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GUARANTEED INCOME AND OTHER CASH INFUSIONS

This document contains all of the three-part series.

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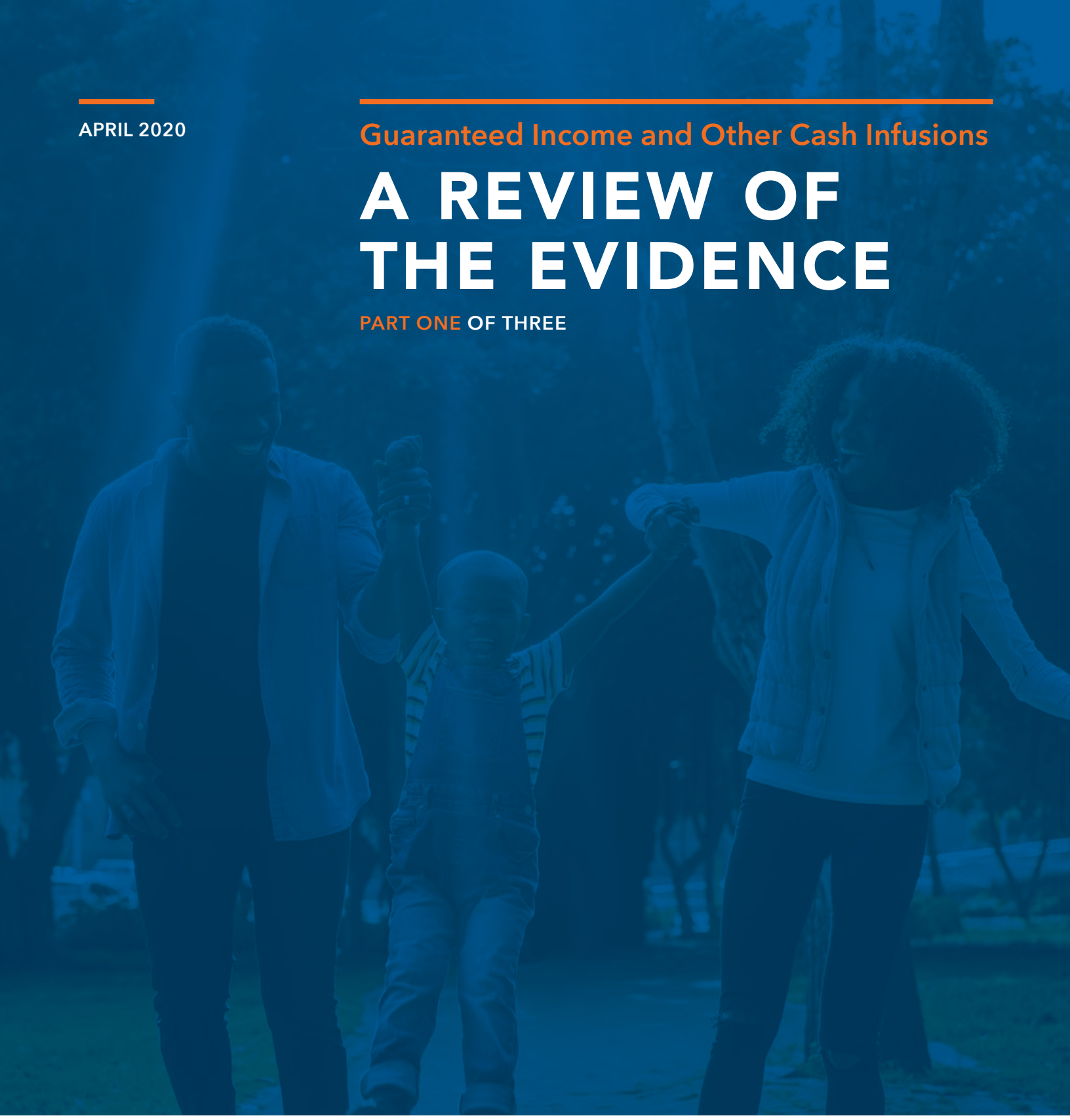
Guaranteed Income and Other Cash Infusions

A REVIEW OF THE EVIDENCE

PART ONE OF THREE



THE ASPEN INSTITUTE
FINANCIAL SECURITY PROGRAM

CONSUMER INSIGHTS

AUTHOR

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ABOUT THIS BRIEF

This brief is the first 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 issue brief examines the reasons behind the growing interest in and the conceptual value of access to guaranteed income and cash infusion programs. The paper reviews definitions related to these programs and the evidence from previous studies of cash infusion programs in the United States and abroad. This brief is intended for policymakers, funders, program and product designers, and others interested in learning more about the evidence base from programs that provide unrestricted funds to individuals.

In this series of publications, we focus on the households missing the critical financial cushion of routinely positive cash flow—where income typically exceeds expenses—to combat financial instability. For these households, the issue is not about managing the money they have, but instead, about not having enough money in the first place. Those with positive cash flow may be able to address their short-term financial needs via high-quality credit and borrowing, but for those without it, borrowing can lead to a debt trap.[1] That is, the premise of borrowing is that although you do not have the cash available now, you do expect to have it in the future. These briefs focus instead on potential solutions to the growing challenge facing US households: a constant struggle to make ends meet, even if they are working, and move up the economic ladder.

Why Is Interest in Guaranteed Income and Similar Programs Growing in the United States?

In recent years, guaranteed income and cash infusion programs and policies have become a hot topic in the US for influential stakeholders ranging from policymakers and researchers to Silicon Valley entrepreneurs and labor market economists. Proponents across the political spectrum are supportive of these policies to address a variety of issues, including growing financial insecurity, persistent poverty, and other concerns regarding the changing nature of the labor market and people's ability to work.

MANY AMERICANS ARE STRUGGLING TO MAKE ENDS MEET

The idea of providing households with money has gained traction within policy circles to counter wage stagnation or to bolster the wages of low- and moderate-income families, as families struggle to keep pace with the rising cost of typical expenses and changes in the labor market.[2] Despite a strong US economy over the last decade, characterized by economic growth and low unemployment, many families continue to struggle with financial insecurity.[3] The US Financial Health Pulse survey finds that in 2019, 135 million people (54 percent) in America struggled with at least some aspects of their financial lives, and an additional 43 million people (17 percent) struggled with all or nearly all aspects of their financial lives.[4]

Moreover, at the national level, only 53.5 percent of Americans report that their spending is less than their income.[5] This phenomenon is more pronounced among households with less than $30,000 in annual income, where just 38.5 percent report that their spending is less than their income, meaning that almost two-thirds of these households lack routinely positive cash flow.[6] Making matters worse, more than half (53 percent) of US households have no emergency savings account.[7]

A major factor in the growing financial insecurity of US households is that fewer jobs provide family-sustaining wages than in the past, meaning that even when additional earners are present in the household, many families still struggle to afford today's cost of living.[8] A new Manhattan Institute report illustrates this: In 1985, it took 30 weeks of male income to cover one year of expenses for a family of four, but by 2018, it took more than a year to do the same (53 weeks).[9] For women, these statistics are even worse: In 1985, the typical female worker had to work for 45

weeks to afford these living costs, and in 2018, she needed to work over 66 weeks.[10]

According to a new analysis by the Brookings Institution, more than 53 million workers qualify as "low-wage" and nearly two-thirds of them are in their prime working years of 25 to 54 years old, meaning that for the vast majority of these workers, the primary support for their households is their low-wage work.[11] The inadequacy of these low-wage earnings to pay for a family's basic needs has been a major driver of interest in cash transfers as a supplement to household income.

IN THE UNITED STATES, POVERTY PERSISTS

Other proponents of giving people money see it as a way to address persistent poverty.[12] In 2018, 38.1 million people were in poverty in the US, or 11.8 percent.[13] In the same year, 28.9 percent of people—nearly one in three US households—had family incomes below 200 percent of the federal poverty line, which demonstrates that the population living in poverty or near poverty is large.[14] People move above and below the poverty line often, with approximately 75 percent of those households below the poverty line able to move up within four years.[15] Moreover, repeated poverty spells are common, and the likelihood increases with more time spent in poverty.[16] Time limits, eligibility restrictions, asset limits, and other program design features of most existing anti-poverty programs hinder their ability to set families on an upward economic trajectory. As a result, there is increased interest among many stakeholders in experimenting with programs that would provide more eligibility and fund-use flexibility to families experiencing poverty and allow them to amass savings and invest in their own mobility and well-being. Additionally, some experts argue that removing restrictions on existing anti-poverty and safety net programs would reduce the cost of administering such programs.

