GROWING RESILIENCE IN TACOMA

GRIT - A GUARANTEED INCOME DEMONSTRATION

PROGRAM OUTLINE

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PREPARED ON THE LAND OF THE PUYALLUP TRIBE AND COAST SALISH PEOPLES







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Background

Public support and political momentum for cash transfers, universal basic income (UBI), and guaranteed income (GI) continues growing. Prior to the pandemic, in September 2019, The Hill reported that 49% of Americans favored UBI, and in early 2020 the GenForward project at the University of Chicago found that 72% of young Democrats, 54% of young independents, and 47% of young Republicans supported UBI¹. Now, in 2021, the protracted and destructive nature of the pandemic has forced cash transfer policies into national conversation and into action, 2020 and the beginning of 2021 saw cash transfers to American citizens within certain income brackets through the three separate rounds of stimulus checks – a recurrence that was supported by seven in ten Americans². More recently, cash installments to most American families with children have begun being paid out on a monthly basis under the guise of the child and dependent tax credit. These provisional policies aimed at redressina the American economy after COVID-19 can lead to temporary relief for many Americans, such as one Tacoma, WA resident who was able to buy her daughter's diapers utilizing cash from the federal stimulus money³, but the fact remains that most American households live one paycheck from financial ruin and our current safety net is ill-equipped to remediate it.

Pre-pandemic, 40% of Americans could not afford a \$400 emergency and income volatility, where annual pay fluctuates by 25% or more, continues locking households out of safe financial products and upward mobility. In Tacoma alone, 40% of households identified as having at least one job and still being asset limited, income constrained, and below 200% of the federal poverty level (FPL). As the pandemic affects continue to impact communities, households face an unprecedented inability to meet basic needs with 8 million Americans falling into poverty as CARES Act aid expired. Additionally, with the majority of the state of Washington's pandemic response budget going to public health and education⁵ many Tacoma families have been left without direct relief for their financial hardships. The \$1,200 stimulus payments demonstrated bipartisan political will, but uptake was limited by a lack of disbursement mechanisms that failed to reach many of the most economically vulnerable households. An estimated 30% of eligible households did not receive the stimulus payments due to how the IRS distributed payments, further highlighting the need for locally contextualized data on cash distribution.

¹ UPenn Learning Agenda: https://www.penncgir.org/resources

² https://news.gallup.com/poll/318452/broad-bipartisan-support-additional-stimulus.aspx

³ https://www.q13fox.com/news/families-say-1400-from-stimulus-would-make-huge-impact

⁴ UPenn Learning Agenda: https://www.penncgir.org/resources

⁵ https://www.thenewstribune.com/news/politics-government/article250202815.html

As local leaders and community advocates work to meet urgent needs while matching the dynamic nature of the economy, the simplicity of cash offers one path toward stabilizing households in crisis, and a growing body of evidence indicates the power of providing an income floor.

"But, public conversation and the pressure created by the pandemic is moving faster than the evidence, widening the gap between what we need and what we know:

- Who does guaranteed income work best for and how?
- What limits should be placed on guaranteed income?
- How does guaranteed income interact with the existing policy landscape and markets?
- What infrastructure would it take to scale a guaranteed income program or policy across an entire community?"⁶

Cities are uniquely positioned to answer these questions. This truth being showcased originally by The Stockton Economic Empowerment Demonstration (SEED), the first mayor-led guaranteed income pilot in the country created by Mayor Michael Tubbs. SEED, an 18-month pilot program has advanced national discourse, generated groundbreaking data that tells a story of financial and personal empowerment, and laid the foundation for Mayors for a Guaranteed Income (MGI). MGI is a national organization of nearly 50 mayors that was impart founded by Tacoma Mayor Victoria Woodards. Woodards recognizes that Tacoma families that are struggling to make ends meet cannot wait for assistance and that providing cash assistance through local routes, like the city, offers the unique ability to move quickly and directly for communities. Tacoma will be one of many MGI partner cities working to implement GI programs throughout the upcoming year.

These mayors are committed to building a rigorous and innovative body of research capable of detecting person-level impacts of guaranteed income crucial to continue building the evidence base around cash. To that end, MGI is committing to a centralized, independent research and evaluation infrastructure that ensures future advocacy is rooted in both anecdotal and data-based evidence.⁷ Tacoma will be building on MGI's pre-determined areas of interest by leveraging the program to produce data on Tacoma specific findings on equitable access to affordable housing and child care.

