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Guaranteed Income and Other Cash Infusions

OPPORTUNITIES FOR SCALE

PART THREE OF THREE




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ABOUT THIS BRIEF

This brief is the third in a set of three publications that explore how direct investments via cash infusions and transfers boost individual and family financial well-being. These briefs are designed to pull together what is known about the need for, the innovations in, and the effects of cash infusion and transfer programs on the financial security of recipients, their families, and their communities. They are intended to inform a diverse set of US-based stakeholders, including policymakers, employers, funders, researchers, and public, private, and nonprofit program designers interested in boosting financial security for residents, workers, and families in the face of widespread economic insecurity.

The first brief illuminates the importance of positive cash flow in household finances, the second brief is a set of two case studies of small, unrestricted cash transfer programs, and the third brief explores options to scale up cash transfer programs. All of the briefs can be found here: <https://www.aspeninstitute.org/publications/guaranteedincome>.

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ABOUT ASPEN FSP

Aspen FSP's mission is to illuminate and solve the most critical financial challenges facing American households and to make financial security for all a top national priority. We aim for nothing less than a more inclusive economy with reduced wealth inequality and shared prosperity. We believe that transformational change requires innovation, trust, leadership, and entrepreneurial thinking. Aspen FSP galvanizes a diverse set of leaders across the public, private, and nonprofit sectors to solve the most critical financial challenges. We do this through deep, deliberate private and public dialogues and by elevating evidence-based research and solutions that will strengthen the financial health and security of financially vulnerable Americans.

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Introduction

This brief describes strategies and existing stakeholder platforms that could be leveraged to bring guaranteed income and other cash infusion programs to a broader population in order to help more families create slack in their budget. It includes examples of current programs, pilots, and policies in place today, and identifies critical logistical considerations and remaining research questions. The brief is intended for policymakers, funders, and others interested in opportunities to invest in strategies to boost financial security outcomes for American families.

The first and second briefs in this series demonstrated the importance of positive cash flow in household finances, the outcomes and opportunities families have as a result of having cash resources available, and how programs that provide cash transfers work on the ground. (Briefs one and two can be found here: <https://www.aspeninstitute.org/publications/guaranteedincome>.)

Why Scale Up Cash Transfers and Infusions?

As detailed in the first brief in this series, “Guaranteed Income and Other Cash Infusions: A Review of the Evidence,” cash infusion and transfer programs have significant potential to improve family financial well-being, through larger savings reserves and spending on mobility- and income-enhancing assets, maternal and child health, and educational attainment.¹ The reality is that for too many families, wages and public benefits are not providing enough of a buffer between income and basic expenses or are too low or volatile to sustain basic living expenses.² When households do not have routinely positive cash flow, there is little room to build a personal safety net of savings and other financial buffers to protect against income dips or expense spikes.³

Individuals on their own cannot protect themselves against all financial shocks, which is why employers often provide insurance for larger costs such as for healthcare expenses via health insurance, and why local and federal governments have safety net programs such as unemployment insurance and the Supplemental Nutrition Assistance Program. Cash infusion and transfer programs are an important income source for individuals and families that do not typically have the money to cover their basic needs or to amass a personal safety net of liquid savings.

Moreover, reliable, unrestricted cash also creates breathing room for individuals to take a step back and reexamine their current financial situations, perhaps to find new positions or trainings with better income prospects, make investments in

themselves and their family, spend more time with their family and friends, and decrease the stress of constant financial concerns.⁴ In Stockton, California, for example, where the Stockton Economic Empowerment Demonstration (SEED) has experimented with providing a monthly basic income to 125 residents, we see the impact that \$500 a month has on recipients. As co-chair and co-founder of the Economic Security Project Natalie Foster wrote in *The Guardian*, “Five hundred dollars a month doesn’t fix income insecurity or solve important structural problems, but for the majority of families in SEED, that \$500 represents a 30 percent increase in monthly income, and that buys a lot.”⁵ (For more on SEED, see pages 3-4).

There is also interest in the impact of cash infusions beyond just those focused on basic income programs. For example, researchers have found that emergency financial assistance can prevent homelessness, sparing local government significant costs in homeless services and maintaining families’ housing stability.⁶ Others are examining whether cash can boost other outcomes of interest, such as child and maternal health.⁷

The growing interest in the US in guaranteed income and other cash infusions is not only to anticipate the future needs of individuals displaced by the changing labor market and future automation, but it is also seen as a solution needed now because the current labor market does not provide enough jobs that support financial stability and security for a large share of families today.

Strategies to Bring Programs to Scale

In this section, we outline three potential approaches to bring cash infusion programs and expanded access to unrestricted funds to a broader population: (1) adopt new and expand current cash infusion programs, (2) add a cash infusion component to existing programs, and (3) reduce strings to other cash or cash-like programs. Regardless of the strategy employed, it is also critical to study and publish findings from current and ongoing programs in order to inform the design of future programs and policies. The subsequent section explores scale platforms and examples of these different strategies in practice.

1. Create new and expand current guaranteed income and cash infusion programs

One strategy to bring unrestricted cash programs to scale is to increase the number of public, private, or nonprofit organizations that provide cash infusions. In addition to new cash infusion programs that build on previous program findings or wholly new programs, organizations currently offering such programs can expand to new jurisdictions or to more individuals. Organizations that already offer cash infusion programs can provide technical assistance to help new programs get off the ground.

