What is 'guaranteed income'?

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Starting in February, in Stockton, California, the mayor's office of the city—with funding from the Economic Security Project, the Robert Wood Johnson Foundation, and private donors—launched a pilot

program that distributes $500 via debit card to 125 randomly selected citizens. No strings attached.

Co-leading that project is Amy Castro Baker, an assistant professor in the School of Social Policy & Practice, who studies economic mobility and the impact of social policies on gender and race in housing and lending.

Baker, alongside Stacia Martin-West, an assistant professor of social work at the University of Tennessee, is working to collect and dissect data from the project as it continues through its 18-month duration. In October, Baker and her team will release the first set of spending data from the sample.

Here, Castro discusses getting involved in the project, what a scale of "mattering" means, and what she makes of guaranteed income being a more common topic of discussion in the Democratic presidential primary, as contenders like Andrew Yang and U.S. Sen. Kamala Harris make it part of their campaign platforms.

What was your research before the Stockton Economic Empowerment Demonstration (SEED)?

The majority of my work has been around economic mobility and looking, really specifically, at mortgage foreclosure and eviction. So, my draw to the SEED project is asking the question, "What does it mean to pilot a bold anti-poverty intervention in a city that was once considered the foreclosure capital of the country? What does it mean for a city like Stockton to re-invent itself?" I started as a researcher studying the impact of mortgage foreclosure on women and women of color, specifically, studying single women such as widows to see how gender was playing out in the housing crisis.

I have also done a lot of work with Stacia Martin-West on ways to disrupt the gender and racial wealth gap, asking how the inequality of the past creates new forms of disparity in the present. The idea of piloting guaranteed income is incredibly forward-thinking; it's an old idea but forward-thinking in terms of our policy moment, of innovation or intervention, if you will. SEED is piloting an idea pushed by Thomas Paine and Dr. King in the spot where foreclosure and subprime lending [hit hardest]. It is the full circle of my work.

What is SEED and how did you get involved?

I'm a co-PI, a principal investigator on SEED, but essentially, they put out a call for proposals about a year-and-a-half ago for research teams to work with them on the design and also on the research. Given our backgrounds as social workers doing community-based work, and our interests in economic mobility, my longstanding research partner, Stacia Martin-West, and I decided we had to apply. The two of us have done a lot of work together on a national level around the gender and racial wealth gap, funded by the Asset Funders Network and Women's Foundations. A lot of larger foundations do some policy research around the wealth gap and economic innovation, and we responded to calls for proposals and ended up working with the [SEED] team.

How would you explain, in a nutshell, what 'universal basic income' is, and what studies have shown on its success to this point?

I'll start with some 'terms': What we're looking at is specifically guaranteed income, so the SEED project sits within a broader body of research that is talking about unconditional cash transfers. In that big bucket of individual cash transfers, we have the idea of "UBI," guaranteed income, and other cash transfers tied to things like housing,

for instance, that some other cities are piloting. Guaranteed income means it's a set amount of money people can rely on over a period of time—usually monthly. UBI and guaranteed income function in the same way, but the difference is that UBI applies to everyone rather than a set group of people based on geography or other criteria.

The idea behind guaranteed income is really based on the thought that people are experts of their own lives and they know best where they can leverage that money to help smooth income volatility and help their family achieve upward mobility. That's idea No. 1.

Idea No. 2 is around reducing some of the friction involved with the social safety net. Right now, if you need services for any number of problems you might be experiencing, because of the economy, you have to go through a means-tested process with the government to figure out whether you qualify based on income, location, geography, all these different things, which sets up these bureaucratic silos where implementation becomes really complicated and does not match the lived experience of being unable to predict your income or work hours each week or month. The idea is, "What would happen if we gave people cash and let them match that benefit to their needs, which change and flux over the course of the year? What potential would be unleashed in families and communities if they had a modest cushion to rely on instead of having to take on additional jobs or shifts that are detrimental to their health?"

How do you decide the amount?

The amount was decided by the Stockton team in conjunction with our primary funder, the Economic Security Project. They worked with [Stockton] Mayor Michael Tubbs' office before we started to help design exactly how much the amount of money was going to be.