> **Fewer jobs provide family-sustaining wages than in the past, and many families struggle financially as a result.**

Financial Precarity Is Not Uncommon

Many households are also facing severe liquid asset poverty. For instance, 50 percent of the customers at the nonprofit financial coaching provider The Financial Clinic are living in severe liquid asset poverty: Fifty percent of their customers report having no liquid assets and 75 percent report having total assets of less than $500. Many customers also experience regular income volatility in addition to asset poverty.[17] What these data demonstrate is that living in financial precarity is not uncommon.

UNRESTRICTED FUNDS CAN FILL LABOR MARKET GAPS

In addition to the arguments being made in favor of expanding access to unrestricted cash to counter persistent poverty or to bolster the wages of families, some experts suggest this money could address other labor market needs. For instance, unrestricted funds could encourage individuals to realize their full creativity and potential and work in sectors they may not have pursued otherwise, as the additional funds would improve the pay differential across other positions, boosting the supply of talented workers across all sectors of the economy.[18] Moreover, providing families with additional funds could provide the slack in their budgets and time needed to pursue retraining or education.[19] Some experts believe that cash infusions could help address the gender and racial wealth gaps by improving wage parity.[20] For instance, unrestricted cash may enable more caregiving work—such as eldercare, a demand that is expected to increase by 36 percent in the next 10 years—whose jobs have historically been underpaid, and most often held by women, especially women of color.[21] Futurists and technology sector workers argue that providing unrestricted cash to individuals may be necessary to prepare for a future where artificial intelligence replaces the current reliance on human labor.[22] Lastly, some policy researchers see targeted infusions of money as a tool to deploy during economic downturns to help stabilize the economy.[23]

What Is the Importance of Unrestricted Cash in People's Lives?

Cash on hand improves financial well-being in myriad ways, providing a financial buffer against unexpected expenses and creating the possibility for investment in mobility- and wealth-enhancing efforts. Giving people access to reliable unrestricted liquid funds allows them to intentionally plan and spend in ways they may not have the capacity to do otherwise.* Unrestricted funds also eliminate other complications, such as receipts or reimbursements, and thereby reduce the cost to administer programs and lessen the burden for program participants.

Importantly, cash puts dignity, creativity, and choice back into the hands of those receiving it. Recipients can spend the money in the way that best works for them, without having to justify the expenses and their intentions. Moreover, cash is flexible: Families can start an emergency fund, save for the future, invest in education or a business, take a family trip, or choose some combination of these actions and others. Cash can also provide some relief to individuals by lifting the weight of the stress due to having little or no financial cushion.

Unrestricted funds:

- **Help families maintain their current financial positions and consumption levels and build resilience against financial shocks**. The slack created in family budgets from having cash available can be used to build savings and maintain their current financial standing and consumption when faced with expense spikes, income dips, or unforeseen emergencies that might otherwise threaten their financial stability. For instance, families can apply these funds toward needed medical care, car or house repairs, to keep food on the table, or whatever their specific need is at the time.
- **Create opportunities to invest in mobility-enhancing efforts that can boost or stabilize household income**. Having cash on hand can help individuals pay for one-time expenses such as business license fees or career-related trainings or certifications. Greater cash reserves can also help families make larger self- and family-investments, such as to pay for school tuition or start their own business.
- **Provide flexibility and dignity to families and give them the agency to address their unique situations**. When families receive no-strings-attached cash, they can use the money in whatever way is best for themselves, whether that be toward school uniforms for children or making a family excursion to a local park or museum. The reality is that each household has unique needs and wants, and unrestricted cash allows households to best meet their individual situations. For instance, the charity GiveDirectly found that in the aftermath of a hurricane, had recipients received the most common bundle of goods and services purchased, only 6 percent of them would have had all of their needs met. Instead, by providing unrestricted funds, families themselves can decide how to use the funding to address their idiosyncratic circumstances and needs.[24]

* For instance, if a program provides funds for prospective students to pursue higher education, but only allowed the money to be spent on tuition (restricted funds), the aspiring student may face barriers in the immediate term because of the other upfront costs of schooling—including textbooks, transportation to and from school, and other non-tuition fees—that could prevent some aspiring students from pursuing the opportunity, or from successfully completing the program. Thus, even with tuition fees waived, the potential student may not have the means to pay for the opportunity. Instead, if a program gave individuals unrestricted cash, they could utilize the funds in the way that works best for their current financial situation.

Types and Attributes of Cash Transfer and Infusion Programs

It is in this context of households struggling to maintain positive cash flow, with many falling in and out of poverty, struggling to maintain financial stability, or facing income and expense volatility, that discussions around cash transfer policies and programs begin. Cash transfer programs can be **conditional** or **unconditional** in their eligibility, and **restricted** or **unrestricted** in their use. Programs are conditional when receiving the cash is dependent on certain eligibility requirements or compliance with certain program requirements, such as working a specified amount, children maintaining a certain attendance record in school, or adults participating in financial coaching or other program activities. Unconditional programs do not require specific actions to undertake or qualifications to access the funds. Whether a program is restricted or unrestricted is based on whether there are rules around how the recipients can use the funds. While conditionality refers to how people qualify for the dollars on the front end, restrictions refer to the way funds can be spent once received. Funds from restricted programs must be utilized for specific purposes and purchases—such as on food or healthcare spending, or savings—and unrestricted programs allow the recipients to use the funds in any way they choose. See the Definitions textbox for more details.

DEFINITIONS

Throughout these briefs, we refer to cash transfers, cash infusions, direct investments and grants interchangeably to refer to a policy or program that provides money directly in some form (perhaps electronically on a prepaid debit card or via a check) to participants. In this series, we are agnostic about the actual form of the funds, and in the briefs, refer to "cash" as meaning having funds available, whether that be physical or digital, or in some other form. The following definitions describe specific program or policy design features of different ways to give people money directly.

Basic income: The cash provided is expected to cover a person's basic needs, such as the costs of food, shelter, utilities, and other living expenses.

Guaranteed income: In these programs, a steady, predictable, and unrestricted amount of money is provided to recipients. A guaranteed income does not necessarily meet basic needs.

Targeted: Programs designed to service a specific population, such as households below a certain income threshold.

Universal: Programs that are universal are available to people broadly within a given community, without having to meet other specific qualifications.

Universal basic income: A universal basic income program, or UBI, would provide a financial stipend to individuals, regardless of need or other qualifying characteristics.

Conditional: A conditional program requires the recipient to meet certain eligibility requirements, such as having a young child, or maintaining a specific attendance record for school.

Unconditional: Unconditional programs have no behavioral or action-oriented requirements to be eligible for the program.

Restricted: Restricted programs limit the way that received funds can be utilized, such as by requiring the money to be used only to pay for housing or education costs or to start a business.

Unrestricted: Unrestricted programs have no limitations directing how the money can be used by recipients.

What Do We Know About the Impact of Cash Transfer Programs?

Guaranteed income and other cash infusion programs and experiments are cropping up in cities across the United States, and in other countries including Canada, Finland, India, and Kenya. While these programs may seem new, the underlying idea of providing cash has a long history across the political and ideological spectrum and has been employed for decades, through programs including the Earned Income Tax Credit in the US and as a vehicle for international aid in the developing world.[25] These programs vary widely in scale, duration, restrictiveness, and dollar amounts transferred. The section below reviews the evidence of what is known about the impact of cash transfer programs, policies, and experiments, both in the United States and abroad.

SOCIAL SAFETY NET PROGRAMS CAN BOLSTER INCOME OR REDUCE EXPENSES FOR FAMILIES

Public benefits have traditionally aimed to help families address household financial instability by supplementing income directly or providing an important consumption floor through in-kind support to subsidize basic expenses, such as those for food, housing, and medical care.

Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), and Unemployment Insurance (UI) are three federal programs meant to help individuals and families increase available cash (or cash-like) reserves.

Temporary Assistance for Needy Families, or ***TANF***, is an assistance program that provides cash benefits to low-income families with children. The program has strict work requirements and lifetime limits for program receipt,[26] and the Urban Institute estimates that only about 1 percent of the total population received cash assistance from TANF in an average month in 2016.[27] TANF has shrunk since its creation in 1996: In 2018, only 22 percent of families in poverty received any TANF assistance, down from 68 percent when it was first enacted, meaning most people living in poverty do not receive these funds.[28]

The ***Supplemental Nutrition Assistance Program (SNAP)***, formerly food stamps, provides a monthly benefit to low-income families to boost their household's food budget. Although SNAP is not an unrestricted cash transfer—since the benefits received must be spent on food and certain grocery items[29]—the benefits provided by the program are a critical resource to receiving families. In Fiscal Year 2019, over 34 million people in more than 17 million households received SNAP benefits in a typical month, and the average monthly SNAP benefits per household was $257.85.[30]

Unemployment Insurance (UI) provides temporary financial assistance to eligible workers, who find themselves unemployed by no fault of their own.[31] The program provides recipients temporary wage replacement while they look for work, typically up to half of a worker's previous earnings, up to a maximum benefit level.[32] The program is time limited to 26 weeks in most states, but the program length, benefit amounts, and eligibility can vary state by state, as states administer their own programs within federal law guidelines.[33] The program provides critical support for individuals to maintain purchasing power while they are unemployed.[34]

Analyses of these programs and others demonstrate that they alleviate material hardship for those unable to meet basic needs and provide a foundation for better future outcomes.