2. Pair existing programs with a cash transfer component

Another approach to scale cash infusion programs is for public, private, and nonprofit organizations to complement their current program offerings with a cash transfer component. Adding cash infusions alongside current programs provides an additional financial stream that opens opportunities for families to pay down debt and put more food on the table, or to begin to build rainy day funds or other financial cushions.⁸ It may also boost outcomes for participants and programs by providing a financial buffer for individuals and their families, which allows them to increase program engagement and move forward on goals.⁹

3. Reduce constraints to make programs and their benefits more accessible and flexible

A third strategy to bring cash infusion programs to scale is to decrease the barriers placed on new and existing safety net programs both on the front end—via eligibility and conditionality—and on the back end—such as through benefits that are limited to certain uses. In this way, programs would decrease administrative costs to staff and allow more recipients to access these programs and determine the best ways to utilize the cash to move forward on their individual goals.

STUDY AND PUBLISH OUTCOMES OF CASH TRANSFER PROGRAMS TO INFORM LARGER-SCALE PROGRAM DESIGN AND ADOPTION

When adopting any of the strategies to bring cash infusion programs to scale above, program designers should also partner with academic institutions and researchers to externally analyze, measure outcomes, and publish findings on program effectiveness and recipient outcomes from pilots, programs, and policies that provide recipients with unrestricted funds. As learnings from these programs and others become more commonplace, it may also help remove the stigma of providing cash to low- and moderate-income households and increase the number of organizations that provide cash transfers.

Furthermore, programs that provide in-kind or other support services outside of cash transfers to improve clients' outcomes can test their program's effectiveness against cash, a method called cash benchmarking. GiveDirectly is encouraging such comparisons in order to examine program effectiveness as well as encourage organizations to consider approaches that do not dictate how a family can use benefits and can better meet the needs of communities in the aftermath of natural disasters.¹⁰ USAID has adopted this model of cash benchmarking, comparing a holistic intervention with one group and cash with another, to compare program effectiveness.¹¹

Platforms to Scale Up Cash Infusions and Transfers

Local, state and federal government, employers, and nonprofit organizations all have a role to play as platforms to scale cash infusion programs in the United States

This section describes the platforms—including government, employers, foundations and charitable organizations, and nonprofits, among others—available to bring cash infusion programs to scale in the US. It also provides a non-exhaustive list of current pilots, policy proposals, and programs in the US that aim to increase slack in family budgets through the provision of unrestricted funds or similar mechanisms. Where possible, we also include how these programs are being implemented and available pilot findings.

CITY, COUNTY, AND STATE GOVERNMENTS CAN INTRODUCE POLICIES THAT PROVIDE UNRESTRICTED FUNDS

A significant opportunity to bring cash transfer and infusion programs to scale is through city, county, and state government adoption of cash transfer programs and policies. This can be done through the creation or expansion of new programs and policies for residents or by pairing existing programs with a cash infusion.

One example of such an approach is the **Stockton Economic Empowerment Demonstration (SEED)**, a guaranteed income pilot providing 125 Stockton, California, residents with \$500 a month for 18 months, concluding in mid-2020.¹² The pilot was designed to examine the impact these cash transfers have on the financial well-being of the recipients, including how receiving these stable payments affects financial insecurity and volatility, drivers of inequity and social determinants of health, and whether this income affects sense of agency among participants.¹³

SEED has made intermittent results available and is sharing stories from receiving families online.¹⁴ The data show that the cash is helping families cover basic expenses, such as utilities, and that the money has helped recipients put more food on the table, save a security deposit, and has reduced stress.¹⁵ For specifics on how SEED recipients are employing their funds and the impact of this guaranteed income demonstration, see the textbox below.

The Stockton Economic Empowerment Demonstration is Helping Families Meet Basic Expense Needs and Buy Time

The Stockton Economic Empowerment Demonstration is examining the impact of providing a guaranteed income to residents. The first set of findings was released eight months into the pilot and show that residents are utilizing the funds to pay for regular expenses:

- 40 percent of the cash transfers were spent on food;
- 25 percent went to sales and merchandise; and
- Approximately 12 percent were spent on utilities.¹⁶

The data also show that recipients have used the cash to cover income gaps and financial shocks, such as one individual who replaced her dead car battery, and later, paid for car repairs.¹⁷ But as Natalie Foster, co-chair and co-founder of the Economic Security Project writes, this additional unrestricted \$500 monthly also buys recipients time, “time to parent, time to rest, time to be part of a community and time to figure out the next move.”¹⁸ For some, the monthly \$500 has given recipients the space to take a step back from having to work multiple jobs, and to instead spend time with family and friends, look for jobs with better income and growth prospects, or some combination of these activities.¹⁹

SEED represents the United States’ first mayor-led guaranteed income demonstration.²⁰ Pilots and programs such as this one can influence others at the local, state, and national levels to consider similar programs and policies, and Stockton Mayor Michael Tubbs hopes it will do just that, stating, “Because Stockton is so diverse, it was important to show the country and the city, to challenge tropes we have about people of color in particular... about their work ethic, intelligence, capacity. To really show that, no: people can trust the vast majority of people to make good decisions.”²¹

Additional cities and counties are now testing whether their residents have better outcomes with cash transfer programs paired with or compared with their traditional anti-poverty programs, such as TANF. For example, the Family Independence Initiative (FII) has begun to partner with municipalities to implement and test whether the FII model of providing access to unrestricted cash better meets the needs of residents—in Multnomah County, Oregon, and the cities of Chicago and Boston and Cambridge, Massachusetts—than traditional public benefit systems.²² Mary Li, Division Director, Community Services Division of the Department of County Human Services, Multnomah County, Oregon, said, “This partnership will not only inform our county’s response to poverty, but also that of the state, ultimately changing the way we invest in solutions.”²³ See the textbox for details on these various partnerships.

