

Guaranteed Basic Income Research Brief

“Cash is the currency of urgency.”

(<https://mothersoutreachnetwork.org/give-black-campaign/>)

Guaranteed Basic Income (GBI) is typically understood as an unconditional cash transfer to individuals or households on a periodic basis. As noted in the 2022 Washington State Basic Income Feasibility Study (Pfungst, Tracy, & Matthews, 2022), basic income “is gaining traction in the U.S. To date, nearly 100 pilots have been introduced in the U.S., the vast majority in the last three years, including five underway or in consideration in Washington state.”

The WA state basic income feasibility study summarizes relevant pilot study findings in detail, underscoring that:

“...evidence from the earliest pilots is persuasive, strongly suggesting that providing direct cash to individuals and families experiencing economic hardship has significant, positive effects on financial stability, health and well-being, quality time with family, and gains in education and employment.”

The table below, excerpted from the WA feasibility study summarizes findings from GBI pilots to date (see original table for study details and sources available at: https://www.wtb.wa.gov/wp-content/uploads/2021/10/2021_Aug_UBI_project_plan.pdf). Importantly, the feasibility report also pointed to evidence that “basic income pilots do not decrease motivation to work or increase spending on ‘temptation goods’, such as drugs and alcohol. On the contrary, evidence suggests that work participation and quality of time spent with family increases. In general, the research shows direct cash alleviates the stress associated with the experience of economic hardship, supporting foundational needs, higher quality of life, and an increase in feelings of hope and belonging.”

We have seen over 100 GBI pilots around the US, with several recent programs focused specifically on prevention in child welfare. For example, a nonprofit in **Washington, D.C.**, “**Mother’s Outreach Network**” has begun a GBI pilot program supporting Black mothers who have had child welfare involvement. The program provides participating mothers \$500 a month, unconditionally, for three years. This pilot will support 50 families with the goal of preventing further child welfare system involvement (<https://imprintnews.org/youth-services-insider/washington-d-c-pilot-gives-500-per-month-to-black-mothers-with-cps-cases/243235>).

In a write-up in The Imprint about the D.C. pilot, it was noted that: “*The goal of providing no-strings-attached cash assistance is to prevent further involvement with child protective services by helping vulnerable parents meet their families’ basic needs, as many child welfare cases are based on neglect findings stemming from poverty.*” “***It’s good for the individual, it’s good for their family, community and in fact, the entire economy***” noted Melody Webb, co-founder and executive director of Mother’s Outreach Network. Further, Webb said,

“Black mothers are the focus of the pilot because they are the most vulnerable. Black families across the country face investigation and separation by the child welfare system

at a disproportionate rate. In D.C., nearly 8 in 10 children in foster care are Black, far higher than the 54% of the child population they represent. In an article published last year in the Columbia Journal of Race and Law, Webb also cites the “Black Women Best” economic framework suggesting that “uplifting Black women in the American economy is crucial to the economic solvency of economically excluded Black families and the American economy.”

Melody Webb, co-founder and executive director of Mother’s Outreach Network

Another child welfare prevention GBI pilot is underway in **New York State**. Targeted to families who have been reported to CPS for poverty-related child neglect, the program provides \$500 per month, unconditionally, for one year, for 150 families across three counties. Implemented as a pilot study, the project will track whether the cash transfer helps prevent future system involvement (<https://imprintnews.org/news-briefs/new-york-tests-cash-assistance-for-families-involved-with-cps/243168>).

“We’re taking innovative, bold steps towards building New York’s child and family well-being system grounded in prevention and upstream interventions.”

“For far too long, the child welfare system focused on a caregiver’s perceived deficits, often punishing them for simply lacking adequate resources. This program does much more than provide a monthly stipend; it helps ensure financial stability. By lifting such a heavy burden, families will feel less strain and have new-found independence to meet their needs, two key factors that encourage a nurturing environment essential for a child’s well-being and overall family strength.”