Federal Safety Net Receipt Improves Material Hardship and Well-Being Outcomes

Research demonstrates the positive impact of these programs on alleviating material hardship and financial stability. For instance, a JPMorgan Chase Institute study finds that the additional liquidity Unemployment Insurance provides families substantially mitigates the impacts of

short-term job loss, softening the associated drop in income from 46 percent to 16 percent and averting 74 percent of the potential drop in spending absent benefits.[35] When UI benefits are exhausted, spending declines across a wide variety of categories including groceries and healthcare, suggesting that families have a meaningful decline in their well-being after benefits run out.[36]

Similarly, Urban Institute researchers find that participating in TANF, SNAP, Medicaid, or the State Children's Health Insurance Program "reduced material hardship by 48 percent among low-income households with children."[37] Moreover, researchers have found that SNAP reduces the prevalence of food insecurity by about five to 10 percentage points.[38]

Safety Net Programs Also Boost Financial Security and Economic Mobility Outcomes for Recipients and Their Families

Federal social safety net benefits also improve financial well-being and longer-term economic mobility prospects. For instance, The Financial Clinic has found that TANF and Supplemental Security Income—a program that provides monthly cash assistance to people with little income and few assets that are elderly, blind, or disabled—in particular, support financial security building for clients, by increasing savings, increasing credit scores, reducing debt, and helping them achieve financial goals.[39] In addition, a new analysis demonstrates that customers on the Clinic's financial coaching platform ChangeMachine that report receiving either TANF, SNAP, Medicare, Medicaid, or Supplemental Security Income and Social Security Disability Insurance are roughly 12 percent more likely to increase their savings and reduce their debt when they work with a financial coach, compared to similar clients that do not receive such benefits.[40] By helping families purchase food, SNAP both reduces poverty—in 2015, it was estimated that SNAP helped move 8.4 million people out of poverty—and allows families to spend their available resources on other necessities including housing and medical care.[41] There is also evidence that children who received benefits from the Food Stamps program before age five experienced long-term benefits to economic self-sufficiency, such as reduced likelihood of income from public assistance in adulthood and higher rates of homeownership.[42]

The Restrictiveness of These Safety Net Programs Reduces Their Impact

A number of public safety net programs are time-bound, others require participants to routinely demonstrate continued eligibility including demonstrating that their assets do not exceed very low state and federal limits, and in some cases, benefit receipt can vary widely from state to state, limiting their intended impact. For instance, federal law prohibits most families from receiving TANF benefits beyond 60 months.[43] TANF benefits vary widely by state and this has strong implications for receiving families: In fiscal year 2018, TANF benefits averaged $423 nationally, but ranged from $137 in Mississippi up to $707 in New Hampshire.[44] In general, a small shift in hours worked or in pay can push a family's wages above the eligibility threshold for various safety net programs, a phenomenon known as a "benefits cliff. This can trigger a reduction or complete loss of benefits that then contributes to income volatility as benefit amounts vary throughout the year.[45] Together with the requirement that recipients not build up any meaningful savings lest they run afoul of program asset limits, benefits cliffs create a significant barrier to economic mobility for the economically vulnerable households these programs are intended to help.

Another way in which program design deeply reduces the impact of safety net programs is the difficulty of enrolling and continued participation. This can be seen in the gaps in participation rates for various programs, where resource dollars are being left on the table instead of benefiting those that they are intended to help. For example, the EITC participation rate among eligible households was approximately 78 percent in 2016 and SNAP participation in fiscal year 2016 was 75 percent.[46] Because states set and administer their own rules for many safety net programs, which impacts both who is eligible and how much those individuals and families can receive, participation rates also vary widely by state.[47] These varying limitations of safety net programs as they exist today hinder their ability to best meet families' needs for both short-term financial stability and longer-term economic mobility.

EVIDENCE FROM UNRESTRICTED CASH TRANSFER PROGRAMS

Given the importance of these safety net programs on household financial outcomes, let's turn to the evidence from less restrictive cash infusion and guaranteed income programs. There is a long history of programs that provide cash to individuals and families, with and without conditions attached, both in the United States and abroad. Extensive studies of these cash transfer programs exist and demonstrate that these cash infusions:

- **Increase funds for savings and investments**. Recipients used the cash influx in ways that improved their financial health, such as by creating short- and long-term savings and paying down debt, or moving to better neighborhoods, or making productive investments that led to higher earnings.
- **Have little effect on working hours**. For several studies, there was no effect on labor force participation from cash infusions or guaranteed income, and in others, there may have been a slight uptick or decrease in hours worked. Importantly, in cases where fewer hours were worked, these hours seem to have been devoted to finding other employment, providing needed childcare, and mothers taking more time to return to work after giving birth.
- **Provide needed slack to cover basic needs**. Recipients often use the cash to pay for needed goods and services, such as to pay for postponed medical care.
- **Reduce poverty**, especially for vulnerable populations.
- **Boost health outcomes** for infants, children, and mothers, including improved maternal mental health and children's emotional and behavioral health.
- **Improve educational attainment for children** and improve their performance on cognitive tests.

Lessons from US-Based Programs

The following section details research from four state, tribal, and federal cash transfer programs and experiments in the United States. It details each of these programs and the findings from these unrestricted cash transfer programs.

Alaska Permanent Fund Dividend

The Alaska Permanent Fund Dividend (PFD) has provided an annual check to Alaskan adult and child residents since 1982.[48] The check amount varies year to year, but typically ranges from $1,000 to $2,000.[49, 50] Since the dividend is distributed per person, the average family receives about $3,900 annually.[51] The distributed funds are unrestricted and are given to all residents regardless of need or working status, making it the only statewide, permanent, and universal program discussed in this paper.

In Alaska, poverty rates typically remain under 10 percent for urban Alaskans, but rural poverty averages around 20 percent.[52] A study of the PFD found that the dividends have reduced poverty in the state by 2.3 percentage points, and has been most beneficial for the most vulnerable populations, which includes children, the elderly, the disabled, Alaska Natives, as well as those residents living in rural regions, where the cost of living is often much higher. The PFD has been especially successful at reducing rural poverty: Without it, researchers estimate that "more than one in five rural Alaskans would be pushed below the poverty threshold."[53]

A 2017 survey commissioned by the Economic Security Project found that 72 percent of PFD recipients report using their dividend in ways that promote their financial health, such as by saving it for essentials or emergencies, for future activities like retirement or education, or to pay off credit card or other debt. Just 1 percent of employed Alaskans believe the PFD makes them work less.[54] Consistent with this finding, researchers found that the dividend had no effect on overall employment rate in Alaska; however, they found that part-time work increased by 1.8 percentage points, or 17 percent, relative to how much they worked prior to the PFD.[55] This could reflect that workers went from full-time to part-time work, or that residents joined the labor force on a part-time basis.[56] Their research suggests that this permanent and universal cash transfer has limited adverse employment impact.

The Eastern Band of Cherokee Indians Casino Dividend

The Eastern Band of the Cherokee Nation owns two casinos and issues a dividend to members from the profits, typically amounting to payments between $4,000 and $6,000 annually. This large payment represents between one-fourth and one-third of the income for many members' households.[57] A study on the effects of this permanent household income increase suggests

an improvement in child outcomes, with increases in child educational attainment at ages 19 and 21 and reduced criminal behavior at 16 and 17 years of age.[58] A separate study also found large positive changes on children's emotional and behavioral health as well as positive changes to personality traits, such as an improvement in conscientiousness. This study also found evidence that a subsample of the population moved to census tracts with better income levels and educational outcomes following the improved household income.[59] Importantly for the discussion on cash infusions, the study found no effects on labor force participation for receiving families, meaning that this income boost has not resulted in recipients reducing their labor force participation.[60]

The Earned Income Tax Credit

Tax refunds are a large source of income for many US households, and for low-and moderate-income working families with children, a large proportion of that refund comes from the Earned Income Tax Credit (EITC). The EITC is considered the largest anti-poverty program for low-income working adults.[61] It is a refundable tax credit program that provides the largest benefits to families with children, though childless workers are also eligible for a very small credit.[62] In 2018, the maximum credit the EITC provided was $519 for eligible workers without children and up to $6,431 for workers with three or more children.[63] Research finds that the EITC dramatically increases the number of hours worked for single mothers and that it removes more children from poverty than any other program.[64] The Center on Budget and Policy Priorities finds that, "In 2018, the EITC lifted about 5.6 million people out of poverty, including about 3 million children. The number of poor children would have been more than one-quarter higher without the EITC."[65] By putting more cash into these households, the EITC also has effects beyond the benefits to household balance sheets such as improved physical and mental maternal health,[66] children's performance on cognitive tests,[67] and infant health.[68]

In addition to this federal credit, the District of Columbia, more than half of the states, and Puerto Rico have supplemented the federal EITC with their own.[69] Studies of tax returns by the JPMorgan Chase Institute demonstrate the importance of these refunds on consumer spending, and illustrate that many households defer spending until they receive their tax returns, which indicates how cash-starved families are. (See the textbox below for more on these findings on tax returns.)