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In addition to these efforts in partnership with FII, policymakers in other cities are considering their own local opportunities to provide residents with a monthly income or other cash infusions or are implementing new cash transfer policies, quickly scaling the number of people receiving these cash infusions. For example, in his 2018 state of the city address, **Newark**, New Jersey, Mayor

FII Has Partnered With Localities to Expand Government Adoption of Their Unrestricted Cash Infusion Model and Test Its Effectiveness Against Other Programs

Together with the **City of Boston** and the Massachusetts Department of Transitional Assistance (DTA), Family Independence Initiative has launched the Trust and Invest Collaborative, a three-year pilot study to examine the outcomes of individuals that are co-enrolled in FII and traditional DTA services versus those that only receive DTA services.²⁴ Primary outcomes of interest include the differences in financial outcomes and social and economic mobility of the families.²⁵

Similarly, FII launched its Chicago site in fall 2018 with support from the **City of Chicago** Mayor’s Office and Google.org and will enroll 1,000 low-income families over five years to test whether the FII model is better able to meet the needs of Chicagoans. In partnering with FII, Commissioner Lisa Morrison Butler of the City of Chicago Family and Support Services says, “This is about empowering people, so we’ll be asked to get out of the way and let families take the lead. That’s going to be hard for us. But it will cause us all to change.”²⁶

Family Independence Initiative’s first municipality partner was **Multnomah County, Oregon**. FII first worked with the Oregon Department of Human Services’ Multnomah Idea Lab, which was an effort to experiment with the state’s designated Temporary Assistance for Needy Families (TANF) dollars to better tackle poverty and improve financial outcomes for residents. FII has since launched a site in Multnomah County and is running a pilot of rural families in **Jefferson and Lincoln Counties**. These individuals will be eligible for up to \$900 in their time in the program.²⁷

Ras Baraka announced that the city will pursue a pilot program that would provide residents with a monthly income.²⁸ Both Newark and **Milwaukee** are exploring launching future pilots and intend to use their findings to spur a larger conversation about the impact of cash infusion programs.²⁹

In addition, the **Chicago** City Council convened a coalition of city leaders called the Chicago Resilient Families Initiative Task Force to provide recommendations to explore a guaranteed income pilot in Chicago.³⁰

Alaska's Permanent Fund Dividend program is an existing state-level example of a large cash infusion whose data demonstrate that a yearly cash infusion can reduce poverty and help families improve their financial well-being, with little effect on working hours.³¹

In the **Brazilian city of Maricá**, the Renda Básica de Cidadania (or the Citizens' Basic Income), is a basic income policy that will be adopted across a municipality. The program's scale—it will be introduced to 52,000 individuals—is far larger than other programs typically being introduced because it is a policy being adopted across the municipality, instead of a pilot program.³²

OPPORTUNITIES TO SCALE GUARANTEED INCOME AND CASH INFUSION PROGRAMS AT THE FEDERAL LEVEL

As more city, county, and state governments pursue ways to provide residents with cash infusions, the question is then whether these programs should expand to the federal level. This next section will address the opportunities to bring programs to scale through federal program changes. In addition, many of the current programs are funded through philanthropic donations, and to truly get to scale and become sustainable, larger, federal-level programs will likely need to be implemented.

From a policy perspective, there are many ways to increase cash flow for individuals and families, whether that is by making the current public safety net programs that offer benefits less restrictive—in effect, making the benefits more cash-like or flexible for recipients—increasing benefits provided, or expanding eligibility criteria in various programs to provide benefits to more households. Several possible strategies are described in this section..

Expanding Cash Receipt Through the Earned Income Tax Credit

Many proposals to expand the Earned Income Tax Credit (EITC) have been offered from both sides of the aisle, including ways to increase the credit available to single, childless working adults or splitting the credit into two parts, one focused on work and another on children.³³ Other expansion proposals include increasing the income eligibility limit to reach more working families, providing a larger overall benefit to families, and expanding the age range eligibility to include both younger and older workers—such as making the credit available to those over the age of 18 or 21 and up to workers over the age of 65, rather than just providing the credit to those between ages 25 and 65.³⁴ Some expansions suggest extending the benefits of the EITC to two new categories of individuals that do not receive the refund today: unpaid caregivers of children and seniors, and low-income students.³⁵ Some iterations of expansions suggest a different payment schedule, or for an advance of part of the EITC credit to spread out the benefits over time, rather than receiving it as one lump sum. Because the EITC is offered at the federal level as well as in many states, a change in the refund could be implemented at both the state and the federal level.