**New York Office of Child and Family Services,
Acting Commissioner Suzanne Miles-Gustave**

As described in the press release: “The New York State Direct Cash Transfer Research Pilot is the first program in the nation to study the impact of a direct cash transfer on future interactions with the child welfare system. The pilot will also explore the impact on parental physical and mental health, child development and financial stability. The pilot’s target population are households eligible to receive a differential response to child protective services reports that have been accepted by the New York State Central Register for Abuse and Maltreatment. This response, called Family Assessment Response (FAR), is an option for engaging with families who have interacted with child protective services, but where this is no safety concern for the child and/or family. The chosen counties have a high number of FAR-eligible cases, allowing for a robust evaluation.”

“The [NY pilot] will execute a randomized controlled trial, considered the gold standard in research, to determine if receiving a direct cash transfer had a positive impact on parental physical and mental health, child development and financial stability, and whether it prevented future interactions with child welfare services”. (<https://ocfs.ny.gov/main/news/release.php?idx=16327>).

Current Context of Poverty and Economic Insecurity

Social and economic instability in the 21st century has become more pronounced in the US and in Washington state, with income inequalities at record highs (Blanchet, Saez, & Zucman, 2022; Sommeiller & Price, 2018). Further exacerbated by the economic recession and Covid-19 pandemic, income and wealth inequalities have deepened, particularly across race, ethnicity, and indigeneity.

The federal poverty level defines poverty such that a family comprised of two adults and two children are considered in poverty if their annual income is below \$22,479 (Kids Count Data Center, 2021A). Washington children fare somewhat better than children elsewhere in the US, yet in 2021, 12% of Washington children were living at or below the federal poverty level (Kids count, 2021B), with rates significantly higher for BIPOC families. Specifically, 1 in 4 Native American, African American, and Hispanic/Latino children in Washington live in poverty (Kids Count, 2021C). Poverty is the most prevalent Adverse Childhood Experience (ACE) reported nationally and at the state level.

Poverty currently affects roughly 200,000 children and families in Washington. Poverty has long-lasting impacts on child and family well-being, often associated with homelessness, poor educational and health outcomes and child welfare system involvement. Evidence indicates that policies aimed at reducing poverty can yield positive benefits for families and potentially prevent involvement in the child welfare system (Pac et al., 2023).

Poverty and Child Welfare System Involvement

Research has documented the link between poverty and involvement with the child welfare system. It is no surprise that economic hardships limit the resources available for families to create healthy environments for their children's development (Berger, 2004). The link between poverty and child welfare system involvement is suggested by the fact that the majority of child welfare cases are associated with neglect and not abuse (Partners for Our Children Data Portal, n.d.). Among families with children who are placed into out-of-home care, economic hardship is a barrier to reunification (Faulkner & Faulkner, 2004). The impact on children of color is even worse in Washington, where African American children were in out-of-home care at twice the rate of white children, and Native American children were placed in out-of-home care at more than three times the rate of white children.

Black children are nearly three times as likely as white children to be living in poverty and are overrepresented within the child welfare system (Trivedi, 2019; Detlaff et al., 2020). Research has found that when Black children are removed from their homes, on average, they are assessed to have lower risk at the time of removal than white children removed from their homes (Minoff, 2018). More than half of Black children (53%) will experience a child protective services investigation before their eighteenth birthday (Kim et al., 2017).

A recent research study pointed to antipoverty policies as potentially effective mechanisms for preventing child maltreatment and system involvement (Pac et al., 2023). Pac et al. note:

“Most low-income families provide safe and adequate care for their children, and only a fraction abuse or neglect their children or are involved with CPS. However, although prior literature has not sufficiently disentangled the range of mechanisms linking income with child maltreatment, scholars consistently identify substantial associations among low income or poverty, maltreatment behaviors, and CPS involvement. This linkage

suggests that antipoverty policies might serve as a lever for preventing abuse, neglect, and CPS involvement” (Pac et al., 2023, p. 6).

