias. Further, the use of a non-experimental research design implies the lack of a control group, which limits the ability to make causal inferences about the impact of the GI on observed outcomes. Moreover, participants were required to self-attest to being impacted by COVID-19. The absence of a stringent verification process for assessing the impact of COVID-19 on potential participants could introduce bias, as the definition of "impact" was broad and did not require written documentation. Given the initial difficulties in recruiting families, some potential participants might have missed the opportunity due to challenges with communication mediums, impacting the representativeness of the sample. While translation services were used, the potential limitations in reaching non-English speaking populations or those with limited access to translation or digital services may have impacted the diversity and inclusivity of the final participant sample.

The pandemic itself also introduced challenges in ensuring the study's broad applicability. Conducting the study during the COVID-19 pandemic meant that the findings may be inextricably tied to the socio-economic conditions prevalent during that period, affecting the external validity and generalizability of the results to other times and settings. The economic turmoil and the various relief measures during the pandemic could have swayed participants' financial behaviors and responses, which might have differed from their behaviors under normal economic conditions. In addition, the behavioral and psychological impacts of the pandemic on individuals might have influenced the results, particularly in areas like mental health, stress, and coping.

# Discussion

Study findings illuminate the protective role that GI played in the lives of PPP recipients, even in the face of extreme pandemic- and structural-related adversities. Prior to the pandemic, participants described being financially constrained by debt, low incomes, housing costs, and childcare expenses. For many families, the pandemic brought job loss, decreased wages, childcare challenges, and a vast uncertainty about health, well-being, and the future. Suddenly, families were dealing with unprecedented challenges that heightened the precarity they already felt. This was especially clear as parents, particularly mothers and caregivers from populations of color, navigated the gray spaces of paid and unpaid labor. In Saint Paul, the dual crises of COVID-19 and the murder of George Floyd, along with the ensuing racial uprising, laid bare the structural oppression many families were already enduring. The invisible and visible costs of childcare, housing, food, and the anxiety of the benefits cliff were just some of the hurdles that families faced. Cruel optimism (Berlant, 2011) articulates a framework for understanding the impact these structural barriers had on caregivers as it juxtaposes the promises of the American Dream—homeownership, financial stability, a better life for the next generation—with the crippling effects of structural racism, austerity measures, the lack of protective policies for parents, and gendered oppression under late-stage capitalism. Together, these structural factors stood in the way of participants' ability to achieve their dreams, steadily eroding their sense of self. However, the GI worked to combat this effect through stabilizing and improving participants' financial health and increasing participants' agency and sense of self, thereby breaking down the scarcity mindset and shifting traditional narratives from those of deservedness to newly imagined spaces of dignity.

As the pandemic raged on, the PPP recipients reported financial stability, and even advances, in areas such as the ability to cover a $400 emergency expense, the capacity to save, and the smoothing of income volatility. Of note, participants did not demonstrate any significant changes in mental health or stress throughout the PPP intervention, even though it was occurring simultaneously with such dire pandemic-related and structural stressors. These positive findings held during the course of the PPP intervention, but after the cash transfers ended, participants' financial state declined, as did their mental health and stress levels. In addition, PPP recipients experienced greater housing-cost burden and more pronounced food insecurity after the payments stopped. These findings suggest that unconditional cash may serve as a powerful strategy to alleviate financial strain, but its power may be limited once it ends and external stressors continue.

Although the impact of GI on participants' financial health seemed to be time-limited, the 18-month cash transfers appeared to have a more enduring impact on recipients' sense of self and their ability to strengthen social connections. On average, families in this study reported improved attitudes towards life and their purpose as well as increased hope for the future at the six-month mark of the pilot, and this trend continued six months after the pilot ended. This suggests that GI may impact individuals' sense of self, hope, and mattering, which according to the economic development literature are key ingredients for escaping poverty (Lybbert & Wydick, 2018; Castro et al., 2021; Lybbert & Wydick, 2022). Paired with a burgeoning understanding of the impacts of the pandemic and structural oppression, these changes may have been pivotal in participants building stronger social ties and developing a sense of self that built on an emerging agency for navigating structural barriers.

Contrary to the belief that GI can disincentivize work, as the PPP unfolded, participants' engagement in the workforce increased. Specifically, unemployment declined from the start of the study to the end, six months after the last cash transfer, suggesting that the GI may have played a role in increasing job opportunities as the market recovered from the pandemic. Likewise, the GI also provided pathways for caregivers and parents to reclaim their time. As workers and caregivers alike experienced the support of the GI, their views of work ethic and the receipt of benefits also started to shift. The inherent predilection for thriftiness as a means of survival in Midwestern culture, paired with the coded racism of Midwestern niceness, often works to reinforce detrimental narratives around work and the benefit system. Participants spoke to the harm these narratives produced, particularly around the shame they felt seeking support, thus buttressing the cultural tendency to minimize hardship and act like everything is fine. The unconditional nature of the GI provided PPP participants agency and dignity, as they were able to use the cash as they saw fit for their households, be that savings, food, housing costs, or in treating their children. This flexibility and trust in participants' judgment worked to erode the shame and weakness typically associated with government-funded benefit programs.

The People's Prosperity Pilot stands as a striking example of Mayor Carter's commitment to economic justice and promoting policies that increase opportunities instead of stripping away agency. The findings from this study suggest that GI may be associated with improved financial health, sense of self, and economic mobility, even in the face of unprecedented hardship like a global pandemic. Indeed, this study serves as a foundation for the City of Saint Paul's continued investment in unconditional cash transfer policy and programming and points towards the role that state and local government can play in experimenting with unconditional cash.

## Lessons Learned Programmatically

According to the City of Saint Paul, there were several major lessons learned about the implementation of a guaranteed income program, which include the importance of:

- Promoting accessibility for diverse groups of people
- Reducing programmatic and administrative burden
- Ensuring cross-systems collaboration
- Coordinating clear and consistent messaging and communication

First, Saint Paul expended great effort to ensure that the PPP was widely accessible for diverse groups across languages and identities. Specifically, the PPP partnered with the city's language line service to support translation, and 25% of all enrollment appointments for the PPP occurred in a language other than English. This commitment to accessibility and language support yielded a more representative sample and included a diverse group of refugees and immigrants, who typically are at higher risk of exclusion from economic and social service support across the U.S. (Perreira & Pedroza, 2019). Saint Paul also sought to reduce programmatic and administrative burden for the PPP to encourage easy enrollment and participation and to reduce overhead costs and staff time. Families responded well to the minimal requirements for PPP participation, and the simplified eligibility screening and enrollment process facilitated access to the program. The City of Saint Paul also drew from prior programming to cite approved legal frameworks and replicate logistic processes when relevant. Third, city leadership invested in critical partnerships that fostered collaboration to support the families enrolled in the PPP. Examples of these partnerships included colleagues at the county and state levels, funders, and a Circle of Advisors composed of representatives from labor groups, nonprofits, the Federal Reserve Bank, University of Minnesota researchers, advocates, and others. Saint Paul officials worked closely with their county and state partners to ensure that participants' benefits were not cut off during the course of the PPP. The Circle of Advisors provided a sounding board to engage in critical reflection throughout the PPP planning and implementation. The monumental effort it takes to build and sustain such a broad and committed coalition around a new intervention speaks to the administration's commitment to transparent leadership and open communication. Finally, the City of Saint Paul and the PPP team also improved their messaging and communication strategies over time, honing in on clear talking points that emphasized easy access for participants. The PPP also dedicated staff time to support participants who chose to publicly share their stories, recognizing the deep investment and value of these individuals. Together, these lessons have aided the City of Saint Paul in creating an important second phase of guaranteed income programming through CollegeBound Boost that includes the promising approach of pairing unconditional cash with asset building (Elliott et al., 2023).

# Center for Guaranteed Income Research

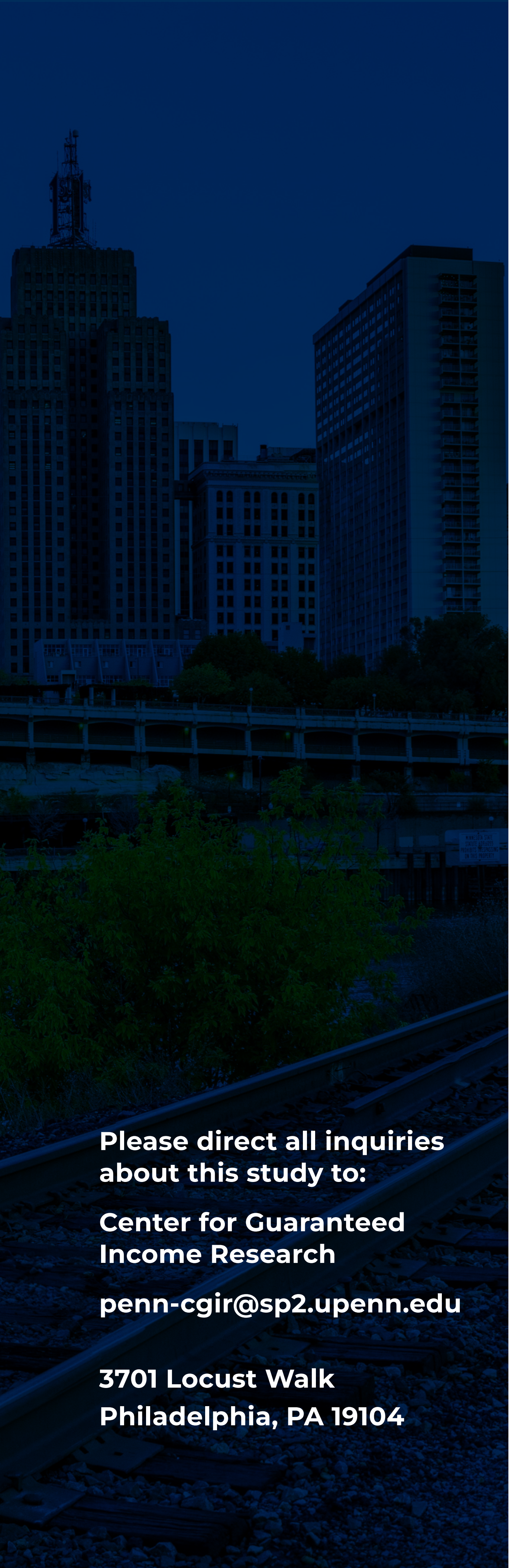
The Center for Guaranteed Income Research (CGIR) was established in 2020 at the University of Pennsylvania School of Social Policy & Practice with the aim of developing a shared body of knowledge on unconditional cash transfers.

At CGIR, distinguished academics and professionals in this field lead pilot guaranteed income programs and oversee the planning and implementation of research initiatives. CGIR is led by two Founding Directors: Dr. Amy Castro, Associate Professor of Social Policy & Practice at the University of Pennsylvania, and Dr. Stacia West, who holds a faculty fellowship at the University of Pennsylvania in addition to her primary role as an Associate Professor at the College of Social Work at the University of Tennessee-Knoxville.

CGIR conducts applied cash transfer studies and pilot designs that contribute to the empirical scholarship on cash, economic mobility, poverty, and narrative change. Our investigations build upon existing literature on cash transfers and incorporate evaluation practices and lessons learned from our previous research on guaranteed income and the gender and racial wealth gap.

All of our research is grounded in Durr's (1993) fundamental question: "What influences policy sentiment?" With this in mind, we are committed to conducting public science that challenges prevailing narratives surrounding poverty, deservingness, and economic mobility, utilizing diverse approaches such as multi-site ethnography, politically-driven sampling, and data visualization.

Our dashboards, created in partnership with Stanford Basic Income Lab, feature filters at the pilot level, allowing individuals to access and compare information while obtaining detailed insight into our investigations.



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CENTER FOR GUARANTEED INCOME RESEARCH
Social Policy & Practice
UNIVERSITY of PENNSYLVANIA

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# Appendix A

## Table 8. Interventions ($500 GI) effect on various measures

| Measures | Baseline Mean | Wave 4 Mean | Wave 5 Mean | Mean Difference (W1 to W4) | Mean Difference (W4 to W5) | Relative Impact (%) | 95% CI Lower Bound | 95% CI Upper Bound | Standard Error | n 2 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Perceived Stress (W2–W5)** | 6.40 | | 6.74 | 0.35 | | 5.4 | -0.13 | 0.83 | 0.24 | -- |
| Data not collected in W4 | | | | | | | | | | |
| **Kessler (W1–W5)** | 18.24 | 18.23 | 19.96 | -0.01 | 1.73 | -0.1 | -1.42 | 1.40 | 0.71 | -- |
| **CHAOS (W2–W5)** | 29.09 | 30.76 | 31.14 | 1.67 | 0.38 | 5.4* | -2.86 | 0.84 | 0.96 | 0.88 |
| **Financial Well-being (W2–W5)** | 47.83 | 47.08 | 45.39 | -0.75 | -1.69 | -1.6 | -0.62 | 2.12 | 0.70 | -- |
| **SF-36 (W1–W5)** | | | | | | | | | | |
| Physical Limits | 71.25 | 81.51 | 74.47 | 10.26 | -7.04 | 14.4 * | 1.22 | 19.30 | 4.61 | 0.03 |
| Physical Functioning | 79.50 | 86.37 | 83.84 | 6.87 | -2.53 | 8.6 * | 2.40 | 11.34 | 2.28 | 0.03 |
| General Health | 67.53 | 60.05 | 59.95 | -7.47 | -0.11 | -11.1 * | -10.50 | -4.44 | 1.55 | 0.20 |
| **Adult Hope Scale (W2–W5)** | | | | | | | | | | |
| Total Hope | 44.50 | 45.20 | 44.40 | 0.60 | -0.80 | 1.4 | -2.00 | 3.30 | 1.40 | -- |
| Agency | 22.00 | 22.20 | 21.60 | 0.20 | -0.40 | 0.9 | -1.30 | 1.70 | 0.80 | -- |
| Pathway | 22.50 | 23.00 | 22.80 | 0.40 | 0.30 | 1.9 | -0.90 | 1.70 | 0.70 | -- |
| **Life Attitude Scale (W2–W5)** | | | | | | | | | | |
| Affirmation of meaning and value | 13.2 | 13.6 | 13.2 | 0.40 | 0.0 | 2.7 * | -0.30 | 1.00 | 0.30 | 0.04 |
| Acceptance | 13.2 | 14.1 | 13.9 | 0.90 | 0.60 | 6.9 * | 0.20 | 1.60 | 0.30 | 0.05 |

| Measures | Baseline Mean | Wave 4 Mean | Wave 5 Mean | Mean Difference (W1 to W4) | Mean Difference (W4 to W5) | Relative Impact (%) | 95% CI Lower Bound | 95% CI Upper Bound | Standard Error | n 2 |
|---|---|---|---|---|---|---|---|---|---|---|
| Courage | 11.8 | 12.1 | 11.7 | 0.20 | -0.10 | 2.1 | -0.30 | 0.80 | 0.30 | -- |
| Faith | 33.2 | 33.8 | 33.6 | 0.70 | 0.40 | 2.0 * | -1.10 | 2.50 | 0.90 | 0.01 |
| Self-Transcendence | 23.9 | 23.8 | 23.7 | -0.10 | -0.20 | -0.6 * | -1.10 | 0.80 | 0.50 | 0.01 |
| | | | | | | | | | | -- |
| **Adult Mattering (W2–W5)** | | | | | | | | | | |
| Awareness | 48.50 | 47.80 | 44.90 | -0.80 | -3.60 | -1.6 | -3.00 | 1.50 | 1.10 | -- |
| Importance | 37.20 | 38.10 | 36.20 | 0.90 | -1.00 | 2.4 * | -0.90 | 2.60 | 0.90 | 0.06 |
| Reliance | 22.10 | 22.40 | 21.70 | 0.30 | -0.40 | 1.3 | 1.30 | -0.90 | 0.60 | -- |
| **Annual Household Income (W1–W5)** | | | | | | | | | | |
| | 31891.00 | 33749.00 | 31650.00 | 1858.00 | -2099.00 | 5.8 * | -6.22 | -4989.00 | 791.00 | 0.04 |