Expanding Cash to Low- and Moderate-Income Workers Using Wage Subsidies

Other policy experts believe that there is an opportunity to administer cash infusions to low- and moderate-income workers through their workplace instead of through the tax code. Rather than providing this benefit once a year at tax time, a direct wage subsidy or wage enhancement would instead boost the incomes of all workers earning low wages at every paycheck, increasing the possibility for routinely positive cash flow.³⁶ Moreover, by providing the benefits at each paycheck, and for each low-wage worker, a wage subsidy's benefits do not diminish with extra hours, since it is based on the wage rate and not the household's total annual income, which experts argue decreases the potential disincentives to work. Wage subsidy benefits would be the same for all low-wage workers, rather than benefiting those with children the most.³⁷ Oren Cass, Executive Director of American Compass, argues that a wage subsidy "encourages people to enter the workforce and work more hours...but also increases their material well-being."³⁸

Decreasing Eligibility Barriers and Making Current and New Programs Look More Like Unrestricted Cash Programs

An additional strategy to bring cash infusion programs to scale is to decrease eligibility barriers and make current and new programs look more like unrestricted cash programs, by limiting the restrictions on benefits and making them more flexible. Taking these steps would give a broader population access to cash and cash-like programs. This strategy can apply in many contexts, but is most relevant to the current safety net, which provides benefits to individuals and families when they, on their own, may not be able to make ends meet.

Public benefit eligibility often involves income and asset limit tests, which set a threshold for how much a household can make or hold in assets and still be qualified for a given program. By expanding eligibility or decreasing restrictions on how benefits can be spent, more individuals and families would have access to the safety net and receive a boost to financial well-being through additional resource receipt. A study of states that raised or eliminated their asset limits saw a decrease in administrative costs of approximately 2 percent compared with those in states with lower asset limit thresholds.³⁹ For more details about the impact of asset limits and the costs of cycling on and off programs on administrative costs and the financial well-being of potential recipients, see the textbox that follows.

Asset Limits and Cycling On and Off Programs Increase Administrative Costs and Can Cause Material Hardship and Barriers to Mobility for Households

For some state and federal programs, such as TANF and SNAP, families must qualify and among other criteria, demonstrate that their assets do not exceed state and federal limits. Research on asset limits demonstrates that raising or removing asset limits can improve family financial security. Specifically, research by the Urban Institute finds that these changes increase the likelihood that low-income households have at least \$500 in savings and are more likely to have a bank account. Some policymakers are responding: Michigan governor Gretchen Whitmer announced plans to raise the state’s asset limits to \$15,000 for food, cash, and emergency relief benefits (from \$5,000, \$3,000, and \$500, respectively).⁴⁰ There has also been interest from federal policymakers in comprehensive solutions, most recently with bicameral legislation in 2020 that would eliminate asset limits for key programs including TANF and SNAP, and adjust the savings level permitted for those receiving SSI.⁴¹

In addition, existing public benefits programs have complicated enrollment and recertification processes, eligibility criteria, and restrictions on how funds can be used. Research demonstrates how costly it can be to both states administering

programs and to the families who lose benefits and must reapply for public benefits as a result of these processes. For instance, a study of costs of cycling on and off SNAP in six states found that the certification costs associated with churn* is approximately \$80 per household that churned.⁴² This is a policy concern because it results in additional administrative costs due to case closings and re-openings, and reapplications for households returning to SNAP take more staff time than a recertification.⁴³

Moreover, for families, this means foregone benefits: In Idaho, the state studied with the smallest amount of foregone benefits, this meant that households missed out on \$2.2 million that they were likely eligible for, and in Florida, the state with the most money left on the table, households missed out on \$108.2 million. The costs of churn extend beyond the benefits, however, as this also translates to additional time and energy needed to reapply SNAP benefits and the material hardships that can arise when families do not receive their benefits, such as food insecurity, an inability to pay for other basic expenses like housing or medical care, and increases in stress and anxiety.⁴⁴

* In this study, a cherner is defined as “a SNAP household that experiences a break in participation of four months or less.” See Mills et al. “Understanding the Rates, Causes, and Costs of Churning in the Supplemental Nutrition Assistance Program (SNAP) Final Report.” Prepared by Urban Institute for the Food and Nutrition Service, United States Department of Agriculture. September 2014. <https://www.urban.org/sites/default/files/publication/33566/413257-Understanding-the-Rates-Causes-and-Costs-of-Churning-in-the-Supplemental-Nutrition-Assistance-Program-SNAP-.PDF>.

CONNECT WORKERS OF ALL TYPES TO UNRESTRICTED CASH TRANSFER PROGRAMS

Another platform to scale cash infusion and transfer programs is to deliver these offerings through workplace-based or employer-provided programs to traditional employees, contractors, gig workers, and nontraditional workers. New initiatives to provide broader financial security to workers are being developed, tested, and provided to workers through employers directly, or through other models that can reach workers that are not tied to a traditional employer.

Employee Hardship Funds

In recent years, some employers have begun to offer employee hardship funds, which offer emergency grants to employees for disaster-related or personal financial hardships. In many of these funds, workers and the company contribute to a dedicated fund, and workers then apply for grants from the fund.⁴⁵ The Aspen Institute Financial Security Program and Commonwealth, a CIC member, found that employee hardship funds deliver the greatest financial impact to those workers that already had a stable financial baseline of compensation and benefits, such that these hardship funds operated as an additional financial support. Those grantees with annual incomes between \$40,000 to \$60,000 “reported the highest impact of the funds in terms of feeling less distracted at work, spending less time worrying about their finances, and being less likely to miss work due to personal finance issues.”⁴⁶

Hardship Funds for Non-Traditional Workers

In addition to employers expanding their workplace-based benefits to workers, there are also programs testing ways to reach workers that are not tied to a traditional employer. For instance, Commonwealth, in collaboration with The Workers Lab, designed the Workers Strength Fund (WSF) pilot to assess the impact of providing \$1,000 grants to gig workers experiencing financial emergencies.⁴⁷ Rachel Schneider, who served as a Lead Product Adviser, explains the rationale behind WSF, stating, “We know that people don’t have a cushion when something comes up, we know many people have experienced rising costs of living within stagnant wages, but we know less about how those two

things fit together. And how they fit together is that there are some moments in somebody’s life where they just don’t have the money they need for something really important.”⁴⁸