⁶ UPenn Learning Agenda: https://www.penncgir.org/resources

⁷ UPenn Learning Agenda: https://www.penncgir.org/resources

Guaranteed Income Experiment Discoveries

Across the U.S. there have been several innovative policies which are considered forms of GI, such as the Alaska Permanent Fund, the casino dividends that are paid out to eligible members of the Eastern Band of Cherokees, the federal stimulus checks disbursed during the COVID-19 pandemic, and the Child Tax Credit. Research on these programs showcase promising outcomes such as reductions in income volatility, increases in full-time employment, improvements in physical and emotional health, and stimulating self-determination, and goal setting.

Review findings from a Mayor-led GI program; SEED by clicking here.

The Child Tax Credit cut child poverty nearly in half in 2021. Explore more here.

Figure 1 shows many other key outcomes from recent GI programs:

| EXPERIMENT, LOCATION | DURATION | SAMPLE SIZE | POPULATION | AMOUNT | RESEARCH DESIGN | KEY OUTCOMES |
|---|-----------|----------------------------------|---|---|-----------------------------|---|
| Stockton Economic Empowerment Demonstration, Stockton, CA | 24 months | 150 treatment; 200 control | General | \$500/month | Mixed Methods RCT w/ PAR | Income volatility, mental and physical health, hope/mattering |
| OpenResearch, Location Hidden | Unknown | 3000 | 21-40 years old, below AMI | \$1000 to 1000; \$50 to 2000/month | RCT | Time use, mental and physical health, wellbeing, financial health decision making politics and social behaviors, crime, effect on children |
| Transition-Age Youth Basic Income Pilot Program Santa Clara, CA | 1 year | 72 | Youth aged out of foster care | \$1000/month | Non- experimental | Financial volatility, health, positive behaviors. community effects, self-sufficiency, public services coordination, COVID-19 outcomes |
| Preserving Our Diversity Santa Monica, CA | Ongoing | 250 | 65+; in rent controlled apartment for 20+ years, income less than 50% AMI | \$747/one person household; \$1.306 two- person household | None | None |
| Baby's First Years, Multiple Sites | 40 months | 1000 | Low-income mothers | \$333/month: \$20/month | Mixed Methods RCT | Parental stress, family expenditures, family routines, time use, parenting practices, childcare, child development |
| Magnolia Mother's Trust, Jackson, MS | 1 year | 80 | Low-income Black or African American mothers | \$1000/month | Mixed Methods | Financial security, debt reduction, education, family engagement, future orientation |

Figure 1. Source: UPenn Learning Agenda: https://www.penncgir.org/resources

Design for Tacoma's GI Demonstration

Objective

In 2020, Jack Dorsey, CEO of Twitter and Square, granted MGI \$15 million for the purpose of implementing GI pilot programs around the US. Mayor Woodards, being a founding member, was allotted \$100,000 for the initial exploration into a pilot program's plausibility in Tacoma and \$500,000 for disbursement. In November of 2020 Mayor Woodards appointed United Way of Pierce County (UWPC) to be the main organizational body to lead the program design and implementation. UWPC is also the fiscal agent, meaning that all funds will move through UWPC rather than the city's budget. This grant provides Tacoma with a unique opportunity to support local organizations and communities, take part in a national research project, be on the leading edge of economic policy exploration, and push national advocacy – all without pulling from city taxes.

The GI strategy in Tacoma is the natural evolution of work already being undertaken in our community to dismantle poverty. It is additive to the City, County, State or National efforts that are aimed at improving child welfare, reforming childcare systems, supporting affordable housing initiatives, advancing women's economic empowerment and reducing poverty. The sheer number of these disparate efforts reinforce the case for a need for support services. And while there are many links between these efforts, they are not coherent nor connected and prove difficult for participants to navigate.

Primary objective – systems transformation with a focus on informing Federal policies that promote economic opportunity, such as additional Economic Impact Payments (EIPs) and expansion and modernization of Earned income Tax Credits (EITC), and that enhance, improve and increase equity in the social safety net.