**Baseline Mean:** The initial adjusted average score of the treatment group prior to any intervention (For measures not introduced at the baseline, the initial observed mean values are computed for Baseline Mean and denoted within parentheses)

**Wave 4 Mean:** The adjusted average score for the treatment group at the 18-month mark

**Wave 5 Mean:** The adjusted average score for the treatment group 24 months (or 6 months after GI discontinuation) into the study

**Mean Difference:** The difference in average scores between the earliest and the concluding data points available

**Relative Impact (%):** Represents the percentage variation in the post-intervention measure at Wave 5 when compared to its baseline

**95% CI Lower/Upper Bound:** These demarcate the lower and upper limits of the 95% confidence interval pertaining to the mean difference

**p-value:** Reflects the likelihood of witnessing the observed results, or even more pronounced results, under the assumption of no significant change over time. '*' indicates statistical significance at the p<0.05 threshold

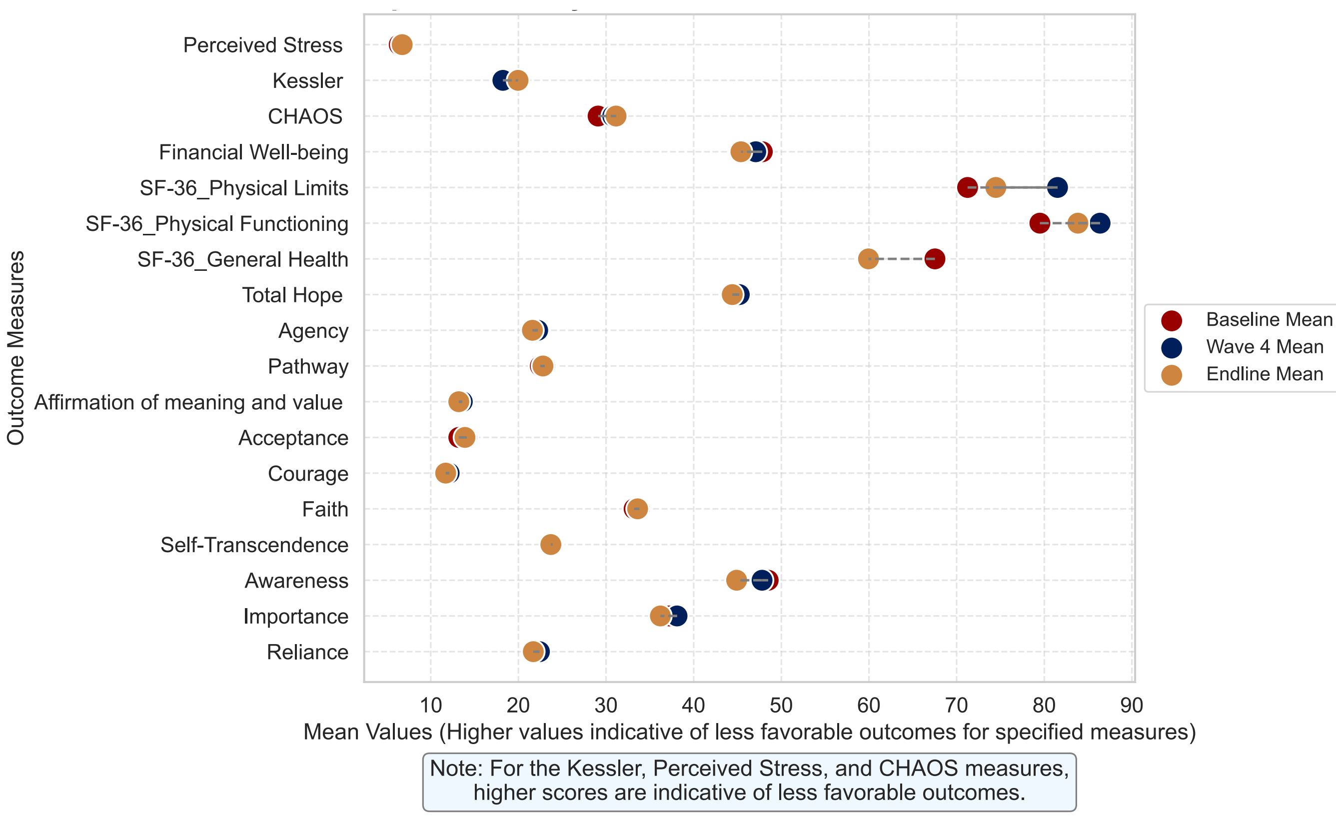
The 'p-value' results are derived from repeated measures ANOVA, accounting for baseline measurements of the corresponding measure

**Standard Error:** Represents the standard error associated with the mean difference

**Partial n2:** These values signify the effect size over time for the treatment group, adjusted in light of the baseline measurements of the given measure

# Appendix B

## Figure 8. Comparative Analysis of Outcome Measures



# Appendix C

Table 9. Participant Attrition Over the Study Period

| Attrition across waves | in % |
| --- | --- |
| Baseline | 31 |
| 6-month | 26 |
| 12-month | 36 |
| 18-month | 22 |
| 24-month | 15 |

Minneapolis
City of Lakes

**Intergovernmental Relations Department**
350 S. Fifth St. – Room #301M
Minneapolis, MN 55415
**www.minneapolismn.gov**

April 2, 2024

Chair Hodan Hassan
Economic Development Finance and Policy Committee
Minnesota House of Representatives

**Re: HF 2666 – Minnesota Basic Income Grant Program**

Chair Hassan and Members of the Economic Development Finance and Policy Committee,

The City of Minneapolis is pleased to write in support of HF 2666, the Minnesota Basic Income Grant Program.

Minneapolis has joined many other cities across the country in creating its own Guaranteed Basic Income (GBI) pilot program. The Minneapolis GBI pilot provides $500 a month for two years to 200 Minneapolis households earning 50% of the Area Median Income or below.

GBI is beneficial because it allows families to use the money in a way that makes sense to them. This can be short-term expenses, or long-term. The money helps families with what needs arise month-to-month and not just on one single thing. It gives families flexibility to use money the best way they see fit.

The Minneapolis Federal Reserve has been studying Minneapolis' GBI pilot and released an article earlier this year outlining early results of the program. They noted:

> "One year after GBI payments began, an evaluation conducted by our team of researchers at the Federal Reserve Bank of Minneapolis shows that the randomly selected recipients have better mental health, more stable finances, and higher food security than households with the same poverty status and from the same areas of the city who did not receive payments."

The Minneapolis GBI program was funded with American Rescue Plan Act (ARPA) dollars to help families with recovery from the Coronavirus pandemic. Families began to receive payments in June 2022, and the program will end in June 2024.

State funding would assist communities, like Minneapolis, in extending our successful pilot initiative and would allow more communities across the state to create GBI programs. We urge the committee to support HF 2666.

Sincerely,

Katie Topinka
Director, Intergovernmental Relations

DATE: March 25, 2024

RE: Letter of Support for HF 2666 (Hollins): Basic Income Demonstration Project

TO: Chair Hassan & honorable members of the committee.

The Corporation for Supportive Housing (CSH) is committed to advancing social and economic opportunities so that communities throughout Minnesota can thrive. Access to financial stability and growth is a critical component of any flourishing community. Through examples from Mayor's for a Guaranteed Income and numerous projects across the state, we have seen how impactful basic income projects can be. CSH believes that Minnesota must invest in basic income models of flexible financial support to disrupt poverty, advance racial and gender equity, stabilize housing and build wealth.

**We encourage committee members to support HF 2666**. This bill will enhance the state's ability to offer support that ensures people have the resources to afford childcare, transportation, job training, and accessible housing while maintaining pathways to financial independence.

**Some facts about Basic Income:**

• Basic Income consists of monthly, cash payments given directly to individuals with the intent to disrupt poverty, advance racial and gender equity, and support basic needs;
• It is unconditional, with no strings attached and no work requirements;
• It supplements, rather than replaces, the existing social safety net;
• It is time-limited;
• Communities are required to design their program with the people who would be accessing it and…
• Data tells us that basic income programs:

- ✓ Alleviate barriers to full-time employment
- ✓ Improves mental health outcomes
- ✓ Improves infant and toddler developmental outcomes; and
- ✓ Reduces the impact of unexpected economic shocks

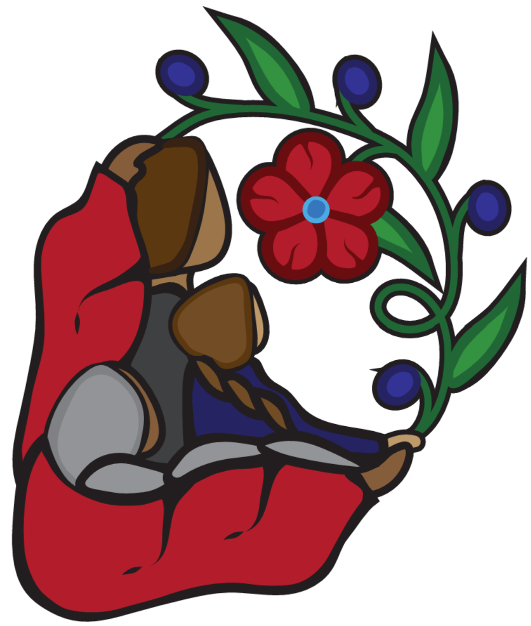
Basic Income programs are tested and demonstrably effective way to ensure Minnesotans have the income they need to increase their economic well-being. **We urge you to support HF 2666.**

If you have any questions regarding CSH's support for HF 2666, please contact me.

Sincerely,

Amy Stetzel
Director, Upper Midwest Region
Amy.stetzel@csh.org

March 26, 2024



Chair Hassan and members of the Workforce Development Finance and Policy Committee,

On behalf of the Economic Mobility Hub for American Indians in the East Metro (a partnership of the Department of Indian Work and the Montessori American Indian Childcare Center), we are writing in support of HF 2666, the MN Basic Income Bill.

The Economic Mobility Hub serves low-income American Indian families who live in Ramsey County. Our clients face significant challenges to increasing their economic mobility, including trauma, single parent households, health issues including mental health and addiction, family violence, and criminal backgrounds that can make getting out of poverty very difficult. The Hub received grants from two private funders which allows us to provide a Guaranteed Income of $500/mo. for 24 months (starting in July 2023) for 26 Hub families.

The Hub's family coaches work with Hub families to assist them with work, income, and health supports; education and career training; financial management and intergenerational wealth building; and cultural connections and community support. Our guaranteed income program gives Hub families the extra breathing room they need to plan and carry out the major action steps they need to take to increase their stability and economic mobility. So far, one Hub family has used their Guaranteed Income to pay for their child's trip to Spain with school, and she will be the first person in her family to travel out of the country. Two Hub families started a savings account with their Guaranteed Income. Three families are working on starting small businesses using their Guaranteed Income. One family used the money to start an in-home exercise space and, because of their new exercise routine, three of the family members are no longer pre-diabetic.

When asked to describe the positive impact the extra $500 per month is having on their family, one Hub participant said "I was in unpaid maternity leave so the extra $500 helped a lot while I was out of work!" Another said: "This extra money has helped tremendously. I feel secure knowing the money will be there for help with the house bills and I always try to spend money on my children for their activities/needs each month." Finally, a third participant said: "I've been saving $100 a month, and one month I saved $200, so it's self-discipline."

HF 2666 is a critical piece of legislation that will ensure people have the resources they need to afford their rent, childcare, transportation, job training, and enrichment activities for their children. All of these factors are critical to escaping poverty. Some facts about the Guaranteed Income that would be available to more Minnesota families through the MN Basic Income Bill:

• It is a monthly, cash payment given directly to individuals with the intent to disrupt poverty, advance racial and gender equity and support basic needs

• It is unconditional, with no strings attached and no work requirements

• It is meant to supplement, rather than replace, the existing social safety net

• It is time limited

• Communities are required to design their program with the people who would be accessing it

• Data tells us that basic income programs:

- alleviate barriers to full-time employment,
- improve mental health outcomes,
- improve infant and toddler developmental outcomes, and
- reduce the impact of unexpected economic shocks

This bill is an easy way to ensure Minnesotans have the income they need to increase their economic well-being which in turn increases their physical and mental health and housing stability, all of which are critical components of safe, thriving communities.

We urge you to support HF 2666!