In late 2018, Commonwealth led a WSF pre-pilot of 29 gig workers in New York City and San Francisco that tested the feasibility of providing these grants. These workers primarily requested funds for housing-related expenses (such as rent, utilities, and home repairs) and car-related costs (such as car repairs and insurance).⁴⁹ Commonwealth utilized the pre-pilot findings to inform and conduct a larger pilot of 350 gig workers in Dallas, Detroit, San Francisco, and New York City from July through October 2019.⁵⁰

NONPROFITS, FUNDERS, AND CHARITABLE ORGANIZATIONS CAN EXPAND CASH INFUSION PROGRAMS

Another platform to scale guaranteed income and cash infusion programs is through nonprofit and funder organizations, which can expand the programs that already exist, and for other organizations to offer cash infusion programs or a cash infusion component to their programs and build on pilots.

Nonprofits such as LIFT and FII that already provide cash transfers can continue to expand their programs to more individuals and sites and test their own models, and new nonprofit pilots can contribute additional evidence. Results from these programs can be measured and evaluated and made available to the public and to funders to draw attention to the programs’ potential benefits and implementation learnings.

Ongoing and Upcoming Pilots Explore the Impact of Cash Infusion Programs in the United States

This section details some of the current nonprofit-led tests and pilots that measure the impact of providing cash infusions on individuals and their families. The pilots range from those that provide cash in response to natural disasters to some that provide a monthly guaranteed income. Expanding and iterating on these pilots based on the learnings is a critical way to test different program models and reach a larger population.

It is important that these pilots are testing new and unanswered questions, however, as there is already a large evidence base illustrating the importance of cash transfers on financial, physical, and mental well-being.

The **Magnolia Mother’s Trust** provides African American single mothers living in affordable housing in Jackson, Mississippi, \$1,000 a month no strings attached for a year.⁵¹ The program began with a pilot to 20 women, and in early 2020, expanded to an additional 75 women.⁵² This unrestricted cash transfer is paired with peer support and holistic support from the nonprofit Springboard to Opportunities.⁵³ Data from the pilot demonstrate that the mothers used the funds to pay regular bills, cover transportation and educational costs, and improve their credit and pay off debt.⁵⁴ All participants also reported having enough money to meet their basic needs, reported worrying less because of their met needs, and felt hopeful about their future in five years.⁵⁵



The program was developed in partnership with mothers in the community, with their needs, expertise, and insights informing the program’s components—because families know what they need to thrive.



Y Combinator Research (YCR), a nonprofit research lab, plans to conduct a randomized control trial of 3,000 people across two states, which is informed by a pilot it ran in Oakland, California. Participants will be randomly assigned into a treatment group that will receive \$1,000 per month for three years, or a control group that will receive \$50 per month during this time frame. YCR will study the ways that fund recipients spend their time after receipt, such as whether it changes the amount of time spent working or taking care of family members, affects the type of jobs they work, and whether it provides an opportunity to pursue further education. Researchers will also study measures of mental and physical health, financial health, social and political behaviors—

Early Lessons From the Magnolia Mother’s Trust Pilot

The Magnolia Mothers Trust pilot ran from December 2018 to November 2019 and is the result of a six-month planning period that was done in partnership with the mothers to help better meet the needs and wants of those families that programs such as this are intended to serve.⁵⁶ Of the design, Aisha Nyandoro, CEO of Springboard to Opportunities says, “The program was developed in partnership with mothers in the community, with their needs, expertise, and insights informing the program’s components – because families know what they need to thrive.”⁵⁷

Early findings from the program pilot reveal the ways that recipients utilized the funds. Participants reported that the funds were used to pay bills, improve credit, cover transportation/travel and educational expenses, and even to help purchase a home.⁵⁸ The mothers paid off predatory debt—collectively paying down more than \$10,000 during the course of the pilot.⁵⁹ Moreover, the percentage of participants reporting being able to pay all of their bills without additional support increased.⁶⁰ But the benefits of the cash receipt also extend beyond purchasing power: By the end of the pilot, 75 percent of the moms said they prepared three meals a day at home for their family, more mothers reported having completed their high school education, and all participants saw an increase in positive family engagement.⁶¹ Though Springboard to Opportunities is currently the delivery mechanism for this program, the explicit focus of this pilot is to inform the design of federal policy by demonstrating the benefits of providing unrestricted cash transfers.

voting, volunteering, participating in various social groups—and the impact on children’s outcomes for those living in households receiving cash.⁶² The organization plans to secure waivers for recipients to ensure that the income received during the study will not affect participants’ eligibility for any means-tested benefits.⁶³

Baby’s First Years is a program that provides a monthly unconditional cash transfer to low-income mothers through their babies’ first three

years of life.⁶⁴ Four hundred mothers will receive \$333 monthly and a control group of 600 mothers will receive \$20 monthly for the duration of the study.⁶⁵ The mothers live in Minneapolis-St. Paul, New Orleans, New York City, and Omaha, Nebraska. Researchers will examine the impact of this unrestricted cash transfer on reducing poverty for the mothers and children and will study the effect of this transfer on infant and toddlers' cognitive, emotional, and brain development.⁶⁶

