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MEMORANDUM

To: Ald. Marina Dimitrijevic
From: Ned Littlefield, Legislative Fiscal Analyst - Lead
Date: April 4, 2024
Subject: Unconditional Cash Transfer Programs

This memorandum is in response to your April 1, 2024 request for information on unconditional cash transfer (UCT) programs, which give individuals recurring funds “with no strings attached” to supplement their incomes. You specifically asked about The Bridge Project, a new UCT program for low-income, pregnant individuals in Milwaukee funded by the Zilber Family Foundation. You also asked about the design, eligibility, funding, and evaluation of recently concluded UCT pilots in other cities like Los Angeles and Saint Paul.

Please note that Universal Basic Income (UBI) programs, which provide funds to everyone in a population *regardless of wealth*, are a type of UCT program. The Bridge Project and, for the most part, UCT pilots like Los Angeles and Saint Paul are not for UBI because they *limit eligibility based on wealth*. The Stockton Economic Empowerment Demonstration, which offered a model for these UCT pilots, arguably was not a UBI initiative because it limited eligibility to those in neighborhoods that had household incomes below the citywide median.

Regarding The Bridge Project, this memorandum’s main finding is that the Zilber Family Foundation’s \$1.6 million UCT program apparently has the potential for positive financial and mental support to Milwaukee’s low-income, pregnant individuals, their eventual children, and their families. The Bridge Project is not directly comparable with other cities’ UCT pilots because a) it specifically supports pregnant individuals and their eventual children and b) its recurring payment levels vary throughout the program.

Regarding other cities’ UCTs, this memorandum has five findings based on the LRB’s review of 21 pilots from the Guaranteed Incomes Pilot Dashboard. These pilots share four main characteristics. They started and ended since the COVID-19 pandemic began. They received support from Mayor’s for a Guaranteed Income (MGI), a network of city leaders that funds, provides technical assistance to, and advocates for UCT programs. They used randomized control trials to select participants and measure outcomes. They were evaluated (three of 21) or currently are under evaluation (18 of 21) by the University of Pennsylvania’s Center for Guaranteed Income Research (CGIR) or Abt Global, a consulting firm. Please find attached an LRB-created dataset of these 21 programs for reference.

The memorandum's five findings about these 21 cities' similar UCT pilots, based on data from the Guaranteed Incomes Pilot Dashboard and other sources, are as follows:

1. ***Almost all UCT pilots provided monthly payment, but their designs otherwise varied widely:*** Overall funds ranged from \$450,000 to \$38.4 million, with an average of \$3.1 million. The number of participants ranged from 25 to 3,200, with an average of 311. Payments ranged from \$375 to \$1,000, with an average of \$542. Duration ranged from 10 to 24 months, with an average of 15 months.
2. ***Most UCT pilots had eligibility criteria related to income, age, and/or household type:*** Fifteen of the 21 similar UCT pilots (71%) had an age-related eligibility criterion. Fourteen (67%) had a criterion explicitly related to income, although all pilots aim to support economically vulnerable populations. Twelve (57%) had a criterion related to being a caregiver, having a child, and/or have another type of dependent.
3. ***Contrary to negative stereotypes regarding participants in UCT programs, pilot participants tended to use payments for basic necessities:*** The percentage of participant expenditure per program on retail (e.g., food, medical, and school supplies at businesses that did not focus exclusively on grocery and food service) ranged from 25% to 55%. The percentage of expenditure on food and groceries ranged from 24% to 38%; on transportation, from 5% to 21%; and on housing and utilities, from 2% to 15%.
4. ***UCT pilots tended to leverage philanthropic funding:*** Apparently, among five pilots that the LRB examined in greater depth, Los Angeles was unique in using only municipal funds. Cambridge, Madison, and Saint Paul used mainly philanthropic funds, especially from MGI.
5. ***UCT pilot evaluations tended to find considerable financial and mental impacts on participants, although outcomes varied notably:*** The Cambridge, Paterson (NJ), and Saint Paul pilots generally had strong employment, food security, mental health, and savings outcomes during and after implementation. Cambridge had less mental health impact, however, and Saint Paul had a less enduring financial impact after the pilot ended.

The memorandum proceeds to discuss The Bridge Project and five other cities' UCT pilots, including the three with complete evaluations. The memorandum does not address how, given that cash transfers risk making participants ineligible for income-based public assistance, UCT programs help participants retain benefits. This risk might disincentive low-income individuals from participating in UCT programs or harm those that do participate. The LRB recommends examining this topic through a separate memorandum if necessary.