Sincerely,

Kelly Miller, Director
Department of Indian Work

Janice LaFloe, Executive Director
Montessori American Indian Child Care Center

INTERNATIONAL INSTITUTE
*of Minnesota*

4/2/2024

Dear Chair Hassan and Members of the Economic Development Finance and Policy Committee,

On behalf of the International Institute of Minnesota (IIMN), we write in support of HF 2666, the MN Basic Income Bill. International Institute of Minnesota serves over 3,000 clients annually across the state that are refugees and immigrants. Many of our clients arrive in Minnesota after escaping war-torn countries, after spending years in a refugee camp or are victims of trafficking. They come to the US legally and are in need of supports to be able to start their life over in the United States.

Due to the great challenges that many of our clients face, such as single parent households, medical challenges or other issues that can make starting a life over in a new country very difficult, we were able to source private funding to provide a Guaranteed Income program at the Institute which gave additional support to those clients who faced additional challenges, such as large families, single parents and those with medical issues that made employment search more difficult. As a result of the Guaranteed Income program, we learned that clients were greatly appreciative of the added assistance that a guaranteed basic income gave them to find affordable housing, enroll children in school, connect to appropriate physical and mental health resources. Our employment counselors worked with these families to assist them with their job hunt to be able to be self- sufficient. This program gave the extra breathing room for those who needed it most to make the life-changing transition to a new country. Most clients were choosing the save any extra they had as a result of the program to be able to ensure they had funds to pay rent when the program ended, to buy a car to improve their employment options or to have something saved for an emergency.

For us, a basic income program means that people who have traumatizing experiences can have a little it of breathing room as they make a dramatic change in their lives. HF 2666 is a critical piece to ensuring people have the resources they need to afford child care, transportation, job training, and anything else that they need in order to fully embrace their new lives in the US.

Some facts about Basic Income:

- It is a monthly, cash payment given directly to individuals with the intent to disrupt poverty, advance racial and gender equity and support basic needs;
- It is unconditional, with no strings attached and no work requirements;
- It is meant to supplement, rather than replace, the existing social safety net;
- It is time limited;
- Communities are required to design their program with the people who would be accessing it; and
- Data tells us that basic income programs:
    - ✓ Alleviate barriers to full-time employment
    - ✓ Improves mental health outcomes
    - ✓ Improves infant and toddler developmental outcomes; and
    - ✓ Reduces the impact of unexpected economic shocks

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This bill is an easy way to ensure Minnesotans have the income they need to increase their economic well-being which in turn increases their physical and mental health and housing stability, all of which are critical components of safe, thriving communities. We urge you to support HF 2666.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Jane Graupmann
Executive Director
International Institute of Minnesota

DATE: March 25, 2024

RE: Letter of Support for HF 2666

TO: Chair Hassan and members of the Economic Development Finance and Policy

**Homes for All** is committed to advancing social and economic opportunities so that communities throughout Minnesota can thrive. Access to financial stability and growth is a critical component of any flourishing community. Through our experience**,** we have seen how impactful guaranteed basic income projects can be in stabilizing people's housing in the community. **Homes for All** believes that Minnesota must invest in guaranteed basic income models of flexible financial support to disrupt poverty, advance racial and gender equity and ensure everyone has a home that is safe, decent, accessible and affordable at 30% of their income (or less) and meets their needs in the community of their choice.

**We encourage committee members to support HF 2666**. This bill will enhance the state's ability to offer support that ensures people have the resources to afford childcare, transportation, job training, and accessible housing while maintaining pathways to financial independence.

**Some facts about Basic Income:**

• Basic Income consists of monthly, cash payments given directly to individuals with the intent to disrupt poverty, advance racial and gender equity, and support basic needs;
• It is unconditional, with no strings attached and no work requirements;
• It supplements, rather than replaces, the existing social safety net;
• It is time-limited;
• Communities are required to design their program with the people who would be accessing it and…
• Data tells us that basic income programs:
 - ✓ Alleviate barriers to full-time employment
 - ✓ Improves mental health outcomes
 - ✓ Improves infant and toddler developmental outcomes; and
 - ✓ Reduces the impact of unexpected economic shocks

GBI's are tested and demonstrably effective way to ensure Minnesotans have the income they need to increase their economic well-being. **We urge you to support HF 2666.**

If you have any questions regarding **Homes for All** support for HF 2666, please contact me at suewatlovp@aol.com

Sincerely,

**Sue Watlov Phillips**
**Co-Lead H4A Legislative Team**

Hearth Connection

2446 University Avenue S.
Suite 150
St. Paul, MN 55114
651.645.0676

March 27, 2024

Economic Development Finance and Policy Committee
473 State Office Building
St. Paul, MN 55155

**RE: HF 2666**

Dear Chair Hassan and Committee Members,

I write to express Hearth Connection's enthusiastic support of HF 2666, the Basic Income Demonstration Project.

Hearth Connection is a nonprofit organization collaborating with government, service providers, and community partners statewide through convening, capacity-building, and advocating for policy and systems change. We contract with more than 30 providers across Minnesota to provide rental assistance and support services to advance long-term solutions to homelessness.

We know many Minnesotans experiencing or at risk of homelessness struggle to achieve or maintain housing stability due to a lack of financial stability. This bill helps ensure that our fellow Minnesotans struggling to make ends meet can afford childcare, transportation, job training, and accessible housing in an efficient, effective manner. We applaud the Corporation for Supportive Housing's leadership on this critical homelessness prevention tool and ask you to support HF 2666.

Thank you for your efforts to address Minnesota's housing and homelessness challenges, and for your public service.

Sincerely,

Marcus Schmit
Executive Director

International Institute of Minnesota

DATE: March 26, 2024
RE: Letter of Support for HF 2666 (Hollins): Basic Income Demonstration Project
TO: Chair Hassan and members of the Economic Development Finance and Policy Committee

The International Institute is committed to advancing social and economic opportunities so that communities throughout Minnesota can thrive. Access to financial stability and growth is a critical component of any flourishing community.

**About Guaranteed Income Pilot for New Americans.** The International Institute has seen how impactful guaranteed basic income projects can be. In 2021, our organization launched Guaranteed Income Pilot for New Americans, where we provided 25 families with $750 in monthly income for a year, funded through private donations. Our program participants were either Afghans who came through the Humanitarian Parole Program or refugee families.

**What we learned from our pilot.** We know that families mostly spent their funding on rent and food for their families and we had quite a few families buy a car. As we know, in Minnesota, having a car is very important for finding a job, transporting children and getting around in the winter. $750 per month is not enough for rent and living alone, but it is enough to ease minds and help stabilize families, especially if they were already working. We had people who were working in laundry that were medical doctors and engineers in their countries, so it allowed them to find jobs -- many times a second job that paid them more money -- which set the foundation for long-term stability for families.

**Why invest in New Americans?** New Americans made smart choices with that funding and that's going to be good for everybody. We need a higher skilled labor force, we need people at all levels in the labor market, and we want to make sure people have those opportunities so they can integrate quickly. This project provided participants with that opportunity.

You can check out coverage on KARE11 about our pilot program by viewing here: https://www.kare11.com/article/news/community/lifting-voices/guaranteed-income-pilot-new-americans-shows-positive-impacts/89-e04f2f4d-db0a-4837-a874-bef0f4b2e5cb.

**We encourage committee members to support HF 2666**. We are particularly excited that this bill names ‘individuals and families who have recently relocated to Minnesota from other states or countries’ as a priority population, as it mirrors the population we served who had tremendous success in our pilot. This bill will enhance the state’s ability to offer support that ensures people have the resources to afford childcare, transportation, job training, and accessible housing while maintaining pathways to financial independence.

Basic Income is a tested and demonstrably effective way to ensure Minnesotans have the income they need to increase their economic well-being and beyond. **We urge you to support HF 2666.**

If you have any questions regarding the International Institute’s support for HF 2666, please contact us.

Sincerely,

Jane Graupman
Executive Director, International Institute of Minnesota

DEPARTMENT OF ADMINISTRATION
GRANTS MANAGEMENT

# Minnesota Department of Administration Office of Grants Management

Operating Policy and Procedure
Policy Number: 08-06
Policy on Pre-Award Risk Assessment for Potential Grantees
Effective Date: 1/15/24 [1]

**Minn. Stat. § 16B.97**
**Minn. Stat. § 16B.98**
**Minn. Stat. § 16B.981**

Minn. Stat. § 16B.97, subd. 4(a)(1) provides that the Commissioner of Administration shall "create general grants management policies and procedures that are applicable to all executive agencies."

**Policy**

To protect the interests of the State, it is the policy of the State of Minnesota to complete a pre-award risk assessment before making a grant subject to Minn. Stat. §§ 16B.97 and 16B.98 of $50,000 or more to a potential grantee to assess the risk that they cannot or would not perform the required duties specified in the grant contract agreement. In making this assessment, and to protect the interests of the State, the agency must consider the following as applicable:

(i) the potential grantee's history of performing duties similar to those required by the grant;
(ii) whether the grant requires the potential grantee to perform services at a significantly increased scale and, if so, whether the grantee has the capability and organizational capacity to do so;
(iii) review the potential grantee's financial information and/or internal controls; and
(iv) review compliance with certain other state and federal requirements.

If the grantee does not have a history of performing similar duties, does not demonstrate the capability and capacity to perform the duties at the scale and pace required in the grant, or the results of the financial information review raise concern, then the agency may:

(i) require additional information to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant contract agreement; and
(ii) create a risk mitigation plan in response to the substantial risks that may include technical assistance and increased oversight; or
(iii) not award the grant.

Agencies must develop internal procedures to meet the requirements of this policy and may develop more detailed policies and procedures as needed for the administration of their grants.

At a minimum, agency staff must document in the grant file for each potential grantee the pre-award risk assessment findings and results, and other applicable requirements which could include the following: the history or lack thereof of the potential grantee's performing similar duties, concerns regarding the grantee's capabilities and organizational capacity, findings of financial information review, a risk mitigation plan as part of the grant contract agreement, additional oversight authority, and recommendation whether to award the grant or not.

[1] Policy 08-06 Original Issue Date 7/15/08. Previously revised 9/06/11, 12/02/16.

## Scope of Coverage

This policy applies to grant-making at all executive branch agencies, boards, committees, councils, authorities, and task forces.

This policy applies to competitive, sole/single source, and legislatively named grant review processes subject to Minn. Stat. 16B.97 and 16B.98. Formula grants processes are not subject to this policy.

This policy applies to grants to nonprofit organizations, business entities including individuals registered as a business, and political subdivisions of the state.

Notwithstanding any other law, an agency may not require an Indian Tribe or band to deny its sovereignty as a requirement or condition of a grant with an agency.

This policy supersedes other state agency policies that concern grant awards except when the existing state agency policy is stricter.

## Definitions

**Business entity**:

An organization that is formed under Minnesota statutes (Chapters 300-323A) pertaining to corporations, cooperative associations, partnerships, limited partnerships, or limited liability companies and that has filed documents with the secretary of state.

**Certified Financial Audit:**

A certified financial audit is a review of an organization's financial statements, fiscal policies, and control procedures by an independent third party to determine if the statements fairly represent the organization's financial position and if organizational procedures are in accordance with Generally Accepted Accounting Principles (GAAP). Minnesota nonprofit organizations are required to have a certified financial audit completed for any fiscal year in which they have total revenue of more than $750,000.

**Competitive Grant**:

A competitive grant is a grant that is awarded through an application process in which multiple grant applications are solicited through a request for proposal and reviewed by the state agency. In a competitive grants process, grants are awarded to those applicants that most closely meet the selection criteria identified by the granting agency, based on the availability of grant funds.

**Form 990:**

An IRS Form 990 is a federal tax return for nonprofit organizations. A nonprofit organization recognized as exempt from federal income tax must file a Form 990 or a Form 990 EZ if it has averaged more than $50,000 in annual gross receipts over the past three tax years.

**Grant:**

"Grant" means a grant of $50,000 or more as defined in section 16B.97, subdivision 1, paragraph (a); or business subsidy of $50,000 or more as defined in section 116J.994, subdivision 3, paragraph (b).

**Grantee:**

A political subdivision, as defined in section 471.345, subdivision 1; a nonprofit organization, as defined in chapter 317A; or a business entity, as defined in section 5.001, subdivision 2.

**Legislatively Named Grant**:
A legislatively named grant is a grant in which the amount, purpose of a grant, and grantee organization is named in law.

**Nonprofit Organization:**
A charitable organization that is formed for the purpose of fulfilling a mission to improve the common good of society rather than to acquire and distribute profits. The organization meets the definitions in Chapter 317A, Minn. Stat. §309.50 Subd. 4 or meets the definitions defined in the Internal Revenue Service code, with the most common type being a 501 (c) (3).

**Political subdivision:**

A county, town, city, school district, or other municipal corporation or political subdivision of the state authorized by law to enter into contracts.

**Sole and Single Source Grants:**
A sole source grant is a type of non-competitive grant awarded to an entity because it is the only provider of a particular service. A single source grant is a type of non-competitive grant that is awarded to an entity that is selected due to specific reasons, such as a geographic location or community knowledge and relationships that make that entity uniquely able to fulfill the intent of the grant.

**Pre-Award Risk Assessment**
The agency must review the following information for all potential grantees prior to grant award and determine whether a risk mitigation plan and/or enhanced oversight is required to responsibly award the grant. The financial information and internal control review must include the requirements in 3-5 as applicable to the type of entity (nonprofit, business entity, political subdivision).

1. Potential grantee's **history of performing duties** similar to those required by the grant:
   a) Determine if the potential grantee has received other grants for similar amounts and similar duties, including the history of performance at the granting agency.
   b) If the potential grantee has not demonstrated the ability to perform the same or similar duties, on a comparable scale, then the agency may do the following: (i) request more information for the purpose of satisfying the agency's concerns; (ii) develop a risk mitigation plan to accompany the grant contract agreement; and/or (iii) provide enhanced technical assistance and oversight.

2. Potential grantee's **organizational capabilities and capacity** to perform at the scale required by the grant:
   a) Determine whether the grant requires the potential grantee to perform services at a significantly increased scale.
   b) If the grant requires the potential grantee to perform services at a significantly increased scale then the agency must determine if the potential grantee has the capabilities and organizational capacity (such as skills, knowledge, resources, processes, leadership) to perform services at the increased scale.
   c) If the agency determines the potential grantee has substantial organizational risks, then the agency may do the following: (i) request more information for the purpose of satisfying the agency's concerns; (ii) develop a risk mitigation plan that accompanies the grant contract agreement and describes how the grantee will make organizational changes to increase its capabilities and capacity to perform the duties at the increased scale; and/or (iii) provide enhanced technical assistance and oversight.

