



## **Implementing Guaranteed Income Programs: Insights from Baltimore**

### ***Questions and Answers from the Webinar***

#### ***How do the mechanics of guaranteed income work?***

- A. Participants get a monthly income paid to them on a debit card. In the case of Baltimore, they receive \$1,000 a month for 24 months.

#### ***How do you respond to the critics who would say that it sets up a dependency?***

- A. Responding to the critics of the program part of the role of the evaluation is to understand more about how families fare during and after the program.

#### ***How did y'all get the funding for this? You mentioned Open society institute and someone else?***

- A. ARPA funds the payments to participants and we are funding the program administration through most philanthropic fundraising and some money from the City

#### ***What will happen with the program after the American Rescue Act money dries out/expires?***

- A. The current pilot will end at that time, and CASH, the nonprofit administrator, will have an offboarding process to prepare participants for the end of the pilot.

#### ***Do you monitor where recipients spend funds or have a more hands off unconditional approach?***

- A. Spending data is captured through Steady, our financial disbursement partner. The data from Baltimore will be available in December and updated quarterly.

#### ***How did you determine to use 300% of the poverty level, versus a lower figure?***

- A. This was a decision our steering committee weighed. Eventually settling at 300% for a couple of reasons, two of which being the hope that we could learn about effects of the benefits cliff and because at 300% of FPL a family may be one "emergency" away from housing insecurity etc. and are hoping that the guaranteed income payments can ensure more stability

***Can you talk about why spending is monitored?***

- A. The spending data shows us how folks are prioritizing their needs each quarter. This helps us to understand what other supports/policies can help families to meet their needs. The data from other pilots has also been helpful to deflect concerns about how funds will be spent. Although this data is collected, the payments are unconditional. There are no requirements as to how money can and cannot be spent. Unconditional is a core tenet of the pilot.

***What is the plan to help participants maintain the self-sufficiency they achieve when program funding ends?***

- A. CASH will be doing off-boarding as the program comes to a close. We will be designing that based on what we are learning about what they need. WE are providing supports along the way as well.

***Do the control group participants receive an incentive? How do you manage attrition among those in the control group?***

- A. The control group receives \$50 incentives to complete the survey. We are actively working to reduce attrition and work with the community research fellows to remain in touch with control group members and encourage survey completion.

***How is money disbursed to participants?***

- A. We have a financial disbursement partner, Steady. They allow the participants to choose how to receive the funds whether that was using an already established bank account, setting up an account, receiving funds through a card etc. A majority of participants are receiving funds in a bank account. We helped 42 people to open accounts, about 130 already had accounts, about 30 chose to use a debit card.

***Is the control group going to be interviewed and if so, can you talk about the decision to interview people in the control group?***

- A. The control group will not be interviewed in the Baltimore pilot. We have limited our data requests of control group participants to surveys.

***Are there plans to scale or replicate this pilot model to other vulnerable demographics in Baltimore or elsewhere in Maryland, if the evaluation results come out as positive? What are some potential barriers or limitations when doing so?***

- A. There are several other Mayors that have signed on to MGI - Takoma Park, Salisbury. And Montgomery County is launching a pilot as well.

***How are cities thinking about sustaining these most impressive pilots? Is there work being done in this evaluation that might help identify ways to sustain and scale GI pilots?***

- A. Cities are sustaining pilots through fundraising additional dollars in a variety of ways. A big question we will be looking at in the evaluation across a number of different cities is lessons learned about how to sustain and scale GI pilots.

***What type of support outside of the cash was provided? And how was that determined?***

- A. No support beyond cash is provided to participants. The goal of the research is to understand how cash by itself impacts participants lives.

***How were the Benefits counselors trained in showing the potential impact of the payments? By the state? by the city? by the county?***

- A. CASH has provided benefits screening and case management as a service for more than 10 years. For the GI pilot, CASH leveraged existing benefit counselors that have completed multiple training courses to conduct benefit screening. They have completed MDTHINK Training, which is a system that connects multiple state agencies, and EarnBenefits Online training, which is software that allows for CASH to screen for federal, state, and local benefits. For the GI Pilot, benefit counselors used a calculator created by the Federal Reserve Bank of Atlanta specifically for analyzing the impact of GI payments on state and local benefits. CASH's benefits counselors used their knowledge and expertise on how the different benefits programs are implemented to help interpret the results for the participants. They also encouraged the participants to reach out to the various agencies for further clarification as needed.

***Do program participants receive incentives for participating in the interviews and storytelling?***

- A. Research participants receive incentives for completing qualitative interviews. For the storytelling cohort, CASH invites the participants to our office to conduct interviews or other activities for them to share their story. This provides a neutral place where participants can feel comfortable expressing themselves. CASH covers the cost of transportation to and from our office. We also offer childcare services and provide breakfast or lunch. They may receive stipend if they are a speaker at an event, but they are not paid for media interviews.

***What staffing model have you used to support the program?***

- A. During the early planning and implementation of the program, CASH had a small team of staff members who were focused on the program. During the onboarding process, CASH expanded roles to all the staff to make notification calls, conduct benefits counseling, and complete orientation. Now that all the participants are fully onboarded, CASH has two staff members that maintain the program. CASH did not create any new staff positions for this project.

***Did the participants owe taxes on the GBI payments? Did GBI impact the EITC participants qualified for?***

- A. The payments are structured as a gift, not income. To fit the definition of "gift", the participants are not required to do anything to receive their payments. Gifts are not taxable if they fall under the annual 'exclusion' amount, and the exclusion is \$16,000 for 2022. This means that unless an individual receives more than \$16,000 from a single source, that individual does not need to disclose the gift on their tax returns. This also means that the payments are not estimated to impact any of the EITC the participants qualified for because the payments are a gift.