Strategy & Deliverables

Early deliverables in the demonstration will be limited to participant spending reports and storytelling efforts. Impact and survey data will not be released until a year after the demonstration closes. Tacoma will leverage storytelling efforts to:

- Show positive community impact through assistance to 100+ ALICE (Asset Limited Income Constrained while Employed) families during ongoing COVID-19 pandemic economic crisis
- Provide a face for ALICE families in order to break the stigma around poverty
- Help our community gain a better understanding of the impact of GI
- Demonstrate that unrestricted funds provide people in poverty financial empowerment

 Illuminate the disparities in job opportunities, family care and housing to help build a case for policy that reflects and supports single head of households' fundamental roles in both the workplace and in families
 In addition, one year after funds distribution ends, data from the demonstration should provide a better understanding of the impact of GI in Tacoma and can be used to support the development of innovative policies that effectively fight poverty, strengthen gender and racial equity, improve child welfare and further the implementation of GI programs on the federal or state level.

Guiding Principles

<u>Invest in ALICE</u>: Support a population already identified as struggling - Asset Limited, Income Constrained and Employed - which represents the financial disparities of BIPOC families and has been disproportionately impacted by the COVID-19 pandemic.

<u>Cultivate Resilience</u>: Families are empowered to make financial decisions and address crises on their own terms.

<u>Change the Narrative</u>: Through storytelling and data, build a case for supporting more equity in housing, childcare, physical well-being, and financial wellness and uplift the truth that poverty is a systems failure - not a personal failure.

<u>Build Support</u>: Leverage learnings and experiences to impact systems changes that support unconditional cash programs and other strength-based policies that enhance, improve and increase equity in the social safety net.

Demonstration design

Amounts

Participants will be provided \$500 per month for 12 months.

Sample Size and Duration

The duration of the demonstration is 12 months. However, as of October 2022 the demonstration resourced enough funding to extend the program by one month.

Randomized Controlled Trial

For the purpose of policy impact and statistical power in research and evaluation, the demonstration will be a randomized controlled trial (RCT) and have an overall sample size of 242 people in the treatment and control groups. The treatment group consists of people receiving the monthly payments. There will be 110 people in the treatment group: 100 people + 5 for storytelling cohort + 5 alternates. The control group are participants not receiving the payment. The control group will be 20% larger than the treatment group: there will be 132 people in the control group.

Disbursement

\$500 will be released to participants on a predetermined date every month into personal bank accounts or onto prepaid cards by Steady, a finance app which has partnered with MGI and offered their disbursement and data collection services free of charge.

Eligibility Parameters

Creating a tight participation profile for the GRIT demonstration will illuminate how Guaranteed Income nests in other efforts to eradicate poverty. There are four qualification criteria for the demonstration:

City of Tacoma Resident

The City of Tacoma's Equity index was used to choose the geographic area of participants. Zip code specific areas with a higher percentage of ALICE and poverty than average Citywide: Eastside (98404), Hilltop (98405), South Tacoma (98409), and the South End (98408).

ALICE

ALICE stands for Asset Limited, Income Constrained while Employed. Prepandemic, 40% of Tacoma households identified as ALICE. Household income would be between 100% and 200% of the Federal Poverty Level.

| Zipcode | Households | Poverty Household | ALICE Household | Above ALICE Household |
|---------|------------|----------------------|--------------------|--------------------------|
| 98404 | 11,384 | 2,203 | 2,987 | 6,194 |
| 98405 | 9,595 | 1,806 | 2,862 | 4,927 |
| 98408 | 7,448 | 1,169 | 2,040 | 4,239 |
| 98409 | 9,956 | 1,708 | 3,020 | 5,228 |

Income: between 100% and 200% federal poverty level

| | Number of People in Household | | | | | | | |
|-------------|-------------------------------|----------|----------|----------|----------|----------|----------|----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 200% FPL | \$25,760 | \$34,840 | \$43,920 | \$53,000 | \$62,080 | \$71,160 | \$80,240 | \$98,320 |
| 100% FPL | \$12,880 | \$17,420 | \$21,960 | \$26,500 | \$31,040 | \$35,580 | \$40,120 | \$44,660 |

ALICE families in Pierce County are disproportionately Black, Indigenous, People of Color (BIPOC). Throughout the county 47% of ALICE families are Black, 43% are Native, 43% are Hispanic, 39% are Asian, 35% are Hawaiian and 39% are two or more races.