**Pre-Award Risk Assessment continued:**

3. Potential **nonprofit grantee's financial information** review:
   a) Review the nonprofit's most recent Form 990 or Form 990-EZ filed with the Internal Revenue Service.
   b) If the nonprofit has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, then review the following documentation of the nonprofit: (i) proof of its tax-exempt status; (ii) its most recent board-reviewed financial statements; and (iii) documentation of internal controls.
   c) If there is no nonprofit board, then review the financial statements and internal controls documentation from the nonprofit's leadership or managing group.
   d) Review the nonprofit's most recent certified financial audit if the nonprofit is required to complete one under Section 309.53 Subd. 3.
   e) Confirm the nonprofit's good standing with the Office of the Secretary of State.
   f) Confirm none of its current board members or staff with authority to access grant funds have been convicted of a felony financial crime in the last ten years.
   g) If the agency determines the nonprofit has substantial financial risks that inhibit its ability to perform the required duties under the grant contract agreement, then the agency must either request more information for the purpose of satisfying the agency's concerns, develop a risk mitigation plan to protect the interests of the state, or not award the grant.

4. Potential **business entity grantee's financial information** review:
   a) Collect the business entity's most recent federal and state tax returns and review current financial statements.
   b) If the business entity has not been in business long enough to have a tax return, then review current financial statements and documentation of internal controls.
   c) Receive certification that the business entity is not under bankruptcy proceedings and disclosure of any liens on its assets.
   d) Confirm the business's good standing with the Office of the Secretary of State.
   e) Confirm none of its current principals, board members or staff with authority to access grant funds have been convicted of a felony financial crime in the last ten years.
   f) If the agency determines the business has substantial financial risks that inhibit its ability to perform the required duties under the grant contract agreement, then the agency must either request more information for the purpose of satisfying the agency's concerns, develop a risk mitigation plan to protect the interests of the state, or not award the grant.

5. Potential **political subdivision grantee's** review:
   a) Confirm none of its current public officials, board members, or staff with authority to access grant funds have been convicted of a felony financial crime in the last ten years.
   b) If the agency determines the political subdivision has substantial risks as applicable per (1) and (2) that inhibit its ability to perform the required duties under the grant contract agreement, then the agency must either request more information for the purpose of satisfying the agency's concerns, develop a risk mitigation plan to protect the interests of the state, or not award the grant.

**Requesting additional information**

When requesting additional information from a potential grantee, the agency must give the potential grantee 30 business days to respond for the purpose of satisfying the agency's concerns and/or work with the agency to develop a risk mitigation plan.

**Enhanced technical assistance and oversight**

When areas of significant concern regarding a potential grantee's financial standing or management is identified, an agency may choose to proceed with an award provided additional assistance and oversight or other requirements stipulated in the grant contract agreement are pursued to protect the interests of the state.

- The agency can provide, or the potential grantee can otherwise obtain, necessary technical assistance to mitigate the organizational and/or financial risks.
- Additional grant award requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements implemented by the agency.

**Authority to not award**

Agencies have the authority to not award a competitive, single-source, or sole-source grant. If a grant is not awarded, the agency must notify the potential grantee and provide the reasons for not awarding the grant. Potential grantees may contest the decision to not award within 15 business days, and the agency must consider any additional information the potential grantee provides within an additional 15 business days. In its final decision, the agency may affirm, reverse, or modify the initial decision to not award a grant. If the agency's final decision is to not award the grant, the agency must notify the potential grantee and the Commissioner of Administration. Potential grantees may contest the agency's final decision within 30 business days of the agency's notification about that decision per Chapter 14.

The notification and contestation processes differ for legislatively named grants. The agency must notify the legislatively named grantee and provide the reasons for not awarding the grant. The legislatively named grantee may contest the decision to not award within 15 business days, and the agency must consider any additional information the legislatively named grantee provides within an additional 15 business days. If after the agency considers any additional information and recommends a final decision to postpone or forgo the grant, the agency must notify the legislatively named grantee, Commissioner of Administration, and the chairs and ranking members of the Senate Finance and House Ways and Means Committees. The legislature may reaffirm the award of the grant or, if not awarded, reappropriate the funds to a different legislatively named grantee. The agency must execute the legislature's decision. If the legislature does not provide direction to the agency, the grant funds revert to the original appropriation source.

**State agency procedures should document the following steps:**

1. Before awarding a grant of $50,000 or higher, state agencies must complete a pre-award risk assessment for all potential grantees as defined in this policy.
2. State agencies request that all potential grantees, including legislatively named and sole and single source potential grantees, submit, as applicable, the required information as outlined in this policy.
    - In a competitive grant process, instead of requesting financial documents from every potential grantee, state agencies are only required to request this information from the finalists in the selection process.
3. State agency staff document their review and analysis of the submitted documents.
4. If no substantial risks are identified, the agency takes steps to award the grant.
5. If substantial risks are identified, the agency follows procedures to mitigate or resolve substantial risks before making a grant award.
6. If the agency is unable to work with the potential grantee to resolve the substantial risks or develop a risk mitigation plan, the agency should follow procedures to not award or delay award of the grant.

March 26, 2024

Dear Chair Hassan and Members of the House Economic Development Finance and Policy Committee,

**The Arc Minnesota is submitting a letter in support of HF 2666, Basic Income Grant program.**

Founded by parents of children with intellectual and developmental disabilities (IDD) in 1946, The Arc Minnesota is a statewide nonprofit organization that promotes and protects the human rights of people who have IDD, supporting them and their families in a lifetime of inclusion and participation in their communities. We believe people who have disabilities are inherently strong, powerful, capable, and resilient.

The Arc Minnesota is pleased to express support for HF2666 sponsored by Rep. Athena Hollins that would establish the Minnesota Basic Income Grant program. This bill would give eligible participants at least $500 per month for a minimum of 18 months. The legislation builds on successful pilot programs in Minneapolis and St Paul, and around the country that has shown positive outcomes for lower income people to stabilize their housing, pay food costs, medical costs, and establish emergency funds for unexpected expenses.

HF2666 would benefit people with disabilities who frequently have little discretionary income and could use extra income assistance. We are pleased that the bill excludes stipends from being counted as income, assets, or personal property affecting state benefit programs. The payments of at least $500 would lift some individuals with disabilities from living in poverty and make living in the community easier.

HF 2666 will provide unrestricted cash access. The participants will decide how the funding is spent instead of having to choose from a predetermined menu that might not match priorities for recipients. Participants in pilot programs have reported greater mental health relief from the extra income, which will lead to greater self-determination for people with disabilities.

We urge the committee to pass HF 2666 and continue the progress of the bill during the 2024 legislative session.

Sincerely,

Tina Rucci
Public Policy Director
The Arc Minnesota
Tinarucci@arcminnesota.org

METROPOLITAN INTERFAITH COUNCIL ON AFFORDABLE HOUSING

*"Do justice, love mercy, walk humbly with your God." Micah 6:8* MICAH

DATE: March 25, 2024

RE: Letter of Support for HF 2666 (Hollins)

TO: Chair Hassan and members of the Economic Development Finance and Policy

**MICAH** is committed to advancing social and economic opportunities so that communities throughout Minnesota can thrive. Access to financial stability and growth is a critical component of any flourishing community. Through our experience**,** we have seen how impactful guaranteed basic income projects and livable incomes can have in stabilizing people's housing in the community. **MICAH** believes that Minnesota must invest in guaranteed basic income models of flexible financial support to disrupt poverty, advance racial and gender equity and ensure everyone has a home that is safe, decent, accessible and affordable at 30% of their income (or less) and meets their needs in the community of their choice.

**We encourage committee members to support HF 2666**. This bill will enhance the state's ability to offer support that ensures people have the resources to afford childcare, transportation, job training, and accessible housing while maintaining pathways to financial independence.

**Some facts about Basic Income:**

• Basic Income consists of monthly, cash payments given directly to individuals with the intent to disrupt poverty, advance racial and gender equity, and support basic needs;
• It is unconditional, with no strings attached and no work requirements;
• It supplements, rather than replaces, the existing social safety net;
• It is time-limited;
• Communities are required to design their program with the people who would be accessing it and…
• Data tells us that basic income programs:

- ✓ Alleviate barriers to full-time employment
- ✓ Improves mental health outcomes
- ✓ Improves infant and toddler developmental outcomes; and
- ✓ Reduces the impact of unexpected economic shocks

GBI's are tested and demonstrably effective way to ensure Minnesotans have the income they need to increase their economic well-being. **We urge you to support HF 2666.**

If you have any questions regarding **MICAH's** support for HF 2666, please contact me at sue@micah.org

God's peace,

Sue Watlov Phillips, M.A.

Executive Director, MICAH

SAINT PAUL
CHILDREN'S COLLABORATIVE

March 26, 2024

To Chair Hassan and members of the Workforce Development Finance and Policy Committee,

On behalf of the Saint Paul Children's Collaborative, we are writing in support of HF 2666, the MN Basic Income Bill.

The Saint Paul Children's Collaborative's mission is to mobilize the influence and resources of the city, county, school district, and community to improve outcomes for young people in Saint Paul. Our grantees serve children and families who are living in poverty, which poses significant challenges to their success in school and life. The SPCC supports Guaranteed Income and other initiatives that will support the stability and economic mobility of young people and their families. We know that Guaranteed Income impacts the outcomes we care about at SPCC – supporting young people to learn, grow, and thrive.

HF 2666 is a critical piece of legislation that will ensure young people and their families have the resources they need to afford their rent, childcare, transportation, job training, and enrichment activities for young people. However, the SPCC board wants to ensure that the Guaranteed Income does not negative impact recipients' public benefits. We also want to recommend that the funds be disbursed by nonprofits that are of the community, not large institutions without existing relationships in their communities.

This bill is an easy way to ensure Minnesotans, including young people and their families in Saint Paul, have the income they need to increase their economic well-being which in turn increases their physical and mental health and housing stability. These are all critical components of safe, thriving communities and healthy youth development.

We urge you to support HF 2666!

Sincerely,

Sincerely,

Nicole MartinRogers

| | |
|---|---|
| Nicole MartinRogers | Laurie Davis |
| Co-director | Co-director |

Northside Achievement Zone

DATE: March 27, 2024

RE: Letter of Support for HF 2666 (Hollins): Basic Income Demonstration Project

TO: Chair Hassan & honorable members of the committee.

Northside Achievement Zone (NAZ) is committed to advancing social and economic opportunities so that communities throughout Minnesota can thrive. Access to financial stability and growth is a critical component of any flourishing community. Through our experience piloting our own small-scale, privately funded guaranteed income project we have seen how impactful these can be.

NAZ is driving a culture of change as it prepares students to graduate from high school college-ready. In recognizing that the success of families is inherently linked to the success of children, NAZ uses a multi-generational approach to surround families with customized supports. Enrolled families are stabilizing their health, housing, and finances as their scholars meet key academic benchmarks. NAZ believes that Minnesota must invest in guaranteed basic income models of flexible financial support to disrupt poverty, advance racial and gender equity, and close the racial wealth gap that exists in our community.

**We encourage committee members to support HF 2666.** This bill will enhance the state's ability to offer support that ensures people have the resources to afford childcare, transportation, job training, and accessible housing while maintaining pathways to financial independence.

**Some facts about Basic Income:**

- Basic Income consists of monthly, cash payments given directly to individuals with the intent to disrupt poverty, advance racial and gender equity, and support basic needs;
- It is unconditional, with no strings attached and no work requirements;
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- Data tells us that basic income programs:
    - Alleviate barriers to full-time employment
    - Improves mental health outcomes
    - Improves infant and toddler developmental outcomes; and
    - Reduces the impact of unexpected economic shocks

1964 N 2nd St.
Minneapolis, MN 55411
Phone 612.521.4405
@NAZMpls

GBI's are tested and a demonstrably effective way to ensure Minnesotans have the income they need to increase their economic well-being. We urge you to support HF 2666.

If you have any questions regarding NAZ's support for HF 2666, please contact Paige Buchanan, Family Support Director at pbuchanan@the-naz.org or Kisha Shanks, Director of Advocacy and Civic Engagement at kshanks@the-naz.org.

Sincerely,

Sondra Samuels

Sondra Samuels, President and CEO

# PREPARE + PROSPER

WORKING TOWARD A BRIGHTER FINANCIAL FUTURE

DATE: March 27, 2024
RE: Letter of Support for HF 2666 (Hollins): Basic Income Demonstration Project
TO: Chair Hassan & honorable members of the committee.

Prepare + Prosper is committed to advancing social and economic opportunities so that communities throughout Minnesota can thrive. Access to financial stability and growth is a critical component of any flourishing community. As a nationally recognized leader in financial capability support for historically disinvested communities in building wealth and improving their financial health, we have seen the impacts firsthand of helping families attain their maximum refunds, and strongly believe guaranteed basic income (GBI) fundamentally enhances the promise of this work. Prepare + Prosper believes that Minnesota must invest in guaranteed basic income models of flexible financial support to disrupt poverty, advance racial and gender equity, and create economic opportunity for low- and moderate income Minnesotans and families.

**We encourage committee members to support HF 2666.** This bill will enhance the state's ability to offer support that ensures people have the resources to afford childcare, transportation, job training, and accessible housing while maintaining pathways to financial independence.

**Some facts about Basic Income:**

- Basic Income consists of monthly, cash payments given directly to individuals with the intent to disrupt poverty, advance racial and gender equity, and support basic needs;
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  - ✓ Alleviate barriers to full-time employment
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  - ✓ Improves infant and toddler developmental outcomes; and
  - ✓ Reduces the impact of unexpected economic shocks

GBI's are a tested and demonstrably effective way to ensure Minnesotans have the income they need to increase their economic well-being. **We urge you to support HF 2666.**

If you have any questions regarding Prepare + Prosper support for HF 2666, please contact Dr. Alvin P. Akibar, (alvin@prepareandprosper.org or call 651-377-5868).