Tax Refunds Greatly Impact Household Spending and Balance Sheets

In two separate reports, the JPMorgan Chase Institute observes that tax refunds—often the largest cash infusion households see in a year—impact families' saving and spending in important ways far beyond tax season. Equal to almost six weeks of take-home income, the tax refund generates a sharp increase in expenditures immediately following its receipt, and a significant fraction is also set aside to savings, with an average of 28 percent remaining even six months later.[70]

Notably, out-of-pocket spending on healthcare services jumps by 60 percent in the week after a tax refund is received. Most of this additional spending takes place in person at healthcare service facilities, indicating that families defer at least some of their healthcare consumption until after they have this additional liquidity. Further illustrating this point, the increase in healthcare spending after the arrival of the tax refund was twentyfold larger for families with less than $500 in liquid savings compared with those with $3,500 or more.[71]

Negative Income Tax Experiments

Between 1968 and 1980, the United States tested a guaranteed minimum income via four cash transfer program experiments in the form of a negative income tax (NIT), or refundable tax credit, to low-income individuals.[72] Under an NIT, households with an income below a predetermined threshold receive an income supplement to boost earnings up to that guaranteed income level.[73] The payments were associated with increased household assets, improved school attendance records and children's test scores, and reduced child malnutrition.[74] Unlike findings in developing countries and in other US-based programs, there was a small decline in household working hours associated with these programs, primarily among second- and third-wage earners in a family, rather than the primary earner.[75] Specifically, the fall in

labor supply for husbands (typically the primary wage earner) was approximately two weeks of full-time employment, three weeks for wives and single female household heads, and four weeks for youth.[76] Of note, the extra earnings beyond the guaranteed minimum income were being taxed at rates between 30 to 70 percent, yet in response, men's hours worked decreased by less than 10 percent.[77] This decline in hours for non-primary earners could reflect families optimizing their time and finances, as these decreases were concentrated among mothers who took more time to return to the labor force after giving birth.[78] Moreover, researchers found that those workers that did decrease their hours, used that time to look for work or provide childcare.[79] Canada ran a similar program with similar findings.[80]

Lessons from International Cash Transfer Programs Offer Further Evidence About the Benefits of Cash Transfers on Recipients and Their Families

Similar to the findings from United States-based programs, studies of cash transfer programs from abroad—from India,[81] Uganda,[82] Brazil,[83] Mexico,[84] Kenya,[85] Finland,[86] and Canada,[87] among others[88]—show that unrestricted cash programs have positive impacts on a range of outcomes, such as improved long-term income prospects, including higher earnings due to productive investments made. In many cases, working hours were unaffected, or in some cases, increased and thus boosted earnings. Some of these programs have been especially successful at combatting poverty, such as the Bolsa Família program in Brazil that more than halved the country's extreme poverty rate from 9.7 to 4.3 percent.[89] Overall, the research demonstrates that the flexibility of the funds also assists households to smooth consumption, put food on the table, pay down debt, and purchase needed items, such as school supplies and children's clothing.[90]

Results also demonstrate better educational attainment, including increased school attendance, grade progression, and high school education completion. Health outcomes improved under these programs, as measured by increased prenatal care visits, immunization coverage, reduced child mortality, and reductions in hospitalization rates, among other outcomes.

The cash transfer programs also increased food sufficiency and children's nutritional outcomes. In some cases, cash was tested against providing in-kind assistance, and was found to improve outcomes for recipients and efficiency for the programs, some at lower cost than the traditional in-kind support programs.[91]

Does Giving People Cash Cause People to Stop Working?

The current share of working American adults lags behind other developed nations, such as Canada, France, Germany, Japan, and the United Kingdom. According to data from the US Bureau of Labor Statistics, 83.1 percent of adults in their prime working years (ages 25 to 54) were in the labor force in January 2020.[92] Some critics argue that public benefit provision discourages work, but economists across the aisle agree that the current US labor force participation rate is not due to the public benefits system.

When asked whether "the richness of our social programs" was to blame for fewer people looking for jobs or working, Federal Reserve Chair Jerome H. Powell stated, "It's very hard to make that connection, and I'll tell you why. If you look in real terms, adjusted for inflation, at the benefits that people get, they've actually declined during this period of declining labor force participation. It isn't better or more comfortable to be poor and on public benefits now; it's actually worse than it was."[93]

Furthermore, MIT Professors and recent winners of the Nobel Prize in Economics Esther Duflo and Abhijit Banerjee write that, "40 years of evidence shows that the poor do not stop working when welfare becomes more generous."[94]

These studies demonstrate that cash transfer programs have the potential to change a family's trajectory on a variety of measures, including maternal and child health, educational attainment, and financial measures such as greater savings and spending on mobility- and income-enhancing assets, as well as increased spending on needed basics such as food.

Conclusion

The absence of positive cash flow undermines financial stability and there is strong evidence that cash transfers can help

Families across the United States continue to face barriers to financial security and well-being, including unstable income or expenses, low or no savings, and the risk of financial shocks that can destabilize a family's finances. A lack of financial cushions—including routinely positive cash flow and liquid savings, or cash and money held in checking and savings accounts—poses a barrier for families to maintain and achieve short-term financial stability.[95] Without enough money coming in to cover basic needs, it is extremely difficult to build and replenish personal savings. Moreover, without cash reserves, it is difficult for individuals to undertake mobility- and wealth-enhancing steps.

International programs and those in the United States demonstrate that cash transfers are a program component that can help households boost savings and provide the financial buffers needed to weather financial shocks and pursue mobility strategies. The idea of incorporating cash transfers into programs and policies is gaining traction across the US and abroad, from those interested in raising the household income floor to others that are preparing for a future labor market that relies on artificial intelligence. The next brief in this series will review in detail evidence from the cash transfer programs that CIC members LIFT and Family Independence Initiative (FII) offer to members. The brief will explore the motivations, operations, and value of flexible cash infusions for recipients and their families. To read this brief, see https://www.aspeninstitute.org/publications/guaranteedincome.

Endnotes

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THE ASPEN INSTITUTE FINANCIAL SECURITY PROGRAM

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.

commonwealth

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

SaverLife
Formerly EARN

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

Fii Family Independence Initiative

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
Creators of Change Machine

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

/ inclusiv /

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

LIFT

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.whywelift.org
Washington, DC

