

Family Prosperity Guaranteed Income Pilot

The Family Prosperity Pilot is a local collaboration to demonstrate the economic, societal, and family impacts cash transfers have on families living in poverty in the City of Las Cruces and Doña Ana County. It is grounded in the fact that addressing poverty at the household level has positive effects not only on participating families, but also on the economy and community at large.

The collaborative is requesting the City of Las Cruces set aside \$2 Million of ARPA funds to support direct payments for 200 families.

Today there are over 30 cities exploring Universal Basic Income. Studies have shown that Guaranteed Income (GI) programs boost the economy because when people have cash in their pockets, they will spend it rapidly and locally. Research has shown that when people are given unrestricted cash payments, recipients are able to pull themselves out of poverty, plan for the future, and create stability for themselves and their families.

What is Guaranteed Income?

GI is a cash transfer program that provides a predictable stream of cash to recipients to spend however they see fit without requiring that they perform specific activities.

Cash transfers are among the most studied anti-poverty interventions. Experiments around the world demonstrate that cash leads to educational achievement increases and substantially improved health outcomes, with people continuing to work and contribute to their communities.

GI Key Findings

Families enrolled in GI programs

- There is little evidence that cash transfers decrease the motivation to work
 - Families keep their jobs and spend the extra money on groceries, utilities or other basic needs
 - Those who may work fewer hours largely invest that time in education, job training, or caring for children.
- Reduces inequality and income volatility
- Have multiple positive impacts on recipients' education, employment, and health outcomes

Statistics

Stockton Economic Empowerment Demonstration (SEED) Dashboard

- Health and Wellbeing: People receiving GI were less anxious and depressed than the comparison group. They also showed improvement in emotional health, energy, and emotional wellbeing.
- Freedom from Forced Vulnerability: "Poverty means lack of choice. You're forced in ways you don't want to be."
- Over 75% of the money was spent on transportation, food, utilities, medical and other basic necessities. Other expenses include clothing, school supplies, beds.
- The guaranteed income alleviated financial scarcity creating new opportunities for self-determination, choice, goal-setting, and risk-taking

Magnolia Mother's Trust

- Money spent on: Transportation/Travel; Purchasing a home; Paying bills; Education expenses; Credit improvement
- 100% said they have enough money to meet their basic needs
- 100% saw an increase in positive family engagement
- 100% feel hopeful about their future in 5 years
- 20% more likely to have children performing at or above grade level
- 27% more likely to seek professional medical help for sickness or chronic illness

Personal Stories

"It gave me the opportunity to be able to do what I wanted to do for my child. It made me feel whole as a mother."

"With the SEED money, there's no need for the hustle. I have the time to actually take opportunities for myself, like if I felt like I wanted a new job or a different job for better choices I was able to make it. I didn't have to worry about it." Tomas

"[The Magnolia Mother's Trust] made me realize that I want to do more. This is not it, there is more out there, and I want to push myself to do more...find a better job and think for myself." Tia

Local Progress

W.K. Kellogg Foundation awarded Families and Youth, Inc., Jardin de los Niños, and Community Action Agency of Southern New Mexico \$200,000 to support pilot evaluation and program design. An additional \$128,000 has been secured to provide direct payments to participants.

Contacts

Jolene Martinez, COO Families & Youth, Inc jmartinez@fyinm.org

Michelle S. Adames, Ph.D., CEO Jardin de Los Niños michelle.adames@jardinlc.org

Dawn Z. Hommer, CEO Community Action Agency of SNM dawnh@caasnm.org