The Bridge Project (2024-2026)

The Zilber Family Foundation has committed \$1.6 million to a partnership with The Bridge Project, a New York-based non-profit, aimed at implementing Milwaukee's first UCT program. The Bridge Project reportedly operates the country's first and largest UCT program focused on supporting babies. The Bridge Project specifically aims to support babies' healthy development during the first 1,000 days of life through recurring UCTs to mothers.

The Bridge Project has leveraged over \$35 million in order to provide biweekly UCTs to 1,200 mothers between New York City, Buffalo, and Rochester since its founding in June 2021. CGIR has identified several impacts of mothers' participation in The Bridge Project. Ninety percent of participants reported improvements in mental health and stress levels after receiving one program payment. The number of participants with savings over \$500 increased by 242% after six program months. Mothers also reported less chaos and more harmony in their households with program participation.

In Milwaukee, The Bridge Project will provide monthly UCTs over two years to 100 individuals who are at least 18 years old, who are 23 weeks pregnant or less, who live in the 53204, 53205, 53206, or 53215 zip codes (with priority for Lindsay Heights, Clarke Square, and Layton Boulevard West), and who have annual household incomes below \$39,000. Participants will receive a one-time, upfront prenatal stipend of \$1,125, a monthly payment of \$750 for the first 15 months, and \$375 for the remaining nine months. Applications open April 10, 2024. The program will disburse first payments on June 1, 2024.

The Zilber Family Foundation reportedly seeks to extend this UCT program beyond the initial two-year cohort. The LRB can update this memorandum with more details on the evaluation plan if necessary, pending information from the Zilber Family Foundation. Please find attached a factsheet, recruitment flyer, and PowerPoint presentation on this program.

Madison Forward Fund (2022-2023)

The Madison Forward Fund (MFF) was among the largest of the 21 cities' similar UCT pilots with respect to participants and was a typical pilot as regards investment, payment, and duration. MFF dedicated \$930,000 to providing 155 residents with \$500 per month over 12 months. Eligibility criteria were being at least 18 years old, having at least one child under 18 at home, and having a household income below 200% of the Federal Poverty Level.

MFF implementing partners were the City of Madison (strategic direction), IRP (program management and evaluation), TASC (benefits administration), MGI (technical assistance), and the University of Pennsylvania (program evaluation). Around 70% of funds came from MGI and the Roots and Wings Foundation. Thirty percent came from the following partners:

Alliant Energy Foundation; American Family Insurance Dreams Foundation; Dan & Patti Rashke Family Foundation; Madison Gas & Electric Foundation; PRL Keystone Foundation; TruStage Foundation; UW Health; and the Wisconsin Department of Health Services.

The final MFF evaluation is likely to be available in early 2025. MFF is fundraising now for a second UCT cohort to begin in Fall 2024. This second cohort specifically would support low-income Black women and their families throughout Dane County. MFF would partner with the Foundation for Black Women's Wellness, a local non-profit, on implementation.

Saint Paul People's Prosperity Pilot (2020-2022)

Saint Paul's People's Prosperity Pilot (PPP) was slightly above the typical pilot in terms of investment and participants and around the typical pilot with respect to duration and payment. PPP dedicated \$1.4 million to providing 150 residents with \$500 per month over 18 months. Eligibility criteria included having a child with a CollegeBound Saint Paul college savings account and having been impacted financially by the COVID-19 pandemic.

Seventy-seven percent of PPP funds came from philanthropy while 23% came from public sources. Philanthropic donors included the Kresge Foundation, MGI, and McKnight Foundation while the Saint Paul & Minnesota Foundation channeled individual donations. Both the federal Coronavirus, Aid, Relief, and Economic Security (CARES) Act and Minnesota Department of Human Services' Whole Family Systems grant accounted for approximately 10% of overall funding.

The city concurrently dedicated \$4.0 million in American Rescue Plan Act funds and \$1.0 in philanthropic dollars to its CollegeBound Boost program. This parallel UCT provided \$500 in monthly guaranteed income over two years and \$1,000 deposits into the child savings accounts for 333 low-income families. It is not among the 21 UCT pilots discussed here.

CGIR found that Saint Paul PPP had enabled roughly 44% of participants to cover a hypothetical \$400 emergency expense. PPP contributed to a 14-point increase in employment among participants: 49% were employed before the pilot compared with 63% six months after the pilot's conclusion. PPP also contributed to a seven-point increase in hopefulness: 15% of participants reported feelings of high hopes before the pilot began; 21% reported such feelings when the pilot concluded; and 22% reported such feelings six months after the pilot had ended. Participants additionally reported spending more time with family and experiencing increased household stability.

CGIR nonetheless found some PPP impacts to be fleeting. Six months after the pilot ended, the percentage of participants who could cover a hypothetical \$400 emergency expenses decreased by roughly 11 points. The percentage with over \$500 in savings also decreased

by around 13 points while the percentage with income volatility increased by five points. CGIR concluded that guaranteed income “may have the ability to alleviate present financial hardship but its continuing impact once cash transfers end may be limited.”