MAF

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

mypath

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

NEIGHBORHOOD TRUST FINANCIAL PARTNERS

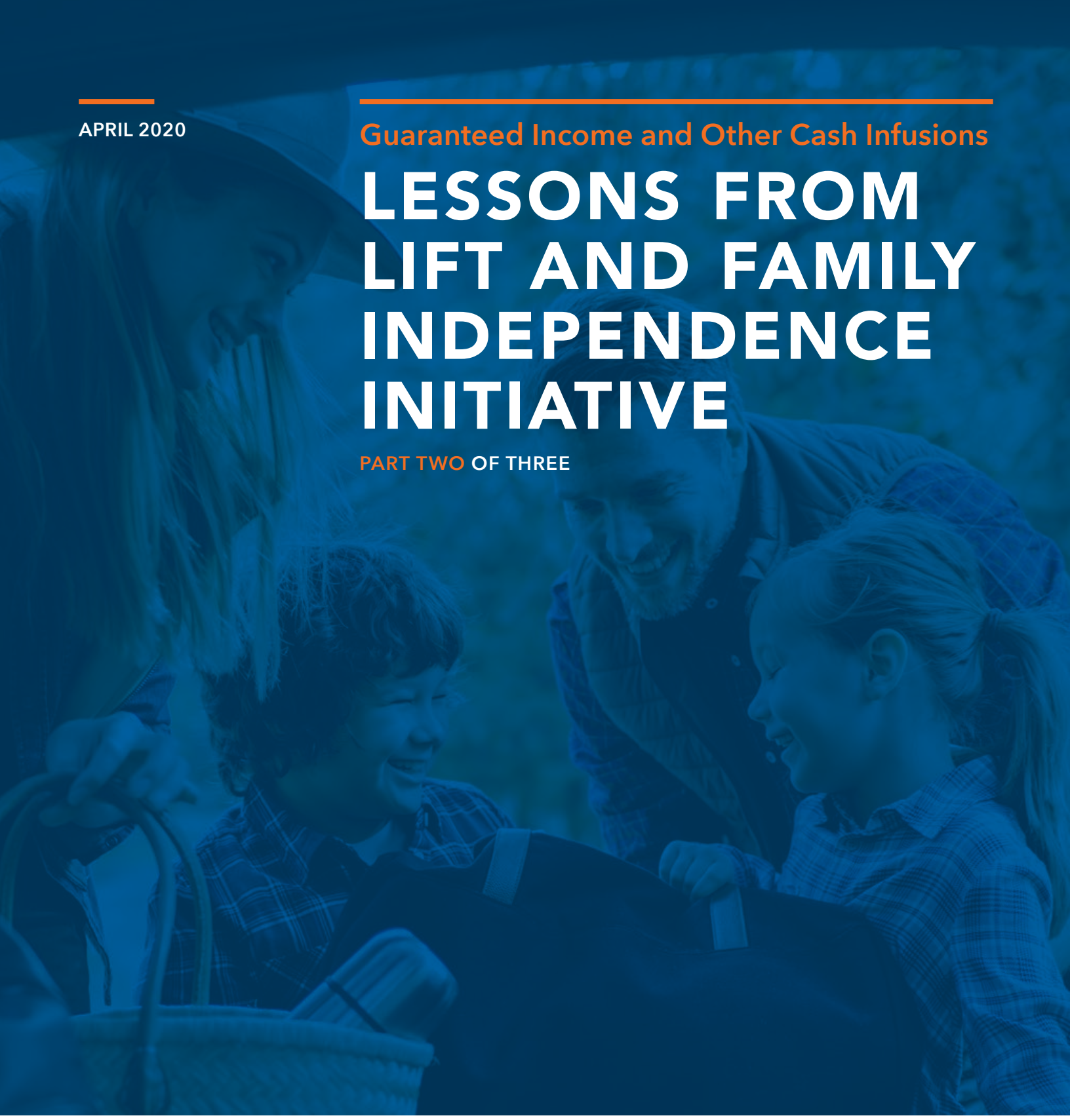
Helps everyday people take control of their finances through expert counseling linked to safe and goal-oriented financial products and delivered in convenient settings.
www.neighborhoodtrust.org
New York, NY

APRIL 2020

Guaranteed Income and Other Cash Infusions

LESSONS FROM LIFT AND FAMILY INDEPENDENCE INITIATIVE

PART TWO OF THREE



THE ASPEN INSTITUTE FINANCIAL SECURITY PROGRAM

CONSUMER INSIGHTS

AUTHOR

Sheida Elmi, Research Program Manager for the Aspen Institute Financial Security Program, authored this report.

ABOUT THIS BRIEF

This brief is the second 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.

To learn more, visit **AspenFSP.org** or follow **@AspenFSP** on Twitter.

Introduction

This issue brief describes the program models, outcomes, and design lessons from two innovative, multi-site nonprofits in the United States—Family Independence Initiative and LIFT—that provide unrestricted cash infusions to their members. This issue brief is intended for public, private, and nonprofit program designers, funders, and others interested in implementation lessons and outcome data from these unrestricted cash infusion programs.

Lessons in this brief are drawn from Family Independence Initiative (FII) and LIFT, two members of Aspen FSP's **Consumer Insights Collaborative**—an effort across nine leading nonprofits to collectively understand and amplify data about the financial lives of low- and moderate-income households for the public good—that provide cash transfers as a part of their program design. Specifically, this brief will explore lessons from FII's UpTogether Fund and LIFT's Family Goal Fund.

Overview of Program Models

Both Family Independence Initiative (FII) and LIFT work with members over a two-year period and are grounded in trust for the families they serve, and the value of the families' communities and social networks. LIFT builds relationships with low-income parents of young children to set family, career, education, and financial goals through a coaching model and connects them to the resources and networks to help them accomplish their goals. FII provides a technology platform to help low-income families strengthen existing social connections, create new connections, and access investment dollars to help families meet their self-defined goals and accelerate their economic mobility. To learn more about their individual programs, see the textbox on page 2.

LIFT and FII each have a cash transfer component to their programs and collect extensive information from participants, providing a rich dataset from which they and others can learn. The data from LIFT and FII support their philosophy that families understand how to best use the funds they receive.

The sections entitled "LIFT's Family Goal Fund" and "Family Independence Initiative's UpTogether Fund" provide case studies—that examine each program, its design, and the cash transfer outcomes of recipients—to explore the benefits of cash receipt for their members. "Cash Transfer Program Design Lessons and Implications" considers the implications of these case studies for program design and family outcomes.

The Programs of Focus in This Case Study

Family Independence Initiative trusts and invests in the initiative of low-income families to advance their economic and social mobility, currently in 14 sites across the country. FII's approach focuses on three main components: (1) providing direct investments to families to improve their well-being, (2) lifting up individual and collective efforts families make through social capital, and (3) allowing families to have choice and control (through the unrestricted direct investments) over their lives. At the heart of the FII model is a trust that low-income families working in peer groups can lead their own change.

As FII Executive Vice President Jorge Blandón explains, "When we say, 'you're the expert of your own experience, in your community, and we trust you,' then you see families increasingly turn to each other for support with trust."[1] The program is grounded in this emphasis on community and social capital, which can be used to help families meet their goals and benefit the community as a whole. Through local service organizations, community groups, and educational organizations, families form groups of six to eight members with whom they work toward their self-determined goals. These families are from their natural affinity network (friends, co-workers, etc.). Successfully enrolled family groups share the desire to take initiative and change their lives. For more information, see **www.fii.org**.

Families make a two-year commitment with FII, agreeing to complete monthly online journal entries that capture data about the household, including information about household finances, health, education and skills, and social connections. After six months of program participation and in exchange for this knowledge sharing, the families can access FII's UpTogether Fund to support their self-directed goals. Families may access up to $1,200 in unrestricted funds for each of the two years with FII, up to a total of $2,400.[2]

LIFT helps parents of young children build their: (1) personal well-being, (2) social connections, and (3) financial strength to achieve economic mobility and break the cycle of poverty, lifting two generations at once. LIFT works with families in Chicago, Los Angeles, New York, and Washington, D.C. The organization unlocks the potential of families living in poverty by placing parents in the driver's seat, moving away from "managing" issues to giving parents the tools and resources they need to rise above and stay above the poverty line for good. For more information, see **www.whywelift.org**.

LIFT connects parents with professionally trained coaches who help them problem-solve immediate issues, stabilize their families, and make progress toward small and large individual and family goals for the future. The goals are typically related to career, education, and finances. At LIFT, coaching is a one-on-one collaborative relationship between a member and a coach that places the parent at the center and the coach in a supporting role.

In addition to their coaching services, LIFT has introduced the Family Goal Fund, a pool of financial resources designed to accelerate parents' goal attainment over a long-term engagement in coaching and provide a small buffer from the stressors of chronic volatility and scarcity that come with living in poverty.[3] While the member is engaged in the program, they receive quarterly unrestricted cash transfers of $150 for two years, up to a total of $1,200. The members can spend the funds any way they would like, and they work with a coach to discuss how the funds can support goal attainment.

LIFT's Family Goal Fund

WHAT IS LIFT'S CASH INFUSION PROGRAM?

The Family Goal Fund is LIFT's cash infusion program that is offered in conjunction with its coaching program. The Family Goal Fund is a direct, unrestricted cash transfer of up to $150 that members receive quarterly for up to two years, totaling nearly $1,200.* Because it is unrestricted, families can use these funds in any way they choose. As of December 2019, LIFT has issued more than $290,000 to over 600 families since the launch of the Family Goal Fund.[4]

RECOGNIZING MEMBERS' FINANCIAL REALITIES

LIFT began offering cash transfers from the Family Goal Fund to enable members to stay engaged with the program and continue to make progress toward their goals, even when financial shocks or other barriers make program retention and engagement more difficult. When LIFT first began offering the program, it was expected the funds would be used for two primary purposes: to create slack in household budgets and to make family investments.