In addition to these programs, **GiveDirectly**, a charity that gives poor individuals around the world money, no-strings attached, tested the ability of cash infusions to help meet the needs of low-income individuals in the aftermath of major natural disasters. The organization provided a one-time \$1,500 cash transfer to low-income families living in communities most affected by Hurricanes Harvey and Maria to help them rebuild and help soften the financial shock caused by the disasters.⁶⁷ The funds provided critical slack in their budgets in a time of need to help families cover the many bills resulting from the storms, such as furniture and other necessities that needed to be replaced, and helped families avoid debt. It also reduced stress and improved living conditions for recipients.⁶⁸ The cash transfers



In Puerto Rico, the data illustrate how differently the receiving households spent the money—had recipients received the most commonly observed bundle of goods and services purchased, only 6 percent of recipients would have received what they had spent the funds on.



allowed the residents to spend the money in the way that best met their individual circumstances, and the data demonstrate that recipients valued that flexibility.⁶⁹ In Puerto Rico, the data illustrate how differently the receiving households spent the money—had recipients received the most commonly observed bundle of goods and services purchased, only 6 percent of recipients would have received what they had spent the funds on.⁷⁰

Program Design Considerations and Remaining Research Questions

Thus far, this brief has explored several strategies and platforms to scale cash infusion and transfer programs and highlighted some of the current efforts being offered within each of those categories. But what are the program design considerations and logistical barriers to providing such programs? And what are the research questions that still need to be answered on programs that provide cash infusions? The following section will identify the decisions around process, logistics and open research questions that thought leaders considering future guaranteed income and cash transfer programs and policies should consider as they scale up these programs.

INCORPORATING THE VOICES OF INTENDED BENEFICIARIES INTO THE DESIGN PROCESS

As more programs infusing cash into households are put into place, it is important to remember that design choices matter and should be informed by input from impacted individuals, those that experience the challenges and understand the barriers that cash infusions intend to solve. In the design phase, program designers should incorporate these voices along with other leading thinkers, and some programs are doing just that. For example, Aisha Nyandoro notes that the Magnolia Mother's Trust program is "a direct

result of women living in poverty telling us what they needed to get ahead—from moving to a safer neighborhood, finishing college or simply being able to consistently put food on the table—was cash. My hope is that the Magnolia Mother’s Trust serves as an example to policymakers that the most effective way to craft a solution to a problem is to listen to those experiencing it.”⁷¹

LOGISTICAL CONSIDERATIONS FOR PROGRAM DESIGNERS

Cash infusion programs should be evaluated in order to inform future program design and to examine the impact of these programs. As such, building in ways to capture data on impact from the outset is critical. Moreover, many logistics need to be in place to provide cash transfers, including the administrative capacity, legal knowledge, and understanding of the local asset limits that may affect benefit provision to individuals. In addition, there is a continuum of program options ranging from the most restrictive to the most flexible, and there are associated program decisions that must be made about program eligibility, enrollment procedures, and transfer amounts and frequency, among others. The following section reviews these considerations to highlight some of the key questions program designers and policymakers should consider when structuring a guaranteed income or cash infusion program.

Interaction with Asset and Income Limits.

As discussed in a previous section, families may bump up against asset or income limits depending on the size and total cash transfers that they receive from guaranteed income or other cash infusion programs.⁷² Thus, these limits are an important consideration for program design because they can diminish the value of the cash received if families concurrently lose eligibility for public benefits and could affect whether people are willing to enroll into these programs and pilots. Some programs are seeking to obtain waivers for program recipients to ensure that their benefit receipt is unaffected by the cash transfer program, and that this cash can test the effect of enhancing what the current safety net provides. Other programs will test themselves against the safety net to see how these cash transfer programs interact with the current public and private benefit systems and how it affects

take-up rate. Both approaches are important and lead to new learnings as programs drive to scale.

Consumer Financial Protection. An additional logistical consideration is the financial environment and marketplace in which cash transfers exist. Not all individuals have access to affordable and safe credit or to the financial services system generally, and this situation means that in times of need, consumers turn to more expensive or lower-quality products.⁷³ In 2017, 14.1 million adults were unbanked and 48.9 million adults were underbanked, or 6.5 percent and 18.7 percent of US households, respectively.⁷⁴ If a more universal or permanent cash transfer program is put in place, it will be important to ensure that the systems in which these transfers live are safe and accessible for all consumers. Moreover, program designers should ensure that people are protected when the transfers are made, and that neither the mechanism for delivery nor for spending is subject to fees or vulnerable to predatory practices. Any fees to access the funds received would diminish the value of receiving these transfers, undermining the savings and purchasing power that these programs aim to provide.

Payment Platforms and Systems. In addition to these safety net and consumer protection considerations, program designers must also consider the systems needed to make the cash transfers to participants and understand the legal implications of these transfers for recipients and their families. The payment size will affect the logistics of the cash transfer, but as discussed above, multiple payment transfer methods—including the use of debit cards, checks, or some other form of payment—may be necessary to meet the banking and financial service needs of the receiving population. Additionally, technology can aid in efficient administration of cash transfer programs. For instance, FII has built tools to facilitate such transfers for other organizations, and LIFT has a customized system built in Salesforce for its program, which has eased the fund disbursement for the Family Goal Fund. Lastly, programs must explore whether the provision of this cash inflow will affect tax liability for recipients.