GBI policies that expand families’ access to direct income alleviate the immediate stressors of poverty, protect families’ right to self-determination, and can reduce risk of child neglect. Evidence shows that cash payments to families are associated with reduced child maltreatment, improved child behavior, better nutrition, improved access to healthcare, lower infant mortality, and improved infant brain development (Perigee fund, 2020; Biehl & Hill, 2018; Troller-Renfree et al., 2022).

GBI programs are anti-racist and culturally responsive

GBI programs are not so much culturally specific or even culturally responsive. Rather, we would characterize GBI initiatives foremost as **anti-racist**, in that they help address root causes of the racial disproportionality observed in the child welfare system. GBI programs could be understood to be **culturally responsive** to African American families, not because they adapt language or content to the cultural norms, but more in that they recognize individual self-determination and agency, and allow flexibility so parents are empowered and trusted to spend the money in whatever way they choose. Dr. Aisha Nyandoro, founder of Magnolia Mother’s Trust, the longest running GBI program in the US has implemented what she describes as a “radically resident-driven” approach to end generational poverty. Magnolia Mothers Trust is a Mississippi-based GBI empowering African American mothers, who are so often denied personal agency.

Early evaluation data on spending from GBI pilots around the US have shown that individuals and families trusted with unconditional cash mostly spent the money on basic needs such as food, clothing and utilities. Parallel research on spending from the 2021 U.S. child tax credit also shows that families overwhelmingly spent their extra cash on food and utilities. Importantly, the Census Bureau found that the first child tax credit payment alone corresponded with a drop in food insecurity in households with children (Source: Center on Budget and Policy Priorities analysis of U.S. Census Bureau Data, based on data from households who received CTC payments from July 21-Sept. 27). The “Chelsea Eats” pilot, a GBI program in Massachusetts reported similar findings regarding spending: about 73% of spending occurred at places where food is the primary product: grocery stores, wholesale clubs, markets & convenience stores, and restaurants. Another 21% of spending occurred at retail stores, and about 4% of spending was categorized as “utilities and professional services” (Liebman, et al., 2021).

What are the short- and long-term effects of GBI support? GBI pilots typically include rigorous evaluations, often structured as randomized controlled studies. As summarized in Table 1, below, research findings have shown that, compared to those in the control group, the families receiving GBI report positive outcomes on a range of short- and longer-term indicators. For example, the Stockton, California “SEED” project participants reported less income volatility and were employed full-time at higher rates than the control group. Importantly for child welfare related programs, GBI evaluations have found parents to report less anxiety and depression. Qualitative findings from the SEED project noted that participating parents reported having more time to spend with their children. The Magnolia Mother’s Trust (MMT) conducted an alumni survey of participants, reporting that: the ability of mothers to pay all their bills on time increased from 27% to 83%, the percentage of mothers who had money saved for emergencies increased

from 40% to 88%, and mothers reported an increase from 64% to 81% in their ability to have enough money for food. As one mother described it: *"So it really helped me on my budgeting skills, being able to know my limits and what not to do. It gave me hope. It's a big push for me to be like, 'Yeah, okay, I can get out and do this.' I did end up saving and leaving [subsidized housing]."* Importantly, participants reported that participating in the MMT program had a positive impact on their parenting efficacy, parent-child relationships, and their children's mental health. As one child noted: *"I think this program is a good example of [giving families resources that strengthen their agency] I think it does that for the kids as well. You can see that these [things] can change. They don't have to just stay in [the state of] not having a lot of money."* - child of MMT program participant (<https://springboardto.org/wp-content/uploads/2023/04/Alumni-Study-Executive-Summary.Final-1.pdf>).

In his August 2023 publication "Sounding Board", child welfare expert Dee Wilson wrote about the potential for income support programs to prevent child welfare involvement <https://fpaws.org/in-the-news/dee-wilson/>

We share the following detailed excerpts from that publication:

For the first time in recent decades, there is a growing interest in discovering the potential of income support payments to prevent or reduce child maltreatment.