Sincerely,

**Suyapa Miranda**
Executive Director
Prepare + Prosper

stocktondemonstration.org

SEED

Stockton Economic Empowerment Demonstration


# Preliminary Analysis: SEED's First Year

**AUTHORS:**

Dr. Stacia West,
Dr. Amy Castro Baker,
Sukhi Samra,
Erin Coltrera

**CONTRIBUTING RESEARCHERS:**

Mina Addo, Mae Carlson,
Conway Homes Residents Council,
Pandora Crowder, Meagan Cusack, Stacy Elliott,
Daniel Horn, Jenna Steckel, Tooma Zaghloul

# Executive Summary

**"Poverty is the biggest issue. Everything we deal with stems from that. There's so many people working incredibly hard, and if life happens, there's no bottom." —Michael D. Tubbs**

The Stockton Economic Empowerment Demonstration, or SEED, was the nation's first mayor-led guaranteed income initiative. Launched in February 2019 by former Mayor Michael D. Tubbs, SEED gave 125 Stocktonians $500 per month for 24 months. The cash was unconditional, with no strings attached and no work requirements.

This Randomized Control Trial (RCT) pilot is being evaluated by a team of independent researchers, Dr. Stacia West of the University of Tennessee and Dr. Amy Castro Baker of the University of Pennsylvania, and funded by the Evidence for Action Program at the Robert Wood Johnson Foundation.

Our primary research questions are the following: How does guaranteed income impact income volatility? How do changes in income volatility impact psychological health and physical well-being? How does guaranteed income generate agency over one's future?

In March 2021, SEED released its preliminary findings from the first year of the experiment. These findings encompass the pre-COVID time period from February 2019 through February 2020.

### Key Findings Include:

- Guaranteed income reduced income volatility, or the month-to-month income fluctuations that households face.
- Unconditional cash enabled recipients to find full-time employment.
- Recipients of guaranteed income were healthier, showing less depression and anxiety and enhanced wellbeing.
- The guaranteed income alleviated financial scarcity creating new opportunities for self-determination, choice, goal-setting, and risk-taking.

SEED sought to confront, address, and humanize some of the most pressing and pernicious problems our country faces: inequality, income volatility, and poverty. We hoped to challenge the entrenched stereotypes and assumptions about the poor, and the working poor, that paralyze our pursuit of more aggressive policy solutions. We believe that SEED provides an opportunity to imagine a more fair and inclusive social contract that provides dignity for all. Everyone deserves financial stability – SEED proves that a guaranteed income is one way to achieve it.

# SEED Overview / Implementation

SEED was born out of the simple belief that the best investments we can make are in our people. In February 2019, 125 residents began receiving a guaranteed income of $500 a month for 24 months. A hand-up, rather than a hand-out, SEED sought to empower its recipients financially and prove to supporters and skeptics alike that poverty results from a lack of cash, not character.


**125**
**Residents**

**500**
**Dollars**

**24**
**Months**

**To qualify or be considered for SEED, recipients had to**

**1**
Be at least 18 years old

**2**
Reside in Stockton

**3**
Live in a neighborhood with a median income at or below $46,033

# Selection Criteria & Process

To qualify or be considered for SEED, recipients had to be at least 18 years old, reside in Stockton, and live in a neighborhood with a median income at or below $46,033.

We chose $46,033 because it is the city's median household income. Centering ourselves on this number allowed us to be inclusive of residents across the city while ensuring that resources reached those in need. While our selection process targeted neighborhoods at or below the median income, there was technically no limit on individual household income. Recipients from these neighborhoods could be earning more or less than $46,033 and still participate in SEED.

Based on the above criteria, our evaluation team randomly selected 4,200 residences who were invited to participate in SEED via a physical mail notice. The mailer was not addressed to any one person in the residence; rather, each household decided whether to participate and who within the household would respond. To increase accessibility, these mailers were translated into the five most commonly spoken languages in Stockton: Spanish, Tagalog, Laotian, Hmong, and Khmer.

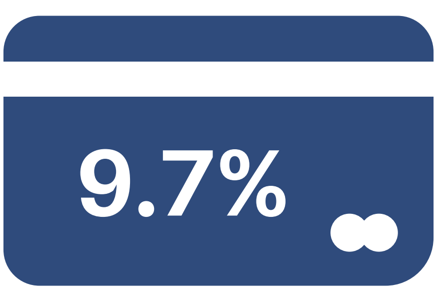
Households who were interested in participating completed a web-based consent form that asked for demographic details. From the pool of recipients who completed this process, a total of 125 were assigned to receive the guaranteed income. Of this pool, 100 comprised the core research sample; and 25 served as a politically purposive, or storytelling cohort, or who publicly spoke about their experience with SEED. We also included an additional 5 recipients for medical attrition, in the event that an individual is no longer able to continue participating due to a pre-existing medical condition, a terminal diagnosis, catastrophic injury, or the onset of a chronic illness. Another 200 individuals were randomly assigned to our control group, or a group of Stockton residents who are participating in our compensated research activities. The table shows some demographic data of the treatment and control groups.

| | Treatment | Control |
|---|---|---|
| Women | 69% Women | 69% Women |
| Kids in HH | 48% | 53% |
| Average Age | 45 | 40 |
| Single | 59% | 59% |
| Partnered | 13% | 15% |
| Married | 27% | 26% |
| White | 47% | 44% |
| Black/AfAm | 28% | 33% |
| API | 13% | 7% |
| Other | 12% | 17% |
| Hispanic/Latinx | 37% | 36% |
| Renters | 50% | 65% |
| Homeowners | 25% | 18% |

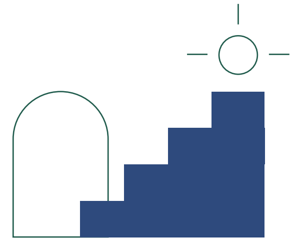
# Disbursement

SEED's disbursement was issued on, or close to, the 15th of every month. This was based on community feedback about how Stockton families handle household finances; large expenses, like rent, are often due at the beginning of the month and benefits, like CalFresh, rarely meet a family's needs for the entire month. As such, a mid-month disbursement was optimal to alleviate the financial stress families face as the month progresses.

SEED's disbursement was administered via a Focus Card, or a prepaid debit card issued in each recipient's name and provided in partnership with the Oakland-based nonprofit Community Financial Resources. Our decision to use prepaid debit cards was driven primarily by banking behaviors in Stockton. From 2013 to 2017, approximately 9.7% of Stocktonians did not have a bank account. Given this data, we decided against issuing the disbursement via direct deposit to recipients' personal accounts or via electronic apps such as Venmo and CashApp, which also require users to have bank accounts. We also decided against writing checks because we did not want any of the $500 stripped away by predatory check-cashing service fees. Prepaid debit cards were the most universally accessible option, and could be issued regardless of banking status and imposed zero cost on the recipients. They also offered recipients the opportunity to transfer all or some of the $500 to their preferred banking institution or financial service they know and trust.




**From 2013 to 2017, this amount of Stocktonians did not have a bank account.**



# Commitment to Preserving Benefits

**We at SEED firmly believe that unconditional cash must supplement, rather than replace, the existing social safety net.**

As such, SEED took a series of steps, based on conversations with legal counsel, social service administrators, institutional review boards, and other cash transfer pilots, to protect against potential benefits losses. These steps were supplemented by research recruitment and sampling decisions that maximized self-determination in protecting benefits (Castro Baker, West, Samra, & Cusack, 2020)[1].

Where possible, the SEED team pursued waivers that exempted the guaranteed income from being included in benefits eligibility calculations. For example, we secured a waiver for CalWorks, a welfare-to-work program that provides cash aid and services to eligible families, by working closely with the San Joaquin County Human Services Agency. This waiver exempts SEED disbursements from consideration as income for all CalWorks services, including supportive services (child care, transportation, and counseling/therapy) and family stabilization (intensive case management).

There were, however, limits on which benefits could be preserved through the waiver process. To ensure no harm, SEED provided individualized benefits counseling during the onboarding process. This benefits counseling detailed exactly how the additional $500 might impact the other benefits so that potential SEED recipients could make informed decisions prior to enrolling in the study.

While we were confident that we took every step available to minimize the impact of guaranteed income receipt on other benefits through productive partnerships with local agencies, we also know to prepare for the unexpected. For that reason, SEED established a Hold Harmless Fund to reimburse recipients for any unanticipated benefits losses.

[1] These strategies were presented at the 2019 American Public Health Association annual meeting. Castro Baker, West, Samra, & Addo. (2019). Mitigating Loss of Health Insurance and Means-Tested Benefits in an Unconditional Cash Transfer Experiment: Implementation Lessons from Stockton's Guaranteed Income Pilot. In American Public Health Association. Philadelphia, PA.

# Implementation and Take-up: The Role of Trust

Trust drove program implementation, take-up, and interaction with the debit card. Mistrust impacted whether or not people opened the recruitment mailers, completed their on-boarding appointment, moved money off the card into cash or another institution, and believed that the money was truly theirs. People like Mary feared an undisclosed catch and likened it to frightening prior misbehavior by companies, like the time her employer made mistakes with coworkers' paychecks and asked them to pay it back after the money had been spent. Several recipients described ripping up and tossing the recruitment mailer, only to pull it out of the garbage after reading about SEED elsewhere. Spouses, more frequently women, responded to the mailer when their partner refused to or mistook it for a predatory scam.

In many cases, recipients articulated that although they mistrusted the idea of money with no strings attached, their decision to respond was driven by the strain of their current financial situation. Variations on Jackie's[2] comment that, "the money came right in time" were replete in early interviews and reflected the constant state of financial precarity many were living with prior to SEED. Recipients struggled to reconcile their mistrust in SEED with the reality of constant financial strain. As illustrated by Monica's experience, it took several months of consistent payments and relationship building to outweigh fear and mistrust. Even after she had received two payments, attended an in-person session for enrollment, and regularly spoke with SEED staff on the phone, she still remained fearful when meeting in person.

**Recruitment:**

"One day I received the mail and I took the letter out at night and I was telling my husband, 'Oh my goodness,' I said, 'I'm gonna send it back...I had to call and he said, 'You know that's a lie, right?' There's like scams that, they want this, this, this, this, this, you now, and then you're like, 'no, I'm not going to do all that.'"

**Onboarding:**

"I was thinking 'I hope it works...I'm probably not even going to get it,' you know, and I was so anxious because I had a disconnection for the water within two days and I wouldn't get paid for four. I kept crying waiting to see if the debit card would load. I didn't know if we'd have water."

**Two Payments In:**

"[A SEED staff member] came to my job personally....I told my coworkers, 'I gotta meet somebody outside, like they're coming, I just got to get something from them. If I don't come back in, come look for me.'"

Stocktonians' experiences with risky lending, institutional disinvestment, and lack of trust is far from unique. Rather, it is a common feature of American financial life in communities locked out of upward mobility for decades, while simultaneously being targeted for wealth extraction and risk (Castro Baker, 2014; Saegert, Fields, & Libman, 2009; Servon, 2017). The human connection with staff embedded in the Stockton model (Castro Baker, West, Samra, Cusack, 2020), and the consistency of communication from program staff functioned as key pathways for building enough trust to facilitate program take-up.

[2] Pseudonym. Per the IRB, all names included in this manuscript are pseudonyms for confidentiality. Recipients identified by their first and last names are members of the political purposive (storytelling) sample N=25 who consented to share their experiences publicly through the duration of the pilot. Their qualitative data remains separate from the main treatment group.

# Year 1 Research Overview

## The key questions driving this experiment are:

1. **How does GI impact income volatility?**
2. **To what degree do changes in income volatility alter financial wellbeing, psychological distress, and physical functioning?**
3. **How does GI generate agency over one's future?**

We hypothesized that the GI intervention would lead to reductions in monthly income volatility and provide greater income sufficiency, which would in turn lead to reduced psychological stress and improved physical functioning. We used a mixed methods randomized control trial (RCT) with participatory action research design to answer these questions. Participatory Action Research (PAR) groups, alongside an objective to create new conversations around deservedness and inequality, led to the inclusion of analyses of how individuals used the $500. All research activities were approved by the Institutional Review Boards of the University of Tennessee-Knoxville and the University of Pennsylvania.

### Approach

The research approach included three strands:
(1) parallel quant + qual,
(2) sequential (quant –› qual –› quant) and
(3) community based PAR. Research activities are ongoing through September 2021.

#### Strand I:

Parallel quant + qual. Baseline quantitative data were collected three months prior to the random assignment to groups that occurred in February 2019, and were collected at three intervals post-randomization. Participants also completed brief monthly SMS surveys to measure income and mental health changes. A purposive qualitative sample of 50 participants were selected to participate in 1:1 semi-structured interviews to determine how decision-making about the $500 was weighed alongside existing network responsibilities and safety net thresholds.

**Strand II A:**

Sequential (quant –› qual –› quant): Strand II utilized early quantitative measures on coping, income volatility, and agency to generate a nested purposive qualitative sample determining how participants interpret changes associated with GI. The aim was to understand the strategies, processes, and sense of agency over one's future associated with the intervention. The sequential component captured the lived experiences of income volatility alongside coping strategies and health behaviors. It consisted of semi-structured interviews with a purposive sample of the treatment and control group. Interview protocols were informed by a social stress process model and existing economic insecurity, coping mechanisms, and network literature. Thematic analysis of themes associated with the aforementioned domains (Braun & Clark, 2006; Tashakkori & Teddlie, 2008) informed the development of a narrowly focused quantitative text-based inquiry that occurred monthly (Hall, Cole-Lewis, & Bernhardt, 2015).

**Strand II B:**

Mixed-methods integration of quantitative and qualitative data from year one generated new research questions that we were unable to answer with the existing data set. Therefore, an additional sequential step of purposive interviewing was added in year two. These research activities are currently ongoing.

## Quantitative Measurement

Income volatility data were measured monthly through self-reporting via SMS. The health indicators of physical functioning and psychological distress were measured quantitatively via the SF-36 and the Kessler 10 (RAND Corporation, 2018; Kessler et al., 2002) within the longitudinal survey every six months and qualitatively through in-depth interviews. Data on financial wellbeing, including employment and ability to cover a $400 emergency, were collected via self-reporting in the quantitative survey at six month intervals.