Members can create slack, or a small buffer in their monthly budgets, through the quarterly cash transfers. Creating slack provides households a financial cushion to help reduce the stress and cognitive cost of constantly having to find ways to make ends meet and to keep food on the table. If the fund is used in this way, it can provide some wiggle room to give members an opportunity to focus more on their goal attainment and less on their immediate financial concerns. For instance, this slack can help members cover unexpected costs or emergencies that could otherwise derail members' progress on their goals. Far too many families across the income spectrum have little buffer between income and expenses, and for low- and moderate-income households, this concern is even more pressing because one sudden or unexpected expense—such as a large medical bill—can destabilize a household's budget and push families into poverty.

LIFT's staff also thought that providing these funds would allow members to make family investments by subsidizing goal-related expenses. Investments in this category would include using the funds to empower members or their families to make progress on their career, education, or financial goals. For example, members' most common financial goal is to build savings, and the quarterly funds received could immediately be used to start or build savings for a member. Similarly, savings-related goals for specific purposes can also be met through this path, be it to help a student member pay for licensing exams or to help a member purchase a more reliable car.

LIFT'S PROGRAM DESIGN DECISIONS AND CHANGES

LIFT did not always have a cash infusion element built into its program. In fact, LIFT's experience serves as a reminder of why pairing a cash transfer to programs and strategies can help keep recipients on track to meet their goals, catalyze greater goal attainment, and improve program retention, especially protecting against losing members when an unexpected income or expense shock occurs. The Family Goal Fund's program design is a result of lessons learned from previous LIFT pilots, as well as evidence from behavioral science and scarcity research findings that underscore the importance of building financial slack, expanding mental bandwidth, and reducing stress.[5]

* For each of the two years, LIFT provides members with quarterly cash transfers of $150 three times a year and a final quarterly payment of $149, totaling $1,198 across the two years.

LIFT changed its national program model in July 2017 to include the Family Goal Fund. Prior to that, LIFT piloted a variety of cash transfer programs in each of its four sites that included design elements such as matched savings, emergency response funds, and programs that provided reimbursements for approved expenses, including one program that required receipts for such expenses.

Over the course of approximately three years, LIFT learned from these pilots, and measured how members fared with these offerings based on metrics including whether the money could be quickly dispersed to members (responsive to meet emergency needs). Other metrics included whether the receipt of cash was reliable (would requests for funds be easily met), and if the amount transferred created slack in the members' budgets. LIFT also wanted to learn how much the program demonstrated trust in the members (by allowing the members to decide how to spend the money), and if it was scalable (would the financial and administrative costs be feasible within the program's budget if it were provided to members broadly). Based on member outcomes and staff feedback, LIFT learned lessons from these pilots that informed its current model. For instance, in one pilot program, the lack of clarity around how the fund dollars could be spent created unintentional barriers for members to access that fund.

The current design of the Family Goal Fund is an unrestricted cash transfer program that does not require members to submit receipts from purchases made with the cash received. This choice was made to demonstrate LIFT's trust in its members' decisions, accelerate goal attainment for members, and eliminate unnecessary administrative burdens on LIFT and members. Additionally, by providing funds at a regular cadence instead of having members request funds when needed, members can plan more intentionally for future investments and more quickly make progress on their goals. The current program also removed barriers to accessing and using the funds so members could better respond to their own needs. Lastly, the current Family Goal Fund model reflects logistical considerations that reduced the costs of administering the program—such as by removing the administrative burden of monitoring members' spending—and this, in turn, made it easier for members to access the funds.

HOW LIFT MEMBERS PLAN TO USE THE CASH TRANSFERS FROM THE FAMILY GOAL FUND

LIFT finds that its members have used these funds to cover essential needs, expenses related to their goals, and in rare cases, the cash infusion has helped to pay for financial emergencies. Based on member feedback, LIFT knows how members plan to spend the funds that they receive. Families planned to spend 57 percent of the cash infusion on efforts that would help them create slack and cover basic needs, such as staying current on household bills and utilities. Some commonly identified needs were to buy groceries and other household necessities such as diapers and infant formula. Other needs include making car payments and filling up gas tanks to maintain reliable transportation, an important predictor of escaping poverty.[6] For a few families, the funds would help cover rent.

Members planned to use 40 percent of their stipends in ways directly related to pursuing their goals. These fit into four main categories: building savings and getting banked, decreasing debt, covering education-related costs, and making small business investments. Importantly, the transaction data also demonstrate that LIFT members do in fact spend the money in the ways they intend to.[7] For one member, the Family Goal Fund provided the funds she needed to pursue a long-held dream of owning her own business. She used the funds to enroll in entrepreneurship classes. Since then, she has launched her own cleaning services business.[8]

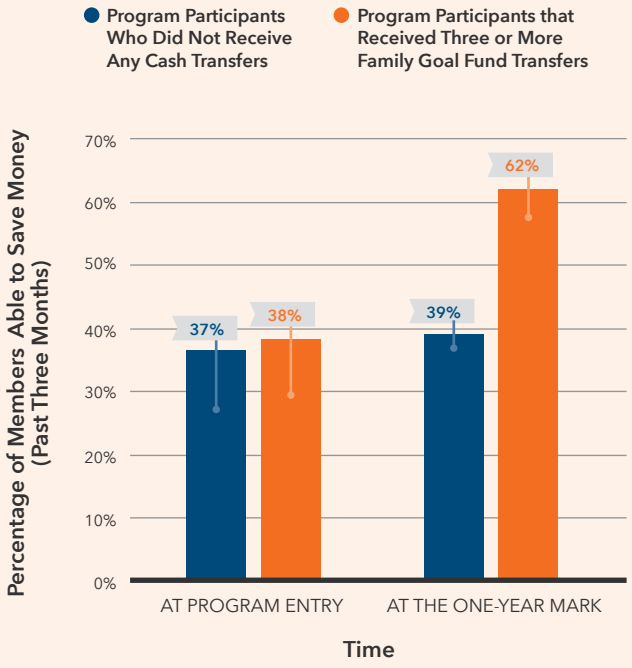
LIFT Member Testimony

Dominique joined LIFT as a parent of three young children. One of her goals was to start her own business, but she couldn't access traditional investment funds and had trouble getting her business off the ground. To help her get started, Dominique enrolled in local entrepreneurship classes using her Family Goal Fund to cover course registration costs. She quickly and successfully completed the classes, which gave her new skills and resources that enabled her to take the next step toward her goal.

Dominique has since launched a successful cleaning services business; she has a professional website set up and is now recruiting employees and securing new contracts every day.

Reflecting on her accomplishments, Dominique said that: "Working with LIFT has kept me on track with my 'new beginnings.' LIFT has helped me keep my priorities in order, especially when my life becomes as busy as you could imagine. I am a person who gives 100 percent towards anything I do, and starting my business full-time was the perfect opportunity to give my 100 percent."[9]

Figure 1. Adding Cash Transfers to Existing Programming Helped LIFT Members Build Savings



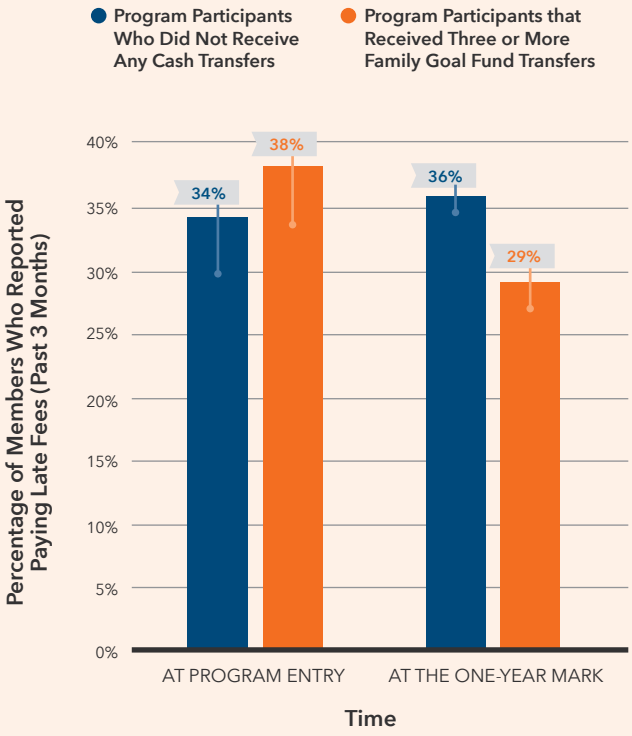
Source: *Based on internal LIFT data from October 2016 through October 2019. The groups being compared are those members who were in the program for at least a year before the Family Goal Fund was introduced and thus received no transfers from the program, and those that joined after the program had rolled out.*

A final use of the stipend is to help families build resilience against financial shocks so that they could continue to make progress on their goals. This use was less frequently reported, as it is unlikely that the timing of the cash disbursement would line up with a sudden expense or need. As such, just 3 to 5 percent of members planned to use their funds for this purpose to cover medical expenses or car repairs.