Single Income Household

About 15% of ALICE households are headed by a single adult. The GRIT demonstration wants to look at parent or guardian household income earners 18 years or older, with children in their care.

Age of Children

Children living in the home up to age 17, children with disabilities up to age 21.

Selection Criteria Lenses

In addition to the above criteria, the demonstration will also use the following lenses to weight the random participant selection process:

Race & Ethnicity

The composition of participants should match, to the extent possible, the disproportionality that BIPOC households show in the need among ALICE families with children at risk of homelessness.

Age of Children

The composition of participants should match, to the extent possible, the percentage of ALICE families in the City and Pierce County with children. The interactive <u>Pierce County profile for ALICE</u> identifies 17,264 ALICE families with children in the County in 2018. <u>City of Tacoma data</u> for the desired zip codes for this project identifies the number of families with children under age 18 as well as those with only children age 5 and under, and those with children age 5-17.

Gender

The composition of participants should match, to the extent possible, gender makeup of ALICE single parents or guardians.

Research Domains

The national MGI research effort includes questions and validated scales related to the following core issues:

- Physical functioning,
- Mental health.
- Income volatility,
- · Spending,
- Consumption,
- Employment,
- Education,
- Family dynamics and parenting,
- Stress and coping,
- Hope and mattering,
- Household food security, and
- COVID-19 variables.

Additionally, after focus groups and conversations with local service agencies, the Tacoma demonstration would like to look at the impact on housing and childcare.

Housing Affordability & Homelessness

GRIT would like to look at housing access, stability, number of residency changes, renters versus owners, debt burden, risk of eviction, availability of affordable housing, adequate housing - several families/households sharing one space, and distance of commute between home and work.

Childcare Affordability & Access

Childcare access and affordability, parental stress related to childcare, affordable childcare, likelihood to experience a child welfare intake, and availability of after school programs.

Recruitment

The application form/baseline survey was open the week of August 9-16, 2021. Information and access to the survey was disbursed through community partners and major media streams. The survey and necessary information were available in English, Spanish, Korean, Russian, Chinese, Tagalog, and Vietnamese.

GRIT received over 2,000 applications. The applications were processed by independent researchers at the Center for Guaranteed Income Research at the

University of Pennsylvania to make sure there were no duplications and that all entries met the GRIT eligibility criteria. The applications are then randomly sorted into three different groups to ensure no bias:

- Recipient participants: people who will receive the monthly cash and will
 be eligible to participate in compensated surveys so we can learn more
 about guaranteed income;
- Control participants: people who will <u>not</u> receive the monthly cash, but who <u>will</u> be eligible to earn gift cards by taking research surveys during the pilot so we can learn more about Tacoma and our residents' needs; and
- Non-participants.

GRIT staff notified and onboarded all 110 Tacoma recipients as of December 2021.

The information shared through the application can only be used for research purposes, so United Way and the City of Tacoma are not allowed to access any data for non-selected individuals.

Benefit Protection

"The goal of any guaranteed income pilot or demonstration is to provide participants with additional economic stability. To that end, the programs must be designed to ensure that participation in the program leaves recipients in a better economic position than when they began.

Importantly, receiving money through a guaranteed income pilot program may contribute to the "benefits cliff," where a small increase in earnings or held assets (i.e., savings) can lead to a reduction in public benefits, such as health insurance, food assistance, and housing support. Eligibility for safety net programs are determined by state and federal laws and eligibility requirements vary significantly for the programs and can include calculations of both earned and unearned income and savings.8"

GRIT is following MGI recommended steps to mitigate the potential loss of benefits. Program considerations include structuring payments as gifts to avoid issuance of 1099s, recognizing that front-line caseworkers may not appropriately classify pilot program payments when certifying means tested benefits, working with city, county, and state governmental agencies to obtain waivers excusing pilot payments from income calculations, and ensuring informed consent with all participants.

