Stimulus Learning Series Deep Dive: Implementing Guaranteed Income Programs

July 29, 2021



Transforming systems to better serve the most vulnerable

Vulnerable families are being left behind

Families are shut out from structures that support economic mobility – especially families of color

Overrepresentation of poor families and families of color in punitive, harmful, and stigmatizing experiences

Government safety net does not support economic advancement out of poverty

You have told us you want to make the benefits system...

More accessible and more dignified

More effective at moving families out of poverty

More efficient

Offering more flexible benefits, cash assistance, basic income: "Low-income families know best what they need to rise out of poverty"

Making sense of direct payment programs: Three approaches



Small pilots to promote concept

Example

\$500/mo to 125 families living in low-income neighborhoods (Stockton, CA)

nsiderations

- Opportunity to demonstrate feasibility while spending only \$1m/yr.
- Limited reach: Typically <1% of households
- Too small to learn about local impact (MDE>15pp), especially with proper adjustment for multiple endpoints

Serve everyone in a targeted population

Up to \$1,000/mo to 2,500 young people exiting foster care (California)

- May be able to reach substantial share of target population
- If administered through lottery and population is sufficiently large, potential to have enough statistical power to detect moderately large impacts

Community-wide anti-poverty initiative

\$400/mo to 2,000 families (12% of city's households) earning less than 30% of area median income (Chelsea, MA)

- Very expensive: To reach 12% of households with \$400/mo in city the size of Boston, Nashville, or Oklahoma City would cost \$140m/year
- Philanthropic pilot funding likely does not scale
- If administered through lottery, likely to be able to detect moderately large impacts



Most households receive \$400 per month.

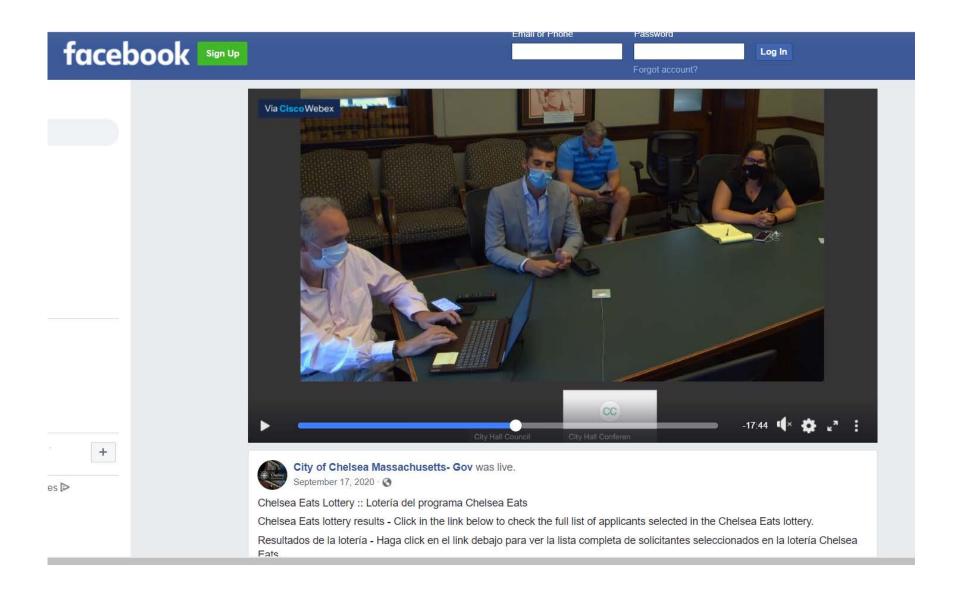
One-person households receive \$200.

Two-person households receive \$300.

Payments began in late November.

Cards can be spent anywhere that Visa is accepted.

The Lottery



Design questions for guaranteed income programs



Population

Who will be offered this support?

- 1. Engaging community members on program design
- 2. Identifying who will be eligible for this program
- 3. Figuring out how to recruit, select, and engage participants

Delivery

How will this support be delivered to them?

- 4. Determining amount, frequency, and duration of cash assistance
- Negotiating how to preserve income eligibility for existing benefit programs
- 6. Establishing mechanics for how funds will be disbursed
- 7. Building out program management and oversight processes

Evaluation

How will we know if we want to continue this support?

- 8. Defining what results to measure
- 9. Designing how to collect data and evaluate results

Are there other important questions that are not reflected here?

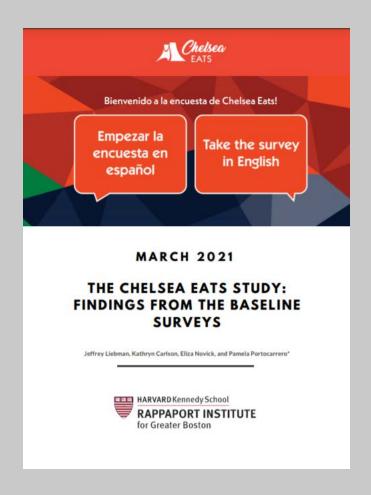
Looking ahead: GPL's stimulus learning series

Type into the chat: What additional questions do you have about setting up guaranteed income programs?

✓ July 9	Benefits & Economic Mobility
✓ July 15	Early Childhood & Families
✓ July 29	Implementation deep-dive: Guaranteed income programs
August 2	Behavioral Health & Housing
August 10	Implementation deep-dive: Using procurement to advance innovation
August 25	Jobs & Economic Development

Questions? Contact Danielle at danielle_cerny@hks.harvard.edu

Register for upcoming sessions at: https://govlab.hks.harvard.edu/stimulus-learning-series





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