***What is the feasibility of GI outside of big cities?***

- A. GI is definitely feasible outside of big cities. Some GI pilots are in quite rural areas. One of the longest-running and best-known guaranteed income-like programs is the Alaska Permanent Fund Dividend, which has operated throughout Alaska, including its large rural areas since 1982. However, more rural pilots would be helpful to understand some of the specific considerations for running a rural pilot. Additionally, outcomes may look different for rural populations.

## **Equity**

***What effect do you expect a guaranteed income program to have on the racial wealth gap in this U.S?***

- A. GI programs have the potential to address racialized economic disparities such as the racial wealth gap. Research on existing permanent unconditional cash transfers—namely the Eastern Band of the Cherokee casino dividend and Alaska Permanent Fund dividend—has found that children in the most marginalized households benefitted the most, thereby improving equity. It is an area for further study to examine the degree to which a scaled-up GI program might address the racial wealth gap.

***What kind of economic mobility coaching do you pair with the guaranteed income? what are the outcomes?***

- A. The Baltimore pilot does not provide economic mobility coaching in addition to the guaranteed income. We still have yet to see outcomes since the pilot has only just begun.

***When designing GIP can you explicitly direct funds or a % of funds to BIPOC households living in high need zip codes to address racial disparities?***

- A. Funding requirements will guide how GI funds can be directed. Some GI programs have targeted funds to households within specific geographic areas (ZIP code, Census tract, etc.) or to specific kinds of households, e.g., single parents between certain ages, or citizens returning from incarceration within a certain time frame. Some privately funded pilots focus only serve Black women or Black mothers.

***Looking for a breakdown in outcomes - school, work, other. I understand the process and equity advantages but what has been the outcome for participants?***

- A. We are still waiting for results from the research about the outcomes for participants in Baltimore. The Stockton Economic Empowerment Demonstration has shown one-year outcomes that suggest improvements in mental well-being.

## **Impacts/Considerations**

***Did the program ensure participants did not experience a reduction or loss any of the public assistance benefits they were already receiving? How did you handle benefits counseling so that participants did not lose key public benefits?***

- A. Baltimore's GI program provides benefits counseling to all participants so they can understand the impact of receiving GI on their current benefits.

***How should GBI programs be thinking about the benefits cliff/benefits plateau?***

- A. GI programs can trigger loss of certain benefits which is an issue for programs to be aware of and to ensure benefits counseling occurs. Part of the evaluation of GI programs is understanding how GI might change the experience and navigation of benefits cliffs in their states. Researchers are doing ongoing work to better understand the interactions between GI and benefits cliffs on a broader scale.

***How do Guaranteed Income programs work with other benefit programs? My understanding is that in pilots they are set up to not replace other benefits, but what should happen in case of full rollout? Would the GI amount be larger and other benefits replaced?***

- A. Researchers and policy makers are all asking this same question of how GI interacts with other benefits. And secondly some are asking whether GI should be larger and replace benefits. Current research about participants experiences receiving GI will help to inform the conversation about whether this would make sense as a policy. We may learn, from participants lived experiences, that exchanging benefits for a cash transfer is not the most beneficial policy design for unexpected reasons.

### **Evaluation**

#### ***Are there any long-term studies that have been done to show that this concept is effective long term?***

- A. Most GI pilots have taken place outside of the context of the United States. The Stockton Economic Empowerment Demonstration (SEED) is the first GI pilot in the United States in decades. We do have evidence from the Alaska Permanent Fund that show some improvements in health outcomes, reductions in rural poverty, and no negative impacts on employment. Current GI pilots offer us a way to begin to understand some of the short-term effects of receiving GI. Longer pilots will be needed to look at impacts of this policy over the longer term.

#### ***Utilization of data in outcomes analysis, what did outcome metrics did you decide upfront were important?***

- A. Prior research has shown that cash can improve a host of outcomes for participants. In service of the Mayors for a Guaranteed Income national learning agenda, the Center for Guaranteed Income Research at the University of Pennsylvania developed a core survey covering a holistic set of outcomes: physical health, mental health, housing, family dynamics, financial well-being, food insecurity...

#### ***What are the plans for studying the long-term outcomes for program participants?***

- A. We will study the outcomes for program participants in the six months after the end of the pilot. We would like to study longer term outcomes to assess how participants fare several years after the end of the pilot. Additional funding would be needed to enable ongoing follow up.

#### ***Were any of the households experiencing housing instability or homelessness? How did you choose the program participants?***

- A. Some households were experiencing housing instability and were unhoused. Participants were randomly selected from the group which applied to the program.

#### ***What were the eligibility criteria for those individuals applying to the program?***

- A. Individuals eligible for the program were young parents aged between 18 and 24 years old who lived in Baltimore city and with an income below 300% of the federal poverty level.

### **Long Term Implications/Where Do We Go from Here**

#### ***Where would the funding for Guaranteed Income come from in the long haul?***

- A. Policymakers and advocates have many different ideas for how a permanent GI program could be funded. Each funding mechanism has somewhat different implications for how the program is designed and administered (such as whether it is through the tax code or not).

#### ***How would such program be implemented in my country?***

- A. Many countries have provided different types of cash assistance (some unconditional, like GI, others conditional) for decades. There is a large body of research about the designs and outcomes of GI programs from across the world.