One recent study has found that a modest increase of 10% in the Earned Income Tax Credit (EITC) led to a decline in CPS reports of child neglect (Kovski, et al, 2022). A steadily increasing body of evidence indicates that even small to modest increases in annual income or public benefits leads to a decline in reports of neglect. These research findings should not come as a surprise to scholars given the relationship between family income (including levels of poverty) and child maltreatment prevalence rates found by the first three National Incidence Studies decades ago.

Perhaps it goes without saying that poverty-related services should be provided disproportionately to families based on need. In child welfare systems strongly committed to helping families meet their concrete needs, giving the lowest income families the most benefits would be viewed as social justice, rather than the opposite. Black and Native American families would benefit the most from large increases in poverty-related services.

The lack of adequate housing or reliable income often delays reunification, while unmet poverty related needs increase the likelihood of re-entry into care.... It is also federal policy to provide adoption support payments regardless of family income, but no income support for reunified families, regardless of income. This is public policy that uses income support to increase adoptions and reduce reunification. As Dee observes, "...this is structural racism".

When adequate resources are not available in the community to fund essential resources on open cases. This one change in law, if implemented in good faith and with adequate funding, would transform child welfare in several ways:

(1) For low-income families, especially severely poor families, CPS involvement would bring concrete benefits and reduce the economic desperation of poor parents. The reputation of child welfare agencies among parents, advocates and young people considering careers in human services would greatly improve within a few years.

(2) The effectiveness of behavioral health services and parenting education programs would improve. It is both foolish and insensitive to facilitate the use of antidepressants or cognitive behavioral therapy while leaving a family food insecure or without adequate housing.

(3) It may be possible to prevent situational or intermittent neglect from becoming chronic, and eventually evolving into chronic multitype maltreatment.

Transforming Child Welfare Through Poverty-related Services

(Dee Wilson, [Excerpt](#) from August, 2023 Sounding Board)

Background on Guaranteed Basic Income:

What is GBI?

“Guaranteed basic income” (GBI) is a type of cash transfer program that provides continuous, unconditional cash transfers to individuals or households. This differs from typical social safety net policies by providing a steady, predictable amount of cash to recipients to spend however they see fit, without limitations. In designing GBI programs, it is important to ensure that cash transfers do not affect other benefits and that participants are ‘held harmless’ and maintain their benefits.

How much is the cash transfer? The typical amount varies, ranging from approximately \$300 to upwards of \$1,250 per month, with the most common monthly payouts being \$500 and \$1000. While monthly periods are the most frequent, some transfer the majority of cash in an up-front lump-sum payment. Studies vary widely in length, from one-time transfers to transfers spanning multiple years, with 12 and 24 month periods being the most common.

Where does funding come from?

GBI pilots have multiple methods of funding. Many early studies relied on grants and private funds, although now pilots are commonly moving towards a mix of private, federal relief, discretionary, and other government / public methods of funding.

Who are the targeted participants for GBI programs?

Basic income projects target different groups or different aspects of inequality and select their target participants accordingly. They most commonly work based on income level, sometimes tied to low-income neighborhoods such as California’s Stockton Economic Empowerment Development (SEED) project. Others set income criteria at the personal level, as was done in the Cambridge Recurring Income for Success and Empowerment (RISE) program which was open to single caretakers earning below 80% AMI. Pilots can incorporate race or ethnicity such as the [Magnolia Mothers Trust](#) which supported African American mothers in Mississippi. Characteristics such as age and status as foster care alumni were the focus of the [Santa Clara Basic Income Pilot Program](#), which serves transition age young adults who have left extended foster care and which has been expanded to cover all of California state. Employment type is a focus of the [Guaranteed Income Pilot Program for San Francisco Artists](#). Housing status is considered by the [Trust Youth Initiative](#) which serves young adults (ages 18-24) experiencing homelessness, and also the [Denver Basic Income Project](#) serving adults experiencing homelessness. Pilots often combine demographic factors (such as income, race, and caregiver status) to target constituents most in need of assistance.