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⁸ UPenn Learning Agenda: https://www.penncgir.org/resources

Desired Outcomes

The GRIT demonstration's role within the nationwide research effort is important to helping determine the efficacy of guaranteed income practices. There are seven research questions being considered:

- 1. How can guaranteed income assist households in weathering unexpected shocks?
- 2. What are pathways and barriers to guaranteed income policy across geographically diverse locations?
- 3. How can guaranteed income be paired with other policy initiatives to generate structural change?
- 4. How do households perceive and utilize guaranteed income differently than Earned Income Tax Credit, CARES act, and other safety-net benefits?
- 5. Which individual-level outcomes such as health, housing, employment, parenting, finances, etc. are most impacted by guaranteed income?
- 6. How do outcomes of guaranteed income differ by subpopulation (caregivers, minority populations, women, etc.)?
- 7. How can guaranteed income programs utilize data-driven solutions to reduce inefficiency in government programs to build trust and support for cash-transfer initiatives?

These questions will be answered by in/out surveys, intermittent surveys (taken by both participant and control populations for comparisons) as well as spending behavior. Quarterly spending reports will be available and aggregate findings will be released one year after the conclusion of payments.

Design and Implementation Personnel

The GRIT demonstration design and implementation is overseen and created by a collaboration of many different parties:

- Leadership / Mayor Victoria Woodards, United Way of Pierce County
 President Dona Ponepinto, Program Director Abigail Lawson
- Steering Committee / Mayor's Office, Tacoma City Council, United Way of Pierce County, Sound Outreach, Greater Tacoma Community Foundation, Tacoma Housing Authority, Tacoma Urban League, Washington Department of Social and Health Services, MGI, Pierce County Council, Coalition to End Homelessness, Metro Parks Tacoma, Lived Experience Coalition, First 5 Fundamentals

In addition, a number of community focus groups provided essential feedback into the process and design.

Budget

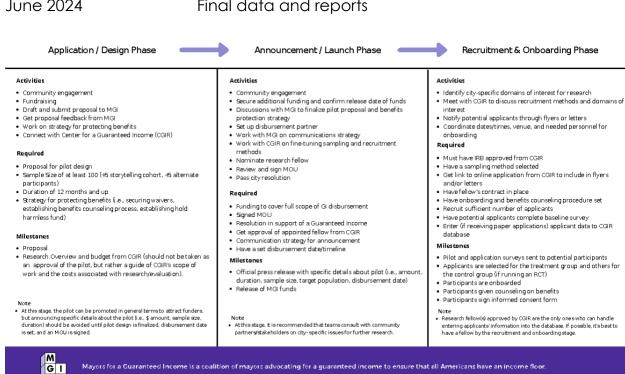
Funding for Tacoma's nearly \$1 million demonstration is provided by the Reinvent Stockton Foundation, Group Health Foundation, City of Tacoma, Pierce County, Verizon, Puget Sound Energy, MultiCare, Virginia Mason Franciscan Health, Greater Tacoma Community Foundation, and United Way of Pierce County.

Timeline and MGI Process Map (Projected timeline subject to change)

Late August Application opens September Recruitment Oct - Dec Onboard

December Begin GI payments to participants Dec 2021 - Dec 2022 Monitor participants and communities Dec 2022 Conclude GI payments to participants

June 2024 Final data and reports



Mayors for a Guaranteed Income is a coalition of mayors advocating for a guaranteed income to ensure that all Americans have an income floor

Figure 2 - MGI Process Map

Initial Findings from Tacoma's GI Demonstration

The GRIT demonstration is being evaluated by the University of Pennsylvania's Center for Guaranteed Income Research (CGIR). CGIR will publish both qualitative and quantitative findings in June of 2024. Available throughout the course of the demonstration is recipient story, recipient demographics, and spending behavior.

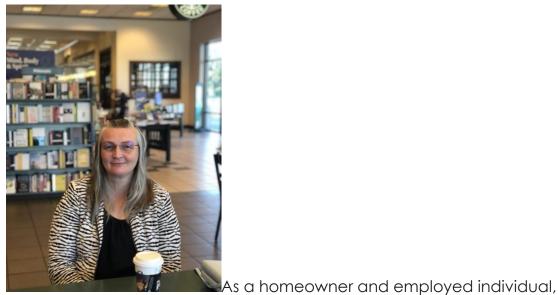
Recipient Spotlight



When asked about the GRIT program, Geno Rosario says, "It's changed my house for the better. And I've felt so much less month-to-month stress since this program started. It feels like I have some room to breathe." Geno adds that the \$500 each month is spread between tutoring for his 11-year-old, food for the family, and their first family outing in over a decade.