## Quantitative Analysis

Given the preliminary nature of this report, basic descriptive and inferential statistics are presented for quantitative data. Additional statistical analyses will be conducted, per the pre-analysis plan,[3] at the conclusion of the study and will be presented in a final report. In quantitative analyses of Strands I & II, income volatility was calculated by the coefficient of variation, as used by the U.S. Financial Diaries study. To determine the coefficient of variation, we divided the standard deviation of monthly income by the mean of monthly income (Morduch & Siwicki, 2017). Between and within subjects effects of the SF-36 and Kessler 10, our measures of psychological distress and physical functioning, were tested with a t-test at baseline in December 2018 and in February 2019. Descriptive statistics were calculated for employment changes and financial wellbeing. In qualitative analyses of Strands I & II, thematic analysis informed by structural coding was used to capture social network relationships and decision pathways were used alongside value/affect coding (Saldana, 2009) to determine how participants interpret receipt of cash in the context of stigma and shame ordinarily associated with accessing benefits (Keene, Cowan, & Castro Baker, 2015).

[3] https://www.stocktondemonstration.org/wp-content/uploads/2019/08/SEED-Pre-analysis-Plan.-8.6.19-1.pdf

## Qualitative Methodology

There were three stages of qualitative data collection and analysis in year one: open-ended questions on the baseline survey, semi-structured interviews after intake, and semi-structured interviews throughout the first year with members of the treatment group.[4] Interviews were also conducted with the control group and are part of ongoing research activities. All qualitative methodology was theoretically rooted in a social stress model with a specific focus on scarcity and strain (Mani, Mullainathan, Shafir, & Zhao, 2013; Shah, Mullainathan, & Shafir, 2012).

### Stage 1:

Open-ended questions were included in the initial baseline survey before recruitment respondents were randomized into treatment and control. The prompts were informed by the literature on deservedness, shame, and blame associated with the safety net (Baumberg, 2016; Seccombe, James, & Walters, 1998; Tach & Edin, 2017). These open-ended sections were designed to (1) guide protocol development for the semi-structured interviews, (2) guide text-based data collection, (3) start identifying household decision-making patterns, and (4) determine how guaranteed income may be interpreted differently than safety net benefits. Responses (N= 478) were recursively coded in Dedoose following Braun & Clark's (2006) five phases of thematic analysis. This included three rounds of comparative coding using descriptive codes for substance (Saldana, 2009), emotion codes capturing decision-making (Goleman, 1995), and values codes reflecting public discourse literature.[5]

### Stage 2:

After respondents were randomized into treatment and control, SEED program staff invited potential members of the treatment group for 1:1 intake sessions in a community-based setting.
All recipients who enrolled into the treatment group received invitations to participate in a semi-structured interview as a component of SEED's implementation. Thirty-six consented. Interviews were 15-20 minutes long to minimize participant fatigue, digitally recorded, and professionally transcribed. The protocol incorporated questions on general demographics, trust, social networks, program uptake, and decision-making. Thematic analysis at the semantic level was conducted in Dedoose following the same phases used in stage one (Braun & Clark, 2006). The codes used in this phase represented an extended version of those used in stage one. The additions included architectural codes capturing sequence and decision-making, and revised value codes capturing one's perspective of public discourse on deservedness (Saldana, 2009).


[4] Open-ended questions were also asked during text-based data collection. These will not be reported on until the conclusion of the study as they are part of on-going research activities.

[5] Early qualitative findings from stage 1 were presented at the 2020 Society for Social Work and Research conference. Castro Baker, A., West, S., Addo, M., Carlson, M., & Elliott, S. (2020). Renegotiating the Social Contract: Perceptions of Deservedness in a City-Led Guaranteed Income Experiment. Society for Social Work and Research. San Francisco, CA.

**Stage 3:**

All members of the treatment group were invited to participate in a semi-structured interview approximately halfway through the first year of treatment. This included targeted outreach to those who indicated prior or current experiences with the social safety net to ensure adequate representation from that group. Recruitment ceased when the target sample of 50 was reached. The aim of stage three was to understand the strategies, processes, adaptations, and sense of agency over one's future associated with guaranteed income. Interviews were digitally recorded, professionally transcribed verbatim, and lasted one to three hours depending on how people answered questions. Most were interviewed in their homes, but some elected to interview in a community-based setting to maximize privacy. Two individuals elected to do their interviews over the phone when personal plans changed at the last minute. Constant comparative memo-writing occurred throughout the entire interview and analysis process (Charmaz, 2014; Strauss, 1987). The interview protocol incorporated prompts on process, meaning-making, strategies, pooling of material and immaterial resources, trust, and social networks. The original 5 stage thematic analysis (Braun & Clark, 2006) that was employed in stages 1 and 2 was altered during codebook development based on the first two stages of analysis and early quantitative signals. In keeping with the iterative aspect of a mixed-methods approach (Tashakkori & Teddlie, 2008; Teddlie, Tashakkori, & Johnson, 2008), we adjusted our approach to incorporate grounded theory for latent analysis (Charmaz, 2014) alongside thematic analysis at the semantic level. This methodological approach was chosen when analysis in stage 1 and 2 indicated that recipients were experiencing guaranteed income as an unfolding phenomenon that lacked common language and shared understanding (Charmaz, 2014). The final codebook included process codes, values codes, focus coding (Thornberg, Perhamus, & Charmaz, 2014), and theoretical coding (Glaser, 1978; Charmaz, 2014). All coding occurred in Dedoose.


# Year 1 Findings

## Aggregate Spending

Each month, aggregate spending data were collected from the prepaid debit card to determine how recipients spent the $500. Those data were categorized into merchant category codes (MCC) that corresponded to the transaction type. For example, Costco had a MCC of “wholesale clubs” and was categorized as “sales or merchandise.” Safeway had a MCC of “supermarket” and was categorized as “food.”

Consistently, the largest spending category each month was food, followed by sales/merchandise, which were likely also food purchases at wholesale clubs and larger stores like Walmart and Target. Other leading categories each month were utilities and auto care or transportation. Less than 1% of tracked purchases were for tobacco and alcohol. The table below shows the percentages of tracked disbursements in each spending category, starting with the first disbursement in February 2019 and ending one year later.

| | Month | | | | | | |
|---|---|---|---|---|---|---|---|
| **Category** | **Feb 19** | **Mar 19** | **Apr 19** | **May 19** | **Jun 19** | **Jul 19** | **Aug 19** |
| Food | 36.11% | 34.11% | 33.65% | 39.53% | 35.54% | 34.18% | 38.82% |
| Sales/Merchandise | 24.20% | 24.56% | 24.09% | 21.23% | 21.27% | 21.14% | 18.08% |
| Utilities | 11.78% | 10.50% | 10.42% | 11.76% | 7.80% | 9.12% | 9.48% |
| Auto Care | 9.25% | 9.05% | 10.19% | 9.39% | 10.54% | 11.23% | 11.64% |
| Services | 6.70% | 8.37% | 8.64% | 7.54% | 9.12% | 6.43% | 7.51% |
| Transportation | 3.02% | 1.89% | 2.48% | 2.40% | 4.38% | 2.54% | 2.62% |
| Insurance | 0.55% | 4.42% | 3.97% | 2.14% | 2.72% | 2.66% | 3.42% |
| Medical | 2.23% | 4.72% | 3.19% | 3.50% | 3.81% | 2.28% | 3.38% |
| Self Care/ Recreation | 3.97% | 0.81% | 2.57% | 1.61% | 3.46% | 3.11% | 2.97% |
| Education | 1.95% | 0.47% | 0.38% | 0.66% | 1.12% | 0.58% | 1.63% |
| Donation | 0.25% | 1.11% | 0.41% | 0.25% | 0.24% | 0.74% | 0.46% |
| **Monthly Avg** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |

| | Month | | | | | | |
|---|---|---|---|---|---|---|---|
| **Category** | **Sep 19** | **Oct 19** | **Nov 19** | **Dec 19** | **Jan 20** | **Feb 20** | **Monthly Avg** |
| Food | 39.37% | 35.26% | 37.74% | 33.75% | 35.05% | 41.76% | 36.92% |
| Sales/Merchandise | 22.55% | 17.35% | 21.46% | 25.08% | 21.31% | 21.71% | 22.70% |
| Utilities | 11.23% | 14.02% | 10.26% | 6.07% | 12.43% | 8.74% | 11.34% |
| Auto Care | 10.77% | 8.61% | 9.18% | 8.60% | 7.03% | 8.70% | 8.77% |
| Services | 5.30% | 8.60% | 7.39% | 4.41% | 9.08% | 4.98% | 6.90% |
| Transportation | 0.34% | 4.53% | 3.79% | 10.85% | 4.88% | 3.99% | 3.45% |
| Insurance | 2.90% | 5.08% | 5.12% | 3.64% | 3.09% | 2.11% | 3.28% |
| Medical | 3.29% | 3.00% | 2.27% | 3.68% | 2.38% | 4.63% | 3.06% |
| Self Care/ Recreation | 3.18% | 2.02% | 2.24% | 2.91% | 2.23% | 1.79% | 2.09% |
| Education | 0.59% | 0.51% | 0.41% | 0.37% | 1.73% | 0.50% | 0.83% |
| Donation | 0.47% | 1.01% | 0.15% | 0.63% | 0.79% | 0.09% | 0.65% |
| **Monthly Avg** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |

## Transfer Patterns

Over the year, approximately 40% of the money loaded to the prepaid debit card was either transferred to a pre-existing bank account or withdrawn as cash. Analysis of narrative data indicates that these patterns are attributable to rational financial behavior. The way people moved money off of the card reflected their prior experiences in the market and prior strategies for avoiding risk while managing household needs. Participants described four reasons for transferring the money off of the debit card. First, some preferred relying on existing relationships with financial institutions that they already utilized for household budgeting and paying bills. This prompted some to transfer a portion of the money to their primary account, allowing them to manage all income in a single place. Second, others exchanged the $500 for cash, allowing them to pay rent, divide commonly held bills among family members, or for covering other bills to local payees that do not accept electronic payments. Third, a pervasive lack of trust in financial services in the community and prior experience with predatory actors motivated some to quickly remove money from the card. Stockton, like many racially and ethnically diverse communities, has a concentration of predatory financial services, like payday lenders, embedded in non-white and lower income neighborhoods (Mapping Financial Opportunity, 2020). The community experience of ongoing wealth extraction, both through those services as well as the foreclosure crisis, have rightly primed the community to be wary of any financial services; and, while SEED was created in coordination with community members, and widely publicized by the Mayor's Office, many recipients still worried the program was a scam. Finally, prior to SEED's launch, Ontario's basic income program was cancelled two years early and covered extensively by the press (Frazee, 2018). Recipients feared that if Ontario could end abruptly, then SEED might follow suit.

## Pooling Behaviors, Time Scarcity, and Prioritizing Self

Semi-structured interviews highlighted patterns in pooling behaviors and shifts in time among families and social networks in ways that the aggregate data masks. Pooling references the ways households combine and allocate income and resources toward expenses within the home, but the vast majority of pooling research focuses on married or intimate cohabiting partners (Lyngstad, Noak, & Tufte, 2010; Vogler 2005; Vogler, Wiggins & Brockman, 2006). In this research, we extended our analysis beyond pooling among couples to include social ties participants self-identified as members of their reciprocal pooling network, which is far more reflective of how many get by. Although the majority of SEED recipients interviewed chose to keep their participation anonymous from their friends and family, a small minority chose to tell their partners, spouses, parents, or a close confidant. Regardless of whether or not someone kept their participation silent, their pooling networks shaped decision-making pathways and strategies. The $500 spilled into their extended networks in material and immaterial ways that alleviated financial strain across fragile networks and generated more time for relationships. For those with more financially stable family networks, less pooling behavior occurred.

The most common spillover shifts participants described surrounded food and unpaid care work. As reflected in the aggregate spending data, the majority of money spent on the debit card surrounded food. The narrative data highlighted patterns of how families stretched this food to patch holes in the safety net and their networks. Participants regularly described finally being able to afford enough food to cover their household for the entire month, when they previously ran out when monthly food stamps limits were met or when they did not receive enough hours at work. Before SEED, these households would then either shift the quality of food they purchased or borrowed from family and friends who were also running low.

Sarah

**"If I fall who's catching me?"**

**Sarah is a woman in her 60s who works as a CNA. She spends a large portion of her time caring for her brother, who sustained a traumatic brain injury after an accident. Sarah's brother was able to buy a property with two small houses for him and Sarah with a lump sum payment he received after the accident. Since then, he has experienced severe mental health symptoms, such as paranoia and insomnia. She is responsible for making sure he takes his medication and helping him maintain personal hygiene, as well as staying on top of household duties like getting groceries and paying the mortgage and utility bills. When her brother's symptoms are particularly severe, Sarah has to miss work to stay home with him and make sure he is safe because she is the only person he trusts. At times, Sarah has had to miss work for up to a week to care for her brother, which drastically affects the amount of money she sees on her paycheck. While receiving the $500, Sarah has used SEED to help her siblings buy school clothes for their children and to help her daughter-in-law pay for car-insurance. However, no one in her network knows she is participating in SEED and using the money to assist them. The $500 has given Sarah the opportunity to start considering how to balance her own needs with her deep-seated belief in the importance of giving. Her goal for the SEED funds is to start a savings account, potentially get a working car, and put some money away for herself in case of an emergency.**

In other words, stabilizing food security in just one house with the $500 generated echoes of food security for those they ordinarily borrowed from. The $500 also assisted recipients with stretching resources across their networks to cover the needs of aging or ill family members, material needs such as school or sports equipment, and transportation to and from doctor's appointments they would otherwise skip. Unsurprisingly, these strategies were more commonly utilized by women who traditionally bear most of the burden of unpaid care work (Abramovitz, 2018).

Narrative analysis also highlighted how freedom from constant preoccupation with scarcity spending shifted how recipients utilized their time, functioned in relationships, and participated in meaningful activities that Jake describes as "normal things that a lot of people take for granted." While these trends remain invisible in the aggregate spending data, participants regularly articulated that the $500 generated time and funds to participate in American life in ways they would be unable to otherwise. Nicole described her time changing this way,

"I'm able to read and write my poetry, and spend time with my Mom...You have time. More time to use your imagination, decorate, take time with cleaning, try out recipes, watch a nice movie with someone, call your loved ones and give them encouragement. Everyone needs encouragement."