Examples: Pilot programs in Washington state

The Growing Resilience in Tacoma, or GRIT is a local GBI pilot in Washington state. GRIT has selected 110 people to receive \$500 a month for 1 year. People could apply if they are income eligible and live in one of four Tacoma zip codes, covering much of East Tacoma, South Tacoma and the Hilltop neighborhood. Participants were randomly selected based on qualifying factors related to being “Asset-Limited, Income-Constrained, and Employed” (“ALICE”), particularly for BIPOC residents and single heads of household residents who meet the ALICE criteria. The program is currently being evaluated.

Another local GBI pilot is a partnership between Perigee Fund and Hummingbird Indigenous Doula & Family Services and is focused on supporting pregnant Indigenous women and their children for the first 3 years of their lives. The program is intending to provide \$1,000 in unrestricted cash each month to 150 families over a three-plus-year pilot period. An evaluation is planned for the Hummingbird pilot as well.

Rigorous evaluation of GBI pilot programs is needed

It is important to structure any GBI pilot program as an evaluation study with a comparison group, ideally a randomized control group to measure program effects. As a research pilot, it is helpful to have a defined group to focus on, so the specific focus on Black/African American families would be helpful from a research design perspective, as well as being responsive to this groups’ overrepresentation in the child welfare system in Washington state. Rigorous evaluation of the GBI intervention would also help build evidence in support of the program as an evidence-based program in the FFPSA clearinghouse.

Table 1. Summary of Basic Income Research (see WA Feasibility study report for full table: https://www.wtb.wa.gov/wp-content/uploads/2021/10/2021_Aug_UBI_project_plan.pdf)

Outcome measure	<input checked="" type="checkbox"/> = positive outcome <input type="checkbox"/> = mixed outcome	Summary findings
Poverty	<input checked="" type="checkbox"/>	Strong evidence for measurable decreases in poverty; notably people with disabilities often choose not to participate in pilots for fear of losing SSI and other disability benefits
Household Spending	<input checked="" type="checkbox"/>	Strong evidence that families use direct cash resources to meet basic needs, such as food, rent, clothing, utilities, transportation, and educational expenses; having extra money can also allow families to save money by buying in bulk, taking advantage of sales, and avoiding late payments associated with debt (e.g., credit cards, payday loans)
Assets & Wealth	<input type="checkbox"/>	Little evidence that additional resources increase savings, investments, or access to credit

Work Participation	□	Some evidence that work participation increases and resources provide enough flexibility for adults to find better employment with more work hours and higher earnings; little evidence showing decreases in work participation
Caregiving	👍	Some evidence suggesting that resources from direct cash provide flexibility to spend more time on caregiving responsibilities
Education	👍	Strong evidence on short-term educational outcomes; long-term effects unknown due to time-limited duration of pilots
<i>Enrollment & attendance (child)</i>	👍	Strong evidence that school enrollment and attendance increase
<i>Enrollment & attendance (adult)</i>	👍	Some evidence that direct cash allows adults to continue or start education programs, which could increase future job opportunities and earnings
Achievement (child)	👍	Some evidence suggesting test scores improve
Health	👍	Strong evidence that additional resources reduce chronic stress associated with improved physical and mental health
Mental health	👍	Strong evidence for improved mental health, but sometimes paired with fear of stigma for receiving benefit
Unplanned pregnancy	👍	Strong evidence in reductions for unplanned pregnancy
Low birthweight	👍	Strong evidence in reductions in low birth weight
Food security	👍	Strong evidence, with increases in dietary diversity
Child Development	👍	Early evidence to suggest that basic income positively affects brain development in babies; reduced financial volatility associated with positive child development