After one year of LIFT coaching, 62 percent of members who received at least three goal fund cash transfers reported that they were able to save money in the last three months, compared with only 39 percent of members who joined LIFT before the Family Goal Fund was introduced, and thus did not receive the goal fund, demonstrating the difference that small cash transfers can make in the financial lives of those that receive them. (See Figure 1.)

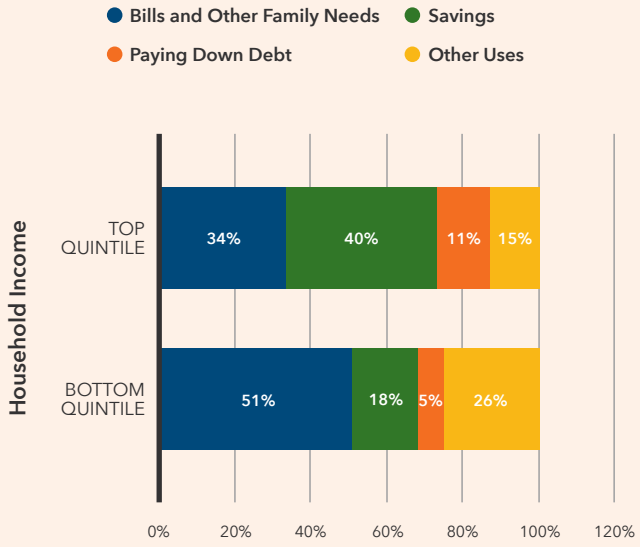
Moreover, after one year of LIFT coaching, members who received at least three cash transfers were less likely to report paying late fees in the past three months (29 percent) compared with members who did not receive the goal fund (36 percent), because they joined LIFT before the Family Goal Fund was introduced. This represents a decrease in the share of members paying late fees for those that received the goal fund, compared with a small increase for those that did not receive any cash transfers. (See Figure 2.)

Figure 2. One Year In, Fewer Members Reported Late Fees



Source: *Based on internal LIFT data from October 2016 through October 2019. Respondents were asked, "Over the past 3 months, have you been charged a late fee on a loan or bill? (Yes/No)." The groups being compared are those members who were in the program for at least a year before the Family Goal Fund was introduced and thus received no transfers from the program, and those that joined after the program had rolled out.*

Figure 3. LIFT Members Allocated Their Family Goal Fund Transfers Differently, According to Their Needs



Source: *Based on internal LIFT data from July 2017 through October 2019.*

The flexibility of having an unrestricted cash transfer program allows members to use the funds in the ways most beneficial for their unique situation, meaning that members with different needs can plan to allocate the funds received toward different expenses. For instance, LIFT finds that members with lower incomes are more likely than members with higher incomes to allocate the fund toward bills and other family needs (51 percent vs. 34 percent), while members with higher incomes are more likely than members with lower incomes to allocate the fund toward building savings (40 percent and 18 percent respectively). (See Figure 3 for more details.)

Furthermore, because the funds can be used for any purpose, members can use the quarterly cash infusions in different ways from one disbursement to the next, and indeed, LIFT finds this to be the case over time. At each three-month disbursement of the funds, members can indicate one of 19 categories as the intended use of their Family Goal Fund transfer. These categories are then collapsed into five broader use types: bills and family needs, savings, debt, education, and other. Half of members allocate their second goal fund transfer differently than their first. After receiving four disbursements, 87 percent of members have changed their allocation at least once. (See Figure 4 for more details.)

In practice, this flexibility allows members to use the funds in ways that are idiosyncratic and best meet their individual needs, especially when there is a change in circumstance that might otherwise derail a member's progress toward their goals. For example, LIFT-DC member Tabitha hoped to one day own a home, but her interim goal was to start her own business. As she worked toward this goal, she received a large unexpected bill

that threatened her ability to get to work. Instead of using her upcoming cash transfer toward her business goals as she originally planned, she was able to redirect the money to cover this new expense.[10] See the textbox for more details.

LIFT Member Testimony

Tabitha was working toward a goal of owning her own business when she discovered that an automatic payment had been malfunctioning for more than three months and that she had a large set of past-due payments and late fees. Without having budgeted for these fees, the unexpected cost put Tabitha in a situation where she was at risk of losing the transportation she relied on to get to work.

LIFT helped Tabitha negotiate a lower fee, and then she used the Family Goal Fund to help pay the remaining balance, thus protecting her current employment (two jobs) and keeping her on track with her goals.[11]

Figure 4. Unrestricted Cash Allows Members to Change How They Use Funds Over Time

TIMELINE	PERCENTAGE WHO CHANGE WHAT FUNDS ARE USED FOR
After Two Goal Fund Disbursements	51%
After Four Goal Fund Disbursements	87%

Source: *Based on internal LIFT data from July 2017 through October 2019.*

LIFT's experience with the Family Goal Fund demonstrates that a small cash transfer program can help accelerate families to complete their goals, and that when provided with unrestricted cash, families are able to choose the best way to spend these funds for their unique situations, which can change from week to week or month to month.

Family Independence Initiative's UpTogether Fund

WHAT IS FII'S CASH INFUSION PROGRAM?

The Family Independence Initiative supports families with its UpTogether Fund, a cash infusion program to support and accelerate families' efforts and self-identified goals. The funds are intended to be a direct investment into the families' goals. As such, families may access this cash based on their own timeline and plans, which demonstrates FII's trust in its families to improve their own economic and social mobility. Historically, FII has offered families up to $1,200 a year through the UpTogether Fund toward their goals. The majority of resource draws are less than $1,000, and the median amount drawn is approximately $500.[12] FII has disbursed more than $5.8 million dollars to support approximately 2,500 families through its direct cash investments.[13]

FII's New Model

The funding and participation model presented in this brief reflects FII's approach from 2017 to 2019. In March 2019, FII's Board of Directors approved a new strategic direction that moves FII from demonstration to adoption, inviting others to trust and invest directly in families experiencing poverty.

Through FII's UpTogether platform, any philanthropic entity, whether it be an individual, government agency, or foundation, will be able to act as a partner on UpTogether. 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. Consequently, users on the platform today may be receiving dollars at different amounts and timing than indicated in this section.

FROM RESOURCE HUB TO UPTOGETHER FUND

FII has always offered a cash transfer to its families as part of its program, but some program design choices may have made the availability of these funds less clear to the families with whom they work. In FII's original model, families categorized their self-identified goals into specific buckets with Resource Hub. Despite the funds being available for whatever purpose families wanted, families found this process restrictive because their goals did not necessarily fit neatly into the pre-identified categories such as education and health. Families also found the process slowed the delivery of the direct-to-family dollars. As a result, FII streamlined the application process to make it simpler for members to complete and to allow faster deployment of funding to families.

In the new system, the UpTogether Fund, members were no longer required to apply for funds within a specific category, eliminating the confusion about whether only certain uses were permitted or would be approved. Though FII never limited how the money could be used, the categorization in the old system made it seem restricted to users. By no longer requiring families to bucket their fund requests, FII could more clearly communicate to members that the grant funds were unrestricted and could be used for any purpose. FII renamed Resource Hub to the UpTogether Fund when the new model was rolled out in December 2017.[14]

As a result of eliminating the bucket categories and these barriers to receiving funds, FII has found that its families experienced upward economic mobility,

> **As a result of eliminating barriers to receiving funds, FII families experienced upward economic mobility through increased earnings.**

with a 27 percent increase in their percentage of the median area income, on average.[15]

LESSONS FROM FII'S UPTOGETHER FUND: HOW FII MEMBERS USE CASH TRANSFERS

Previously, with the Resource Hub, the direct investment dollars were most often spent on education. However, with the removal of required categorization with the change to the UpTogether Fund, more dollars are now being spent on financial health purposes, such as starting or building savings accounts, paying bills, and reducing debt.[16] As FII Executive Vice President Jorge Blandón explains, financial health expenditures include "[p]aying down high interest debts, [and] bridging income gaps to help pay rent, so they're not going into crisis mode."[17] The cash infusions from FII have also helped members cover unexpected expenses, such as bills and needed items. For example, Chicago FII member Gabrielle used the funds to replace an old laptop while she was in medical school and to cover other unexpected expenses, such as some that occurred when she moved to Chicago, which has a higher cost of living than her Alabama hometown.