Basic Income Guaranteed: Los Angeles Economic Assistance Pilot

Basic Income Guaranteed: Los Angeles Economic Assistance Pilot (BIG:LEAP) was the largest of 21 cities’ similar UCT pilots program in investment, participants, and payments. BIG:LEAP dedicated \$38.4 million to providing 3,200 residents with \$1,000 per month over 12 months. Eligibility included being at least 18 years old, having at least one dependent child or being pregnant, and having income at or below the Federal Poverty Level.

The City of Los Angeles’ Community Investment for Families Department (CIFD) administered BIG:LEAP. City of Los Angeles General Funds covered 100% of BIG:LEAP payments. MIG and the Mayor’s Fund for Los Angeles contributed \$500,000 each for administrative purposes. CGIR and the University of California, Los Angeles’ Fielding School of Public Health are preparing the final evaluation in 2024.

Cambridge Recurring Income for Success + Empowerment (2021-2023)

Cambridge, Massachusetts’ Recurring Income for Success + Empowerment (RISE) was around the typical pilot in terms of investment, participants, and payment but among the longer pilots in duration. RISE dedicated \$1.2 million to providing 130 residents with \$500 per month over 18 months. Eligibility criteria included being a single (unmarried) caregiver of at least one child under 18 and having an income below 80% of the area median level.

RISE partners included the City of Cambridge, Cambridge Community Foundation, Cambridge Economic Opportunity Committee, Cambridge Housing Authority, Massachusetts Law Reform Institute, local non-profit Just A Start, and national non-profit UpTogether. RISE reportedly received funding from a variety of corporate, governmental, non-profit, philanthropic, and private sources:

- **\$500,000:** MGI;
- **\$100,000 - \$500,000:** The Boston Foundation, Cambridge Community Foundation, City of Cambridge, Harvard University, Massachusetts Institute of Technology, an anonymous donor, and Terry and Susan Ragon
- **\$25,000 - \$50,000:** BioMed Realty, Boston Properties, Life Science Cares, The Shlomo Fund, Why Wait Fund, and an anonymous donor;
- **\$10,000 - \$20,000:** Biogen, DivcoWest, IQHQ, the Johnson family, the Lander family, the Beth & Marty Milkovits Fund, Wendy Weiss & Steve Shay, and an anonymous donor; and

- **\$1,000 - \$5,000:** Afsoon Afshar, Cosulich Family Charitable Fund, Radhika Nagpal & Quinton Zondervan, Daniel Raizen, Mark Roopenian, David Rand, and three anonymous donors.

CGIR found that RISE had contributed to improved financial health, enhanced housing, utility, and food security, and increasing time and space for caregiving. Compared with similar Cambridge residents who did not participate in RISE, participants reported higher incomes, lower income volatility, and greater ability to cover a hypothetical \$400 emergency expense. Participants reported lower housing cost burden, more stable utility costs, and less hunger. They reported giving more attention and support to their children, who had improved educational outcomes compared with children whose families did not participate.

However, RISE did not achieve its objective of helping strengthen participants' mental health. Many participants had dual caregiving responsibilities across generations and worked outside the home during the COVID-19 pandemic. These factors contributed to personal stress and household disorder, limiting the program's impact on participants' feeling of personal agency, ability to set goals, and capacity to plan for the future. CGIR consequently concluded that "overburdened caregivers' ability to use the [guaranteed income] for themselves [rather than those for whom they are caring] may be limited."

Paterson Guaranteed Income Pilot Program (2021-2022)

Paterson, New Jersey's Guaranteed Income Pilot Program was below the typical pilot in terms of investment, participants, and payment but around the typical pilot in duration. This pilot dedicated \$528,000 to providing 110 residents with \$400 per month over 12 months. Eligibility included being at least 18 years old and having an individual income of maximum \$30,000 or a family income of up to \$88,000. The LRB can update this memorandum with more funding details if necessary, pending information from the City of Paterson.

CGIR found that Paterson's pilot had positive impacts on participants' food security, financial position, household stability, caregiving, and employment. Compared with individuals who did not participate, participants were two times less likely to reduce caloric intake during and after the program. Participants were five times more likely to be able to cover a hypothetical \$400 emergency expense and twice as likely to report saving \$500 or more after the program. By the program's end, they were a third less likely to be unemployed and twice as likely to transition into voluntary caregiving roles or become self-employed. Household order and stress management also improved during the pilot. CGIR found fewer limitations to UCT impact with the Paterson pilot than with the Cambridge and Saint Paul pilots.

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Attachments