Program Eligibility and Fund Use. As described in the first brief of this series, cash transfer programs can be targeted to a specific population or be available universally, have conditional or

unconditional requirements for eligibility, and be restricted or unrestricted in their use. These decisions determine whether having access to the cash payments depends on demonstrating certain behaviors or actions and if the recipients can utilize the funds received for any purpose or only for specified uses.

Enrollment and Program Participation. A further consideration is how eligible households will be enrolled into the program and receive the transfers. For instance, if programs do not automatically enroll participants, it will be important to examine how to decrease the barriers to enrollment and cash receipt for eligible recipients.⁷⁵

Cash Transfer Amount and Frequency of Payments. Another critical program design decision is to determine how much money each person is eligible for or can receive through the program and the cadence of the transfers. Of course, there are logistical concerns related to the total funding available, and this then affects the number of people a program can serve, how frequent the transfers are made, and the program's total duration.

Program Funding. A final, but critical, logistical consideration is how these programs will be paid for. To date, many of these US cash infusion programs have come from philanthropic and charitable funds or donors or via public dollars. Dependable and consistent funding will be needed to reach scale and stability beyond an initial pilot of relatively few. There are a variety of ways that programs providing money can be funded. For instance, some proponents have suggested introducing new taxes such as a carbon tax, or providing a dividend from natural resources, a model similar to the Alaska Permanent Fund and some programs abroad.⁷⁶ Another option is to increase the public safety net's efficiency by examining programs that become redundant with a cash infusion program.⁷⁷ These adjustments should focus on increasing the efficiency of the safety net, such as by reducing churn and lessening administrative burden on staff.

Several of these design considerations are equally relevant across any safety net policy or program. These include: forgoing asset limits and benefits cliffs to ensure that programs do not impede economic mobility; putting consumer protections

and inclusive payment rails in place to ensure that recipients are not exploited when they receive their benefits; and reducing any unnecessary barriers to enrolling and staying enrolled in programs to boost program participation for those eligible. Together, these considerations can help boost program impact and make best use of dollars spent.

PRIORITY RESEARCH QUESTIONS TO INFORM HOW TO SCALE

There are still many open questions related to the differential impact of the logistics discussed above, as well as program design decisions. The section outlines some of the high-level questions that future research should prioritize to inform effective program and policy design at scale.

Duration. If individuals are given cash transfers for a specified amount of time, does that payment put them on an improved economic trajectory in the long run compared with similar individuals that do not receive these transfers? In programs that are time limited, what happens to these families when the cash transfers stop? Are recipients in a better position than before economically or do they fall back into the same position as before, similar to the way families churn in and out of poverty?

Cash Transfer Amount. How much money is needed to meaningfully change the economic trajectory for a family? Is there a threshold that must be surpassed in order to have long-term impact on financial health and other outcomes? Do the dollars received have a linear impact or is there a greater impact after X dollars?

Cadence and Predictability. What is the impact of receiving steady, predictable cash transfers on recipients? Does the knowledge of having a predictable inflow of income have a different impact on recipients and their decisions compared with ad hoc programs or ones that disburse the money based on a need or a request? In particular, does this change the calculus behind making new investments in oneself or one's family, or taking additional steps toward their financial health and other goals? Does a consistent disbursement reduce stress, and does it help people realize their full potential? The cash transfer programs reviewed in this brief series range from programs providing differing

amounts of money on as-needed, quarterly, or monthly cadences, but what is known about these windows and are some more beneficial to recipients than others?

Impact on Recipient Economic Activity. One politically salient question for these programs is understanding the impact of the cash received on economic activity. It is important that job changes and changes in hours are also measured, and where possible, job quality should be studied. It will also be important to capture whether the cash received helps recipients and their families find higher-quality positions—such as jobs with better wages and benefits, including predictable hours and scheduling—or allows for retraining. Additionally, in some cases, this cash receipt may allow for families to reduce the number of jobs held within the household and may open up time for families to spend together, or for workers to meet their family caretaking needs. In addition to employment, upward or downward wage levels and entrepreneurship should be monitored to assess the impact of these programs on job growth and entrepreneurship opportunities.

Conditionality. If conditions are attached to the cash receipt, then these should also be studied to better understand the impact of high conditions, light conditions, or no conditions on program and recipient outcomes. Similar to cash benchmarking, it would be important to examine the impacts of these conditions on program outcomes to ensure there are not unintended consequences on recipients as a result of any imposed conditionality.

Each of these dimensions represents a policy and design choice that may affect the ultimate outcomes of program recipients and must therefore be considered in the early stages of design and measured carefully to determine the overall impact of the program.

Conclusion

There are many options to expand access to cash infusions in the United States.

Positive cash flow and other financial cushions are critical for households to become financially stable today and pursue economic opportunity for the future, and the need for these buffers is only growing as households increasingly struggle to make ends meet.⁷⁸ Guaranteed income and cash infusion programs can fill a critical financial stability and security need by creating slack in household budgets. Many leaders including policymakers, program administrators and designers, employers, nonprofit service providers, funders, and researchers have an opportunity to help bring these programs to more individuals

and families. This brief has highlighted three strategies to expand cash infusions' reach:

1. Adopting new and expanding current cash infusion programs;
2. Adding a cash infusion component alongside current programming; and,
3. Reducing strings to other cash or cash-like programs.

The brief also outlined program design and logistical considerations to providing such programs and the priority research questions that can inform program scale up.