FII Member Testimony

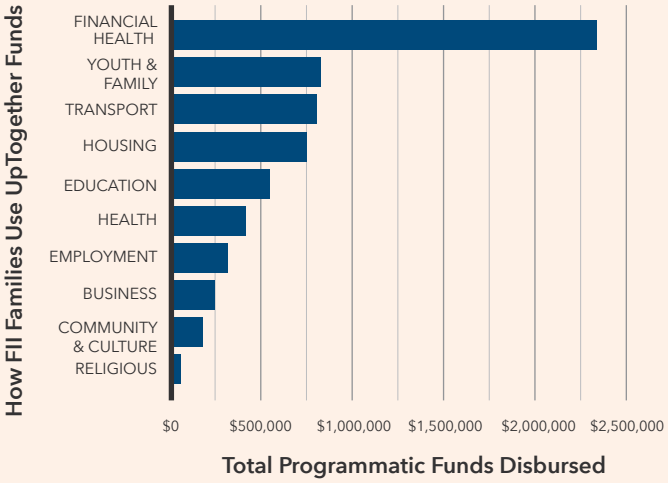
FII member Gabrielle moved from a small town in Alabama to Chicago to finish medical school but found the transition expensive as she adjusted to the higher cost of living in the city. She found FII through a friend and refers to the cash transfers she receives as "just in time funds," as they have helped her replace her laptop for school and to cover other unexpected expenses. She has also found a community through the UpTogether platform, where she can connect with others working toward their goals. As she continues to work toward her goal of becoming a physician, she has said that, "FII has given me some financial and supportive freedom to see this dream to fruition."[18]

Other common goals for the funds include spending the money for youth and family-, transport-, and housing-related purposes.[19] Youth- and family-related goals can include efforts to spend more time as a family, perhaps toward a trip or activity, such as going to a local museum to spend time together. Lastly, FII families are also spending the cash infusions for goals related to education, health, employment, and business. For instance, Blandón says, "Families are using dollars to start or expand their small businesses. It could be hair braiding, landscaping, a food cart, whatever. They're using money to buy materials, to invest, to buy healthier produce. People buy yoga videos and mats so they can get together with their friends every week to meditate and do yoga. They come up with solutions using just small amounts of capital."[20] One such example is the story of Alejandra, an FII member in Austin, Texas, who used FII funds to help her purchase inventory for her original small business and then to start a second business.[21] See Figure 5 below for a breakdown of the resource draws from the UpTogether Fund and families' intended purposes for that cash.

FII Member Testimony

Alejandra is a mom dedicated to her four children and to her husband. She is a housewife that has focused on raising her children, but then was presented with an opportunity to start her own small business selling home products. At times, she didn't have the cash on hand to purchase the products for her clients. When she joined FII with a number of her neighbors, she used the UpTogether funds to invest in her original small business, and to create a second one that sold quilts and bedsheets. The UpTogether funds have given Alejandra the means to expand her businesses and contribute to the home, making her feel more independent and happier. She is hopeful that she will be able to use her earnings to make some home improvements.[22]

Figure 5. FII Families Use UpTogether Resources to Invest in Their Financial Health and Family Well-Being



Source: *Based on internal Family Independence Initiative data.*

Figure 5, above, also demonstrates how flexible unrestricted cash transfers can be, illustrating the many purposes on which members use the funds. But in addition to this flexibility, cash can also be used for one or several purposes in a single disbursement, and for a set of similar, overlapping or completely different goals in the next. An example of the way this can be employed is Khadija, a Detroit FII member. She had several goals, and over time, was able to use the cash transfers she received to increase savings, lower credit card and other debts, help her sister enroll in college, and pay for some of the fees needed to establish a new nonprofit organization in her community.[23]

FII Member Testimony

Khadija joined FII while working to start a nonprofit with others in her Detroit community. The funds she received from FII helped pay for a portion of the 501(c)(3) filing fee to establish this nonprofit. In addition, she helped her sister pay for her college entrance applications and fees, and used the funds toward several financial goals she had for herself, including setting aside money for family emergencies and also for vacations, paying off her debt, and improving her credit score. She found that joining FII was a motivating factor for pushing harder for these self-defined goals.[24]

HOW CASH TRANSFERS CHANGED THE TRAJECTORY FOR THE RECEIVING FAMILIES AND COMMUNITIES

The data above demonstrate the myriad ways that FII families spend the available cash transfers to meet their goals. But what about the outcomes for families that have received the funds?

The data show that on average, income increases by 22 percent, or by more than $4,800 annually after two years of engaging with FII and accessing the UpTogether Fund. At the same time, reliance on government programs decreases by 26 percent or about $348 annually. Families experienced an average increase in monthly savings account balance from $311 to $976 while increasing their total liquid assets from $759 to $2,396.[25]

For instance, Flor, an FII member in Albuquerque, New Mexico, used the direct investment from FII to expand her home-based child care business.[26] This investment helped her increase her monthly income from $300 to $1,000.[27]

FII Member Testimony

When Flor joined FII, she had a small daycare center in her living room and hoped to expand this business. She shared these goals with her FII group and another member suggested she take early childhood education classes locally. Shortly after completing these courses, Flor attracted more clients and used the funds from FII to convert her garage into a larger daycare space. She expanded her business from three children to six children, generating an additional $700 monthly for her and her family.[28] She overcame several obstacles to get to that point, and credits FII for trusting in her and investing in her dreams. "Despite everything, I am an example of possibility," she said.[29]

Cash Transfer Program Design Lessons and Implications

As described in the first brief in this series, for many families, margins are slim—the difference between income and expenses is minimal and one shock can have effects far beyond that one payment or expense. Creating financial buffers can help consumers continue toward their longer-term goals, without having to divert their efforts when unexpected expenses occur.[30] It is for this reason that some financial capability programs, including those at LIFT and FII, have chosen to provide cash infusions to their members.

PROGRAM DESIGN MATTERS

Both FII and LIFT have learned how critical the program design of a cash transfer program is for the outcomes of receiving families, both in how the design can affect how quickly cash can be disbursed to families and how much of a burden the program rules place on families (receipts, forms, reimbursements that require families to have the cash up front to invest in themselves). Cash transfers make it possible to persist in programs like LIFT's, where without it, unexpected expenses may have forced members to focus their efforts elsewhere and derail progress toward goals. Because the Family Goal Fund is both unrestricted and easy to access it is good at helping members absorb those shocks and stay on track to meet goals.[31] FII found that by eliminating buckets and barriers for families, making it easier for them to use funds, more households accessed these dollars and improved their outcomes in a number of areas.[32]

CASH TRANSFERS MAKE A DIFFERENCE IN THE LIVES OF THOSE WHO RECEIVE THEM

LIFT and FII offer some financial support to their members to help them reach their self-defined goals. These cash transfer programs that LIFT and FII offer are a way to demonstrate to members the respective program's trust in their members' initiative and ability to make a positive change for themselves and their communities. Moreover, the transfers allow families to make immediate progress on longer-term goals, by providing them with the capital needed to help move them forward. The data from the programs demonstrate that the families they work with have the initiative to make progress, and that these cash transfers can help them meet their various goals.

Conclusion

Unrestricted cash infusions improve financial well-being for recipients

For LIFT families, the Family Goal Fund has aided members in several ways, helping members create slack in monthly budgets, cover unexpected expenses when they come up, and facilitate goal and family-related investments. Similarly, FII families have shifted their use of funds toward financial health-related goals, and these have in turn helped them meet nonfinancial goals as well.

LIFT and FII's data make it clear that having steady, unrestricted infusions of cash allows families to make decisions about how to best deploy these funds in their lives, whether that is by setting money aside for savings, paying down debts and covering bills, or using it to spend quality time with family and friends, among a plethora of other options. Cash can be used for anything, and actions that may be useful in one month—perhaps spending the money to cover a needed car repair—may not be in the next. Cash is flexible and allows families to best deploy the funds where needed. Cash puts dignity, creativity, and choice back into the hands of those receiving it.

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THE ASPEN INSTITUTE FINANCIAL SECURITY PROGRAM

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.

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

SaverLife
Formerly EARN

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

Fii Family Independence Initiative

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
Creators of Change Machine

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

/ inclusiv /

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

LIFT

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.whywelift.org
Washington, DC

MAF

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

mypath

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

NEIGHBORHOOD TRUST FINANCIAL PARTNERS

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

APRIL 2020

Guaranteed Income and Other Cash Infusions

OPPORTUNITIES FOR SCALE

PART THREE OF THREE

THE ASPEN INSTITUTE
FINANCIAL SECURITY PROGRAM

CONSUMER INSIGHTS

AUTHOR

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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.

To learn more, visit **AspenFSP.org** or follow **@AspenFSP** on Twitter.

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.

> **"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."**

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 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]

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]

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 churner 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—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

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.

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 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]

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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 Plaform: 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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THE ASPEN INSTITUTE FINANCIAL SECURITY PROGRAM

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.

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