References

- Berger, L. (2004). Income, family structure, and child maltreatment risk. *Children and Youth Services Review*, 26(8), 725-748.
- Biehl, A. & Hill, B. (2018). "Foster care and the earned income tax credit." *Review of Economics of the Household*, 16(3), 661-680
- Blanchet, T., Saez, E., & Zucman, G. (2022). Real-time inequality (No. w30229). National Bureau of Economic Research.
- Dettlaff, A. J., & Boyd, R. (2020). Racial disproportionality and disparities in the child welfare system: Why do they exist, and what can be done to address them?. *The ANNALS of the American Academy of Political and Social Science*, 692(1), 253-274.
- Faulkner, S. & Faulkner, C. (2004). Poverty as a Predictor of Child Maltreatment: A Brief Analysis. *Journal of Poverty*, 8(1), 103- 106.
- Kids Count Data Center. (2021A). Children in Poverty (100 per cent poverty) Washington 2018-2021 National KIDS COUNT. Retrieved from <https://datacenter.kidscount.org/data/tables/5650-children-in-poverty-by-age-group?loc=1&loct=2#detailed/2/49/false/2048,1729,37/17,18,36/12263,12264>
- Kids Count Data Center. (2021B). Children in Poverty (100 per cent poverty) Washington 2018-2021 National KIDS COUNT.
- Kids Count Data Center. (2021C). Children In Poverty By Race And Ethnicity Washington 2018-2021 National KIDS COUNT. Retrieved from <https://datacenter.kidscount.org/data/tables/44-children-in-poverty-by-race-and-ethnicity?loc=1&loct=2#detailed/2/49/false/2048,1729,37,871,870,573,869,36,868,867/10,11,9,12,1,185,13/324,323>
- Kim et al. (2017). "Lifetime Prevalence of Investigating Child Maltreatment Among US Children." *American Journal of Public Health*. Available at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5227926/>.
- Liebman, Jeffery, et al. "Chelsea Eats Study: Card Spending Update" Harvard Kennedy School Rappaport Institute for Greater Boston, www.hks.harvard.edu/sites/default/files/Taubman/Research/ChelseaEatsCardSpendingMay2021.pdf
- Magnolia Mothers Trust (2023). Executive Summary. Available: <https://springboardto.org/wp-content/uploads/2023/04/Alumni-Study-Executive-Summary.Final-1.pdf>
- Minoff, E. (2018). *Entangled roots: The role of race in policies that separate families*. Center for the Study of Social Policy.
- Pac, J., Collyer, S., Berger, L., O'Brien, K., Parker, E., Pecora, P., ... & Wimer, C. (2023). The Effects of Child Poverty Reductions on Child Protective Services Involvement. *Social Service Review*, 97(1), 43-91.
- Partners for our Children. (n.d.). Investigations into reported child abuse and neglect. Retrieved from: <https://portal.cssat.org/>

Perigee Fund. (2020). *EQUITABLE START FOR BABIES*. Advancing Family Supports for Well-Being <https://perigeefund.org/equitable-start-for-babies/family-support-and-wellbeing/>

Pfingst, L., Tracy, L. M., & Matthews, M. WASHINGTON STATE BASIC INCOME FEASIBILITY STUDY, DSHS Report to the Legislature (June, 2022). Available: https://www.wtb.wa.gov/wp-content/uploads/2021/10/2021_Aug_UBI_project_plan.pdf

Sedlack, A. & Broadhurst, D. (1996). *The third national incidence study of child abuse and neglect*. U.S. Department of Health and Human Services.

Sommeiller, E., & Price, M. (2018). *The new gilded age: Income inequality in the US by state, metropolitan area, and county*.

Trivedi, S. (2019). *The harm of child removal*. *NYU Rev. L. & Soc. Change*, 43, 523.

Troller-Renfree, S. V., Costanzo, M. A., Duncan, G. J., Magnuson, K., Gennetian, L. A., Yoshikawa, H., ... & Noble, K. G. (2022). *The impact of a poverty reduction intervention on infant brain activity*. *Proceedings of the National Academy of Sciences*, 119(5), e2115649119.

Wilson, D. (August, 2023). *Sounding Board. Experiments with income support*. <https://fpaws.org/in-the-news/dee-wilson/>