Geno is a single father in Tacoma raising three boys. He works as a technology consultant for a small company and sustains his household paycheck to paycheck, something that has led to enduring stress and pinching of pennies.

As a Tacoma native, Geno loves the city but says it has felt like an uphill financial battle that he was left to fight alone. He, like so many others, makes too much income to receive support from the public benefits system, but not enough to not need the support. With one kid needing diabetes medication and another needing tutoring, Geno was beginning his search for a second job when he got accepted into the GRIT program. Because of the GRIT dollars, Geno has not needed a second job, and he hopes to save as much of the money as possible in order to sustain himself and his family on a single income.



Stephanie has admitted that she sometimes struggles with guilt and shame to be on the receiving end of a program that seems too good to be true. But for Stephanie, the benefits have been great. For years, she was having to ask herself "What don't I do? What can't I have?" And while the guaranteed income hasn't changed this entirely, she says that she is now stable in only one

full-time job, is able to slowly start paying off her debt, and is now able to make

time for family.

Stephanie is a single mother in Tacoma, recently a grandmother, and a survivor of an unsafe relationship. Stephanie's oldest daughter and first grandchild live apart from Stephanie but are still in need of consistent support- whether that's financial or in babysitting hours, the new family can use all the help they can get. Stephanie's middle child, now 21 and a college student, had to move back in with Stephanie because of the COVID-19 pandemic. So, Stephanie now lives with her 12, 14, and 21-year-old children.

Stephanie was a gracious recipient of the Child Tax Credit and was one of the millions to be disappointed in its harsh cut-off date. Stephanie says she feels grateful that the GRIT payments began right after the Child Tax Credit program ended and adds that she was beginning to look for a second job in order to make ends meet and start chipping away at her debt, but that the GRIT program has allowed her to stay at only one full-time job.

Recipient Demographics

| Race (in %) | |
|----------------------------------|----|
| Native Hawaiian/Pacific Islander | 4 |
| Black/African American | 26 |
| American Indian/Alaska Native | 2 |
| Asian | 4 |
| White | 24 |
| Hispanic/Latino | 4 |
| Two or more races | 38 |

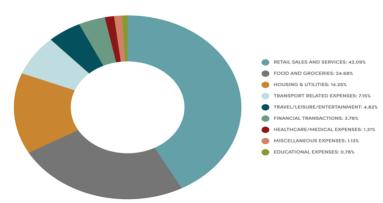
| Gender (in %) | |
|---------------------------|-------|
| | |
| Female | 82.41 |
| Male | 16.67 |
| Non-binary/non-conforming | 0.93 |

Spending Behavior

GRIT recipient spending behavior is made publicly available via an online <u>data</u> <u>dashboard</u>.

The data shows that in Tacoma and around the country, families are using their need-based cash payments to cover necessities in an uncertain economy — providing them with the opportunity, freedom and resilience they need to build financial security

Spending Breakdown



Learn More

Visit the GRIT landing page on United Way's Website

Sign up to receive the monthly GRIT Newsletter

Read recent articles about GRIT:

KUOW

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King 5

MvNorthwest

Dona Ponepinto's Op-Ed in the News Tribune

The News Tribune

US News

KNKX

Watch Mayor Woodards, Dona Ponepinto, and Abigail Lawson announce the launch of GRIT at a **press conference**

Listen to Dona Ponepinto discuss GRIT during a GI webinar

Frequently Asked Questions

What is GRIT?

Growing Resilience In Tacoma (GRIT) is a first-of-its-kind guaranteed income demonstration in Tacoma, Washington. The demonstration will provide \$500 a month for 12 months to families experiencing poverty.

GRIT is a collaboration between the City of Tacoma, United Way of Pierce County and the <u>Mayor's Guaranteed Income</u> (MGI) Network, which includes city leaders, philanthropists, and nonprofit organizations. This collaborative demonstration aims to inform the development of innovative policies that effectively fight poverty and further the implementation of federal guaranteed income policies.

Mayors for a Guaranteed Income is a network of mayors across the country who believe in advocating for a guaranteed income, investing in the stories of those who directly experience economic insecurity and inviting and supporting others to join their efforts.