The logic behind the $500 is that nearly 40 percent of Americans cannot afford a $400 unexpected emergency. Five hundred dollars is what it would take to smooth that volatility. What that means, in practical terms, is that if you think about people living paycheck to paycheck, who are working class, or their income goes up and down all the time—because they might be part of the Uber economy, for instance—it's saying that one $400 emergency can lead to [a downward trend]. You have a flat tire and can't get to work without your car, [for instance]. So, you get that flat tire, can't fix it, miss your shift, miss rent, and it starts this snowball effect into downward mobility and poverty. This $500 is not enough to live off of. It's not de-incentivizing people from participating in the labor force, but it can potentially de-incentivize you from, say, working more hours at a job that is not good for your health.

We are interested in psychological and physical functioning, hope, mattering, and agency. These measures are all about well-being. People are knitting together two and three part-time jobs, and we know those lead to poor outcomes for children, health and anxiety, and things of that nature. So, thinking the $500 can smooth some of that and potentially free up some space for people.

And you're applying a scale of mattering?

That's one scale we're using.

What does that mean?

What that does is it measures how much you feel you matter in the community and to institutions. If you think about the broader political and public discourse we have right now, there's a lot of language around the erosion of trust, and we also know empirically that people are losing their faith and trust in institutions. The social contract is fraying, if you

will.

What the mattering scale does is not measure how much you rely on your family, or if they're dependent on you, it's whether or not you feel you matter as a human being with government, your community, the people in your life. Am I seen as a human being with dignity in the eyes of people in power? Do people know I exist and have value? The reason that's important is we know whether or not someone feels seen is what will lead to how much agency they have over their future. So, if you don't feel you have any agency or control over your future, your ability to plan an alternative future for yourself, your kids, your family, your community, is going to be really hindered. We're trying to look at some of that alongside these other traditional measures of well-being. That's essentially what we're looking at: Do you matter to the world? And we can actually quantify that.

What do you say to people who call it a handout?

Name the critique and I've probably heard it. Usually, the critiques are around, "How do you know if they're spending the money on drugs or not?" Neither we as researchers, nor the SEED team, truly care about how people spend the money—although we are releasing spending data to the public this fall. To us, the real question is how spending the money impacts them and their well-being.

I could also answer in terms of our selection process. This is a random sample of the Census tracts at or below a median income of $46,000 per year. What that means is our sample has everyone in it, from folks who are on the margins of poverty to people who are making solid professional incomes. Because it's representative, right? And it really goes down to adhering to this idea, again, that people are experts on their own lives. The thing we know from economics, and where we are with income volatility, is the amount of flux in people's paychecks. Meaning

they can't predict how many hours they're going to get at work, that kind of thing. That's always been a problem in the American economy, but it's growing—it's moving up the income ladder and people's income are becoming increasingly more volatile. Almost 40 percent of American workers experience flux from month to month. So, they need something that will help them smooth their income. Again, you can't plan for the future if you don't know what's coming in.

How do you feel about it being part of a national discussion, at this point?

Really good. Let me put it this way: We are really open and honest in our research approach, and also on the mayor's team, in saying we are piloting this because we believe this has the potential to alleviate economic strain for a lot of people. How much it can help people and the degree to which it will, we won't know until we're done with the research. But if you look at our design, we are very intentionally trying to push a public conversation around guaranteed income and around social justice.

The fact is, it being something talked about on the campaign trail and something people are beginning to pay attention to is exciting. We need to have a public conversation about how we take care of one another.

What's next after this study is finished?

I have to say, Stockton is so all-consuming as a project it's going to be a number of years until we're doing something else. But I will say the next step is we're really looking at implementation. We are one of three larger guaranteed income experiments taking place in the U.S. right now; we are collaborating as principal investigators across all three of these projects to embed similar measures and questions. We're the smallest but

the only one city-led. Because we're city-led, we look closely at implementation data to see what needs to be in place on the ground if a city, a county, a state—were actually going implement this at scale. Because we're only working with 125 families, we can focus on how people interpret and experience the program, and learn what bureaucratic structures would need to be in place at a city-county level to efficiently implement the program. Often in policy work, we design everything in a silo and separate from the community, but forget about what has to happen in real life to facilitate the program.

So, the next phase for us will be taking these lessons we're learning from implementation and saying a) what works, b) why, c) if we scale it out, what would need to happen in order for us to do that? Our early data will inform these other larger guaranteed income projects taking place, and inform other cities interested in piloting something similar. That'll inform that work moving forward.

Provided by University of Pennsylvania

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