Many pilots and programs are being offered across the country and are adding to the evidence base related to improving cash flow for families. The opportunity now before all stakeholders concerned about the financial stability and security of US households is to put the learnings and considerations compiled in this series of briefs to use in three ways:

- **Innovate and Invest in Programs That Provide Flexible Resources.** Leaders in many sectors, including local, state, and federal government, employers, nonprofits, and foundations, have a role to play to scale guaranteed income and other cash infusion programs in the United States. Because no one family looks exactly like another, and the same goes for their needs, goals, and experiences, flexibility must be a key element of program design. Flexibility provides families with the autonomy and trust to make the decisions and investments their individual family needs to move forward.
- **Ground Program Design in People's Real Needs.** Too often, programs are designed without the input of those who will be affected. To improve program efficiency and take-up, guaranteed income and cash infusion programs

should incorporate the expertise and voice of those who will be impacted by such programs. A community-engaged design process can inform program designers and policymakers of the challenges to implementing such programs and help ensure that the programs do not create unintended barriers that make the programs hard to access or utilize. It has been heartening to see recent guaranteed income and other cash infusion programs intentionally incorporating community voice into their design in this way.

- **Answer Priority Research Questions.** New and existing pilots can help inform how future programs and policies should be designed to best meet their goals. If further research pilots are developed, rather than full-scale programs and policies, these should add to the existing knowledge base by testing different design features and examining priority research questions that can better target future policies and programs. Lastly, data and findings should be made public to expand the evidence-base for these programs and inform program delivery and design that bring these programs to scale.

The UpTogether Platform: A Tool for Investors, Innovators, and Researchers

FII's UpTogether platform offers a low-cost tool for funders to implement and study a cash transfer model and invest financial capital in the strengths of individuals while tracking impact. UpTogether allows philanthropic, nonprofit, government, and academic partners the opportunity to make direct cash transfers to people living with low incomes in communities across the country. The platform's stakeholder interface allows funding partners and researchers to learn directly from the robust and one-a-kind data provided by UpTogether members.

Partners can target members by geography (city, census tract, etc.) to receive unrestricted cash transfers. Partners can also determine the amount and cadence of transfers to members. This flexibility allows researchers to experiment with a wide range of cash-transfer models, identifying which amounts and cadences are most effective, building the evidence base that investing directly in people works. Partner researchers can also supplement the information UpTogether is collecting by deploying additional surveys to further their evaluative work.

The platform is not just a tool for investors and researchers—UpTogether is a vehicle for individuals to access funder's unrestricted investments, a tool that facilitates the exchange of social capital and allows participants to track their progress toward their goals. UpTogether enables low-income people to be the experts in their own lives. Through UpTogether, people are building connections and sharing their own expertise with others throughout the nation. UpTogether members share data about their household including their income, assets, liabilities, social capital activities, and much more with FII. FII's platform reflects data back to individuals to give them direct feedback on their progress.

FII's technology team manages the technology security systems to assure best security practices are maintained, like the encryption of data, meeting HIPAA standards and maintaining SSL certificates. When partnering with third-party stakeholders to learn from our data, the data shared is anonymized and aggregated. FII does not sell users' data.

Though proponents of guaranteed income and cash infusion programs may have different motivations for supporting them, the findings of this issue brief series highlight the difficulty families face in making ends meet when they do not have routinely positive cash flow, the lessons from guaranteed income and other cash transfer programs, and opportunities and platforms for scale up. As the conversation around guaranteed income and cash infusion programs moves into the mainstream, these briefs can provide guiding principles and considerations to support the financial resiliency, stability, and security of individuals and families in the US.

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CONSUMER INSIGHTS COLLABORATIVE

WHO IS THE CONSUMER INSIGHTS COLLABORATIVE?

The Aspen Institute Financial Security Program convenes the Consumer Insights Collaborative, an effort across nine leading nonprofits to collectively understand and amplify data for the public good, specifically about the financial lives of low- and moderate-income households. The Collaborative's vision is that data-driven insights will prompt a wide variety of actors to develop programs, products, and policies that help more people achieve financial security—and that the insights inspire more organizations to put their data to use for good.



Strengthens the financial security and opportunity of financially vulnerable people by discovering ideas, piloting solutions, and scaling innovations.
www.buildcommonwealth.org
Boston, MA



Leverages financial technology and economic inclusion to empower low-income Americans to save and take charge of their financial lives.
www.about.saverlife.org
San Francisco, CA



Provides a technology platform for low-income families to strengthen social networks, record progress towards goals, and unlock dollars to accelerate their mobility.
www.fii.org
Oakland, CA



The Financial Clinic's mission is to build working poor people's financial security through an ecosystem of strategies that includes direct service, capacity building, and systems-level solutions fueled by financial technology.
www.thefinancialclinic.org
New York, NY



Promotes financial inclusion by providing capital, building capacity, and developing innovative products and services for community development credit unions (CDCUs).
www.inclusiv.org
New York, NY



Builds relationships with parents to set and accomplish family career and financial goals, connecting them to the resources and networks that make those dreams a reality.
www.whylift.org
Washington, DC



Creates a fair financial marketplace for hardworking people by building on what they have through financial products, coaching, and technology.
www.missionassetfund.org
San Francisco, CA



Equips young people of color growing up in financial deserts with the knowledge and financial tools they need to build wealth and get on the path to economic mobility.
www.mypathus.org
San Francisco, CA



Helps everyday people take control of their finances through expert counseling linked to safe and goal-oriented financial products and delivered in convenient settings.
www.neighborhoodtrust.org
New York, NY