What's the idea behind a guaranteed income?

It's a proven, effective way to combat several factors that stifle economic mobility, including the coronavirus pandemic and its near and long-term economic fallout, our country's history of entrenched poverty that hasn't ebbed in decades and the growing concentration of wealth at the very top.

Why should Guaranteed Income be implemented?

Before the pandemic, nearly 40% of Americans reported they couldn't afford a \$400 unexpected expense. Our current economic crisis is tenuous and uncertain due to the pandemic, and our communities need help.

GRIT is an effective step toward addressing:

Poverty: Before the COVID-19 crisis, 40% of Tacoma residents were struggling to make ends meet and identified as <u>Asset Limited, Income</u> Constrained while Employed (ALICE).

Support for Basic Needs: The cost of health care, utilities, transportation, and other essential living expenses is over \$72,000 in Tacoma/Pierce County, yet 50% of residents don't have a combined income over \$72,000.

Guaranteed income will supplement, rather than replace, the existing social safety net and can be a critical tool for improving economic, racial and gender equity.

What is Guaranteed Income? How is it different from other conditional and unconditional programs like Universal Basic Income and Cash Transfer Programs?

Guaranteed Income is focused on serving populations that are disproportionately affected by economic challenges. It is not a replacement for wages but a much-needed supplement to families who desperately need a financial safety net. In Tacoma, \$500 can pay utility bills or repair a car. It's enough to keep people on their feet and able to take the next step toward financial stability.

Universal Basic Income is unconditional and meant for all community members and would provide enough of a payment to cover all basic needs. Cash Transfer Programs provide money transfers to families to reduce poverty and may include conditions such as investments in the education and health of children.

Why are you giving participants cash?

Research shows that recipients of cash transfer programs overwhelmingly use the money for basic needs – housing, utilities, food, unexpected medical costs or other financial emergencies. In addition, a lot of social safety net programs already include work or education requirements, and the pandemic has shown us we should not be putting up barriers to desperately needed aid. We need to reverse the historical belief and stereotype that poor people won't make smart financial choices. Data proves that they do, and we should honor and support

people addressing crises in the way that allows them to thrive on their own terms.

Won't participants stop working?

First, several international cash transfer initiatives over decades show no effect on the labor market. The most recent of which was done just this year in Alaska, where they've had a guaranteed income for nearly 40 years. Second, we're talking about \$500. Would you quit your job for \$6,000 a year? Guaranteed income is not a replacement for work, it's a much-needed financial floor to supplement families who desperately need an economic safety net. A few hundred dollars a month can make a real difference in whether Tacomans can keep a roof over their heads and food on the table. In better times, guaranteed income has helped recipients quit a bad job and look for new employment, pay for childcare and relieve debt.

Who gets to choose who participates and receives the monthly payments? Participants will be randomly selected from a pool of qualified individuals. Qualified individuals must be Tacoma residents; single parents or guardians of children; and meet United Way's <u>ALICE</u> criteria (Asset Limited, Income Constrained while Employed).

How many recipients will be selected?

110 participants will be selected as recipients.

If I'm not selected as a recipient, can I still receive the \$500? Unfortunately, no.

How will we know if GRIT is successful?

We will have independent researchers from the University of Pennsylvania School of Social Policy & Practice and the <u>Center for Guaranteed Income</u> <u>Research</u> (CGIR) consolidate key learnings. Quarterly reports will be provided on an online dashboard, and a year after the demonstration ends a report will be published that will highlight the demonstration and the impact the funds had on recipients.

What will happen if GRIT is successful?

GRIT is designed as a 12-month Tacoma-based demonstration. However, our hope is that the data and stories produced by our demonstration will lead to a guaranteed income being adopted at the national or state level.

When will research data be available to the public?

The demonstration will run through winter of 2022. Data will be collected for another 6 months and a report will be released in 2024.

Will Guaranteed Income be expanded to all of Tacoma?

At this time the demonstration is a one-year pilot project. Funding has been secured to cover just this one year and limited distribution.

How can I volunteer with GRIT?

If you are interested in volunteering with GRIT, please send us an <u>email</u>. In your email please include a copy of your resume and highlight your area of expertise and the ways you believe you could contribute to the demonstration.