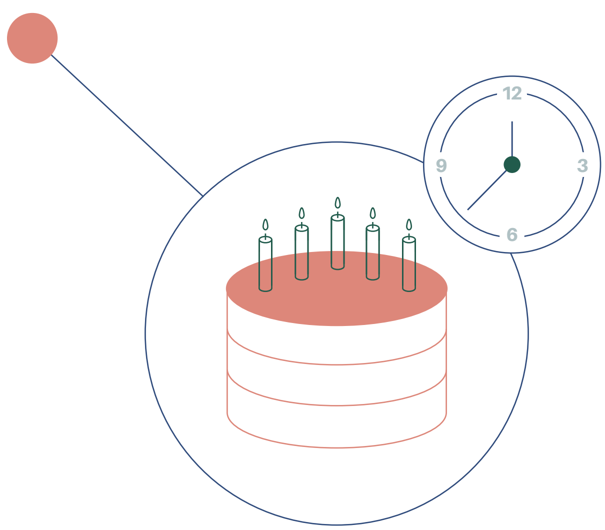
Parents articulated newfound time and ability to engage with their children in small, but normal rights of passage that generated dignity and quality of life. "Watching tv with my kids instead of yelling," "I can breathe and do homework with them," "take your kids to the movies," "be able to say yes to the ice cream instead of no. My kids have always heard no."

Penelope

**"I'm just making the minimum payments on my bills... so, to help him out, because my priority is help...."**

Penelope is a middle-aged woman who lives with her husband. She has a daughter in her mid-twenties who lives and works in Sacramento. Her family moved to Stockton from the Bay Area when she was in her late teens. Penelope lived in Sacramento as a single-mother while her daughter was growing up, and moved back to Stockton in 2016 when she got married. She uses the $500 to make credit card payments and support her 78-year-old father, who lives nearby in Stockton in a fairly upscale neighborhood. Penelope remarks that people might assume her father is well-off due to where he lives, however, he is struggling to pay off his late-wife's medical bills with his limited social security income and retirement funds. Penelope and her father cared for her mother from the time she was diagnosed with a chronic illness in 2006 until her death in 2015. Penelope was responsible for bathing her mother and taking her to appointments. She says her mother "trusted her with her life" while she was battling her illness. While she said caring for her mother felt "automatic" and "natural," the experience was difficult, and especially tough for her father, which meant that Penelope shouldered the majority of care taking responsibilities. Penelope worked in the medical field for a long time. She held both administrative and clinical positions as a nurse and later pharmacy technician. When a back injury she sustained administering CPR was further compounded by a car accident, Penelope was forced to stop working due to debilitating chronic pain. She is currently receiving permanent disability benefits. Penelope makes the minimum payment on her own bills so that she can help her father pay for his expenses. She comments that if she knew she would be receiving the $500 forever, she would give the entire payment to her father. She describes her family as a "circle" when it comes to sharing resources and says that they will show up for each other in turn when there is a financial emergency. Caring for others is a large part of Penelope's personal and professional identity and the $500 has enabled her to feel more comfortable engaging in the resources sharing that were central to her life before SEED.

**The expansion of time and the ability to afford things like birthday cakes and spending time with friends socially when they otherwise could not were common refrains that highlight how financial scarcity generates time scarcity within households and relationships.**



**Jake**

**"I would still survive without this money but it, it makes life bearable."**

Jake is a man in his early 30s who works as a manager at a wholesale supply company in Stockton. He regularly works 12-14 hours a day; however, he still struggles to make ends meet. He was born and raised in Stockton and has experienced the increased cost of living firsthand - his first apartment was around $600 a month and now he pays $1,300 - $1,400 in rent. He primarily devotes the $500 to his monthly truck payment. Previously, he was spending most of his income on bills, but the introduction of the $500 and the single burden of the car payment that it alleviated has given him more breathing room financially. Jake feels less worried about spending time and money on social outings with friends, whereas in the past, he would watch other people go and stay home so that he didn't have to be "that person with no money out there." He says the biggest impact of the $500 for him has been the opportunity to do more "just normal things that a lot of people take for granted" like going out for dinner with his mom or buying her a birthday present. Jake works long hours in order to pay his bills, which, before the $500, meant that his time and budget for doing anything but surviving was limited. While he still works the same long hours, SEED has allowed Jake to participate in more of the small social rituals that make life meaningful. For Jake, the $500 eased some financial pressure, and in turn, created more space for relationships and activities that have improved his quality of life.

Finally, women who spend much of their life and time performing unpaid care work within their networks described how the twin forces of alleviating financial stress alongside an infusion of time allowed them to prioritize themselves in ways they ignored for years. In many cases this was reflected in expected ways such as catching up on dental work and preventative medical care. However, it also unexpectedly provided newfound freedom to hear and center their own needs, desires, and wants in ways that improved their quality of life - fixing one's own car instead of someone else's; money for spending time with friends instead of diverting everything for children or extended kin. Mona bought diapers for her grandchildren and an adequate amount of feminine hygiene products for the first time in months. Like many, she ordinarily bypassed meeting her basic hygiene for her grandkids. Bunny purchased new shoes for herself while paying someone to mow her grass rather than having to do it under a blazing Central Valley sun with health limitations. What stands out when women describe these spending shifts is how clearly they articulate it as focusing on themselves because they desire to after spending extensive time and money caring for others for free. These women are listening to and prioritizing their own desires and well-being because it is something they crave on its own. This stands in stark contrast to engaging in self-care so one can perform yet more care work at the expense of their own well-being and sense of self. In Sarah's words, she can "focus more on myself....To focus on me and get everything I need to be paid in full," while Bunny says, "I want to make myself happy more. I want to be more for myself."

## Income Volatility and Financial Wellbeing

One year into the program, the treatment group demonstrated less month-over-month income volatility than those in the control group. The control group experienced nearly 1.5x more income volatility than the treatment group - the treatment group's income fluctuated by 46.4% monthly while the control group experienced a 67.5% monthly income fluctuation. These findings are consistent with findings from the U.S. Financial Diaries, which reported greater month over month volatility for lower-income households (Hannagan & Morduch, 2015). In addition, we find that households receiving the intervention were better positioned over time to cover a $400 unexpected expense with cash or a credit card paid in full than the control group. At the start of the program, only 25% of recipients would pay for an unexpected expense with cash or a cash equivalent. One year in, 52% of those in the treatment group would pay for an unexpected expense with cash or a cash equivalent. Comparatively, 25% of the control group would pay for an unexpected expense at baseline with cash or a cash equivalent. One year in, only 28% of those in the control group would pay for an unexpected expense with cash or a cash equivalent. The treatment group was in a more stable financial position than the control group one year after receiving guaranteed income, as shown by Real Madrid's story.

25% VS. 52%

**At the start of the program, only 25% of recipients would pay for an unexpected expense with cash or a cash equivalent. One year in, 52% of those in the treatment group would pay for an unexpected expense with cash or a cash equivalent.**

### Real Madrid

Real Madrid is a 42-year-old immigrant. He came to the United States in 2016 from his war-torn hometown in the Middle East and North Africa (MENA) region by way of another Arab country, joining his family that sought refuge in Stockton, California before him in 2001. For Real Madrid, navigating the "American life" underscores a conflict between suitable employment that carries dignity and pride, and the hardships of living in scarcity and lack of "straight" or honest work that pays a survival wage. As the primary caregiver for his disabled father and sister, he was soon faced with either taking part in illicit work or joining college to get a degree in real estate, a field in which he has about 25 years of experience back home but cannot practice here. Real Madrid took the risk of enrolling as a full-time student to earn a certificate in Real Estate relying entirely on his father's Supplemental Security Income (SSI), sister's food stamps, and the financial aid and student loans for which he was eligible as the only sources of income and financial support. One day, while on his daily commute to run some errands using public transportation, since he does not have a car or a driver's license, he heard about SEED on the radio and decided to respond to SEED's letter accordingly. Getting the USD 500 on a monthly basis helped him to focus his attention on "having a decent job" after completing his graduation requirements while taking care of his family. It ensured that the plans for his vocational trajectory are being embraced, polished, and executed. SEED not only enabled him to stay in school and acquire his anticipated certificate, it also allowed him to continue his education after applying for an Associate Degree in Business Administration.

## Psychological distress and physical functioning

The Kessler 10 is a widely used instrument that measures psychological distress based on questions about anxiety and depression. Scores can range from 10 to 50, with higher scores indicating more severe psychological distress. Scores less than 20 indicate a person is likely to be well, and scores 20-24 indicate a mild mental health disorder (Kessler et al., 2002). T-tests of the Kessler 10 indicate the treatment group reported lower incidence of anxiety and depressive symptoms than the control group at the fourth observation beginning in February 2020, one year after randomization. At the first observation, the treatment (M=21.28, SD=9.03) and control (M=20.72, SD=8.97) group scores on the Kessler 10 were not significantly different [t(303)=.541, p=.58)]. At observation four, mean scores for the control group were M=21.15, (SD=10.55) and M=18.43 (SD=8.66) for the treatment group, indicating a nearly significant change [t(184)=-1.92, p=.056)]. The effect size for this change, measured as Cohen's *d*, was -.282, a relatively small effect. When the control group was compared to themselves as a baseline, there was no significant change in scores on the Kessler 10 [t(86)=-.997, p=.322)]. However, the treatment group showed significant improvement in scores when compared to themselves at baseline [t(85)=2.732, p=.008)]. Cohen's *d* for this effect was .29, again a small effect. Taken together, these findings suggest that the treatment group experienced clinically and statistically significant improvements in their mental health that the control group did not - moving from likely having a mild mental health disorder to likely mental wellness over the year-long intervention.

### The Kessler 10


The Short Form Health Survey 36, developed by the RAND corporation, is a widely used instrument to measure overall health and wellbeing. It includes 8 subscales: physical functioning, role limitations due to physical health, role limitations due to emotional problems, energy and fatigue, emotional well-being, social functioning, pain, and general health (Hays & Shapiro, 1992; Stewart et al., 1992). The scores range from 0 to 100, with 100 representing better health. At baseline, there was no significant difference in the treatment and control groups' scores on any of the 8 subscales.

**One year after receiving the guaranteed income, the treatment group showed statistically significant differences in emotional health**

(t(183)=14.85, p=.012), energy over fatigue (t(186)=7.30, p=.023), emotional wellbeing (t(191)=7.70, p=.022), and pain (t(189)=7.87, p=.047) when compared to the control group. Effect sizes in this comparison were slightly larger than detected in the Kessler 10. Cohen's *d* for emotional health was .370, .335 for energy over fatigue, .332 for emotional wellbeing, and .283 for pain. Jim & Pam, a couple in the treatment group, share their story about the interaction between financial strain and emotional and mental health.

Jim & Pat

**“So to me this is the best of times... 'cause we're all together.” - Jim**

Pam and Jim are a couple in their late 20s/early 30s who have lived in Stockton for most of their lives. They have three school age children, two of whom have been diagnosed with developmental delays. Jim recently completed his bachelor’s degree in criminal justice and hopes to work with youth in programs aimed at preventing them from entering the criminal justice system. Pam and Jim save money to take their kids on vacation twice a year. In fact, after some trips to a theme park one of their sons, who was previously non-verbal, started memorizing maps and socializing more. Pam says, “now he does not stop talking (laughs).” Pam and Jim have struggled with the restrictions of the social safety net. Jim likens the process of applying for and receiving benefits to jumping through “fire hoops.” They received benefits like cash assistance and MediCal on and off depending on their employment situation, which made it difficult for them to build a strong financial foundation as their eligibility for benefits would change when they started to earn more income through work. Around the same time that they began participating in SEED, they were approaching the 48-month lifetime limit for cash assistance and Jim was finishing school and looking for jobs. He says, “We had our backs against the wall.” Stress about their financial situation and their childcare responsibilities contributed to a growing feeling of anxiety and they both started having panic attacks (though Pam says “not at the same time luckily”). They primarily use the SEED funds to pay down their credit card bills. Since receiving the $500, they report that their anxiety has greatly decreased and they do not fight as much as a couple. In Pam’s words “I had panic attacks and anxiety. I was at the point where I had to take a pill for it. And I haven’t even touched them in awhile. I used to carry them on me all the time.”

## Agency, Risk Taking, and Freedom

The final research question regarding how guaranteed income may generate agency over one's future was categorized into two domains: 1) changes in employment and risk taking, and 2) freedom from forced vulnerability, which we conceptualize as circumstantially coerced trust or dependence in people, social ties, or systems out of necessity and lack of choice. In February 2019, 28% of recipients had full-time employment. One year later, 40% of recipients were employed full-time. In contrast, the control group saw only a 5 percentage point increase in full-time employment over the same one-year period - 32% of those in the control group were employed full-time in February 2019; one year later, 37% of control group participants were employed full-time. Though these findings cannot point to larger labor market trends, when integrated with qualitative data, they do lend insight into how individuals leveraged the $500 monthly payment to improve employment prospects. Shifts in employment patterns were tied to removing material barriers to full-time employment and removing time and capacity limits created by scarcity and precarity. Material barriers included the ability to reduce the number of part-time shifts or gig work in order to apply for stronger positions. This included completing internships, training, or coursework that lead to full-time employment or promotions, or reallocating resources in a way that facilitates seeking better job prospects. For example, one man in his mid 30s had been eligible for a real estate license for more than a year, but could not afford taking the time off work to complete it. With the $500, he says that his life was "converted 360 degrees... because I have more time and net worth to study... to achieve my goals." As reflected in the spending data, financial scarcity generates time scarcity. Simply put, when every dollar of wage work is allocated for bills before it is earned, most cannot afford to skip work or take necessary steps toward better employment structurally trapping them regardless of individual effort. While these constraints are widely studied as

**Chelsea**

**"I stayed in a bad marriage for longer than I should have because I didn't have the funds or the means to leave."**

**Chelsea spent most of her adult life in Stockton, is a mother of two young children and laments that she worked hard to find an apartment that felt both safe and affordable, only to have the landlord continue increasing the rent. She escaped an abusive marriage a couple years ago, and is the sole provider for her children. She notes that had something like SEED came along sooner in her life, she would have been able to leave that abusive relationship several years earlier. In addition to being a Mom, she works full-time plus frequent overtime to make ends meet. When she first learned she would be receiving the $500, she planned to use the money to get a few months ahead on her daycare payments for her two kids since daycare is a major expense. However, just before the first payment, Chelsea's car blew its engine. Chelsea had been living paycheck to paycheck and had limited options for securing transportation to get to work, so Chelsea took on a costly title loan on a car so she could keep getting to her job. When that car broke down, Chelsea had no savings or viable option for buying even a used car, and ended up leasing a car so she could get back to work as soon as possible.**

**By the time disbursement began, Chelsea had to make a new plan of immediately putting the Guaranteed Income each month toward making payments for both the broken down car that sits useless, and the car she is currently leasing and driving to work. Chelsea explains that after making those monthly car payments, and using her salary to cover other expenses, the $500 provides enough that there is a little left over each month. Chelsea uses that small amount of "leftover" SEED money each month to do special little outings with her kids, like taking them to see a movie or go to a water park—fun activities that previously would have seemed frivolous or irresponsible on her shoestring budget. Chelsea explains that having this new freedom to spend even a small amount of the $500 on occasional outings with her children is a special newfound joy.**

limits for saving and asset building (Sherraden et. al, 2015), these findings indicate that it may also limit how workers react to local job markets.

The alleviation of constant financial strain also generated increased bandwidth for goal-setting and risk-taking, both of which were previously limited by scarcity. In Kent's words guaranteed income means, "you can take so much risk...The only reason I got the internship was because of me taking the risk of having to quit a job before and knowing that I have that money. I could sustain myself until this new opportunity came around, and I was able to take it." However, the burden of unpaid care work created a ceiling on risk-taking for some women supporting networks with significant needs left unmet by the market and safety net. In some cases, the strategies people used for survival were explicitly articulated and readily described. But, more often than not, people spent so many years battling scarcity that resilient survival strategies functioned as implicit ways of being and getting by. Recipients carried these strengths into SEED and, as bandwidth increased, capacity for risk-taking, new goal-setting pathways, and some freedom from forced vulnerability emerged. For more than 100 years, the social science literature has established that one way those living on the economic margins survive is by relying on strong networks and social ties (Eden & Lein, 1997; Engels, 1892; Du Bois, 1899; Kornblum, 1974; Raudenbush, 2016; Stack, 1974). While the experience of poverty does not guarantee the presence of a strong network (Offer, 2012; van Eijek, 2010), and strength of ties for escaping rather than surviving poverty remains a matter of debate (Desmond, 2012), we do know that drastic increases in poverty, austerity, and rising inequality constrain choice and undermine formation of strong social ties (Small & Gose, 2020). The narrative data underscored these dynamics and illustrated how living with constant financial strain creates forced vulnerability, dependence, and trust in people you may not want to engage with or in systems that invite unwanted surveillance into your household. As one Mom put it, "poverty means lack of choice. You're forced in ways you don't want to be." Or, as Jada describes, feeling compelled by circumstance to "choose" between terrible options. In her case this means "opting" to live in unsafe housing she calls a "cave" with broken appliances, constant vermin, and an absentee landlord rather than living in a nicer place with family members whose presence invites more unpaid care work and difficult relationships.

In contrast, chosen vulnerability and interdependence hinges on agency, self-determination, and authentic trust in the ties you actively choose and rely on. Once basic needs were met and scarcity dampened, participants described small, but meaningful pathways out of reciprocal ties of vulnerability they desired freedom from in favor of chosen vulnerability and authentic trust defined by choice and a sense of safety. Unlike forced vulnerability that can invite surveillance and constrained dependence, Callie describes chosen trust, interdependence or vulnerability as, "putting your all into something and not having to worry about something happening to you from it." This included the ability to reduce asking for money or resources from friends and family that people had strained or difficult relationships with, and to limit time in and with relationships they remained in under duress. While limited, these findings indicate the potential for guaranteed income to bolster self-determination and a sense of agency.

**28%**

**In February 2019, 28% of recipients had full-time employment.**

→

**One year later, 40% of recipients were employed full-time.**

**40%**

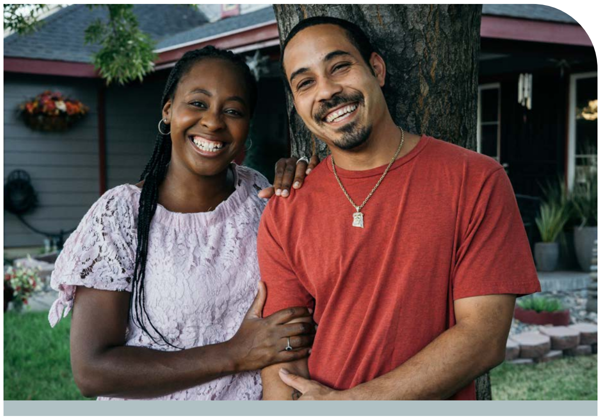
# Implications

## For Replication and Practice

As additional guaranteed income programs emerge across the country, SEED serves as a human-centered model to follow. Guaranteed income demonstrations, for reasons mentioned elsewhere, serve as an exercise in trust. To build trust with participants, SEED maintained constant communication and put a premium on establishing relationships between staff and recipients. SEED staff employed a number of methods, including phone calls, text messages, emails, physical mail, and, if needed, in-person home visits. We maintained a two-way channel of communication: (1) the SEED team sent a message prior to each disbursement and research activity, and (2) recipients reached out to the team with questions about their debit cards, or even to share messages about how they were using the $500 disbursement. Communication was more frequent with those in the storytelling cohort, with staff inquiring about media interest and sharing coverage. Further, program staff not only ensured the completion of research activities, but also checked in on recipient well-being and positioned themselves as a resource for recipients as they approached recertification for other benefits.

SEED also centered recipient agency and self-determination . As such, we practiced ongoing consent with recipients across all aspects of the program and recipients were, at any point, allowed to leave the program. For example, participation in research activities is highly encouraged and incentivized through compensatory gift cards, but no aspect of the research is mandatory and members of all groups may choose to exit the research at any time. For those in the storytelling cohort, ongoing consent also entails choosing how frequently they engage with the media and which opportunities they accept. Guaranteed income programs using a RCT evaluation may benefit from approaching control group engagement with the same care and attention as treatment group engagement, beginning during the earliest phases of planning. SEED sought to ensure that all participants in the demonstration understood their role in the success of the pilot. Messaging and communication that consistently highlights and reinforces control group participation as equally important to the treatment group, as well as clear communication about the group assignment process, and the impact of control group data collection activities, may help participants feel ownership over the process and agency, regardless of which group they are assigned.

Finally, guaranteed income pilots must elevate community voice. Key design decisions, including disbursement mechanism and timing, were made in consultation with members of the Stockton community who were familiar with economic insecurity. In doing so, SEED designed a program that was responsive to Stockton’s unique needs and landscape. Activities like town halls, public data releases, also promoted program transparency and ensured that Stockton residents knew that research was being conducted in tandem with, rather than on, the community.



## For Policy

The first year findings of SEED are promising, showing a causal connection between guaranteed income and financial stability, and mental and physical health improvement. The mixed methods RCT approach not only allowed SEED to detect these quantitative effects, but to understand how guaranteed income operates alongside the existing social safety net, how recipients maximized the $500 under extreme resource constraints, and how guaranteed income may promote individual freedom and agency.

Yet, guaranteed income is not a cure all for the consistent, market-driven obstacles that prevent many American households from achieving stability and health.

**We found that the $500 made making rent payments, covering childcare, and taking care of medical needs more bearable for recipients, but it was not nearly enough to cover the exorbitant costs of these necessities.**

This means that guaranteed income should not be considered as a singular approach for household stability, but rather as one policy option to be implemented alongside others to shore up market failures. Additional policies to implement alongside a guaranteed income include: protection against predatory financial actors and instruments like caps on adjustable interest, second-chance banking, third-party targeting of financially vulnerable populations, and exorbitant fines and fees from the criminal justice system; address the unique barriers that women face in the market through paid family leave and universal child care; mitigating the cost of housing through rental assistance, tenant protections, and increased supply of housing; and ensure that labor is fairly compensated through a higher minimum wage. All polices should help build an economy that works for everyone, and is rooted in equity for traditionally marginalized populations.

The COVID-19 pandemic has highlighted the need for a comprehensive safety net reform. Households are struggling more than ever to meet competing demands of online schooling, high risk work environments, and devastating losses of family members and friends. Guaranteed income may be immediately realized as recurring cash payments to allow families to mitigate infection risk and weather pandemic related income loss.

## For Research

Additional research on guaranteed income is forthcoming, which will help refine policy options. There are a number of domestic guaranteed income pilots that launched around the same time as SEED, including Open Research's large multi-city pilot, Springboard to Opportunity's Magnolia Mother's Trust, and the multi-city Baby's First Years project. While each of these studies were launched with similar hypotheses, that guaranteed income may stabilize families and improve wellbeing, there were no modern studies of guaranteed income in the US to predicate those hypotheses.[6] These data presented in this report should be considered a preliminary insight into how guaranteed income may improve financial stability, health, and psychological outcomes. It should serve as a launching point not only for the final report of SEED, but for other communities running or preparing to pilot guaranteed income.

[6] The most recent RCTs of guaranteed income conducted in the US were the Negative Income Tax Experiments, which concluded in 1982.

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March 26, 2024

Dear Chair Hassan and members of the Workforce Development Finance and Policy Committee,

Please accept our wholehearted endorsement of HF 2666, the MN Basic Income Bill. Springboard for the Arts is a 30-year old nonprofit organization based in St. Paul and Fergus Falls that works with 20,000 artists, culture bearers and creative workers across Minnesota each year. These artists are teaching in schools and after school programs, addressing social isolation in elder care, helping rural communities attract and retain young people and creating the culture that defines Minnesota as a vibrant and desirable place to live, work, and raise a family.

This cultural work, much like caregiving and community work, is labor that is vital to the health of our communities and our state but isn't always compensated or compensated fairly. Like other small business owners and gig workers, artists are disproportionately self-employed and often have variable income. Since 2021, Springboard has been piloting basic income programs in Otter Tail County and in St. Paul.

These very small basic income pilots have allowed us to understand the community impact of a basic income, particularly in **rural places.** We have learned that even a small basic, monthly income creates freedom and Minnesotans use that freedom to explore what shared prosperity can look like. The participants in our pilots have used this freedom to invest in the communities that invested in them by buying homes, taking care of their elders and children, and finding long-term employment, **helping to build a strong rural workforce**. Here are two stories from participants in Otter Tail County:

*"My daughter moved back in with me during the pandemic and all of a sudden we were supporting each other. At the time, our home was a one bedroom apartment above my business which is a yarn store that also closed during the pandemic. I got the basic income starting last March and it helped us get the credit cards paid off and get our credit scores up so we were ready when a house came on the market. Two months ago we were able to close on a house and move out of the one-bedroom apartment. It's small and it's old but it's perfect for what we're looking for and we are amazingly ecstatic about that. The basic income is helping us to continue to make house payments and make sure everything is stable. As far as my business, this has made it possible for me to have products to sell, because I'm not afraid to buy inventory. I'm also doing a lot more community work including working with a welcoming committee in Fergus Falls and working with the senior center to make art for downtown windows. Basic Income is a wonderful program and everyone should do it."* – Torri Hanna, Artist and Business Owner

*"I am a freelance arts administrator and artist, based in Fergus Falls. In partnership with another artist, I make sculpture from found materials – making use of things that are being wasted to make art. I am also currently helping to organize a Summit for rural leaders. I wouldn't be able to do these freelance community projects if not for the basic income program. Before the guaranteed income, I was working 60 hours a week, which didn't leave time for the things that interest me and serve my community. Now*

*having a little cushion allows me to know that I'm going to eat that month while I pursue the things I care about in my work and community. I was born in Fergus Falls, left when I was 17 and came back to be closer to family and got very involved in the community and that has kept me here. I know some of the other guaranteed income recipients and I know it has made all the difference in their lives, especially creating a peace of mind and freedom to create."* – Jess Torgerson, Artist and Administrator

These same results are reflected in evidence we have on the positive impacts of basic income pilots across the nation – data overwhelming points to increased employment, improved mental health, improved child development, and improved overall health of participants.

One of the most important parts of this bill is that it relies on the expertise of local communities to design their own basic income pilots, allowing for customization for specific community goals, across rural, urban, suburban and tribal communities. A statewide demonstration of locally-designed basic income programs will help make sure that Minnesota is place where culture, innovation, small businesses and local economies can thrive and grow. We urge you to support HF 2666.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Laura Zabel

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DATE: March 25, 2024

RE: Letter of Support for HF 2666 (Hollins)

TO: Chair Hassan & honorable members of the committee.

The Wilder Foundation is committed to advancing social and economic opportunities so that communities throughout Minnesota can thrive. Access to financial stability and growth is a critical component of any thriving community. Through our experience operating The Rai$e Program, we have seen how impactful guaranteed basic income projects can be. Wilder believes that Minnesota must invest in guaranteed basic income models of flexible financial support to disrupt poverty, advance racial and gender equity, and support basic needs in a way that allows people to grow without the danger of careening off a benefits cliff.

**We encourage committee members to support HF 2666**. This bill will enhance the state's ability to offer support that ensures people have the resources they need to afford childcare, transportation, job training, and accessible housing while maintaining pathways to financial independence.

**Some facts about Basic Income:**

- Basic Income consists of monthly cash payments given directly to individuals with the intent to disrupt poverty, advance racial and gender equity, and support basic needs;
- It is unconditional, with no strings attached and no work requirements;
- It supplements, rather than replaces, the existing social safety net;
- It is time-limited;
- Communities are required to design their program with the people who would be accessing it and…
- Data tells us that basic income programs:
  - ✓ Alleviate barriers to full-time employment
  - ✓ Improves mental health outcomes
  - ✓ Improves infant and toddler developmental outcomes; and
  - ✓ Reduces the impact of unexpected economic shocks

GBI's are tested and demonstrably effective ways to ensure Minnesotans have the income they need to increase their economic well-being. **We urge you to support HF 2666.**

If you have any questions regarding Wilder's support for HF 2666, please feel free to contact us.

Sincerely,

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Director of Public Policy & Community Relations
The Amherst H. Wilder Foundation.