



Fall 2021

WASHINGTON STATE BASIC INCOME FEASIBILITY STUDY



2021-23 Budget Proviso: Basic Income Feasibility Study

“\$77,000 of the general fund—state appropriation is provided solely for the department to conduct a study, jointly with the poverty reduction work group, on the **feasibility of implementing a universal basic income pilot program**. The study must include **research** of other universal basic income programs, **recommendations** for a pilot in Washington, **a cost-benefit analysis, operational costs**, and an **implementation plan** that includes a strategy to ensure pilot participants who voluntarily quit a public assistance program to enroll in the universal basic income pilot will not experience gaps in service upon completion of the pilot. The department shall submit recommendations required by this section to the governor and appropriate legislative committees no later than **June 1, 2022.**”



Why Basic Income?

Washingtonians have goals, aspirations, and dreams.

We all benefit when they can achieve them.



Why Basic Income?

Community feedback on the why this is needed in Washington includes:

- Level out income gaps
- Bring equity to communities
- Remove institutional barriers
- Ensure families are able to thrive
- Preserve human dignity
- End poverty
- Address the labor of family adult caretakers and stay at home parents
- Cover living expenses

“Poverty is a policy failure, not a personal one.”

Mayor Libby Schaaf
City of Oakland California



Basic Income Alignment with the 10-Year Plan

Recommendation 6d. Increase cash assistance and make it unconditional upon work.

Recommendation 8d. Develop and pilot a portable benefits model and a guaranteed basic income program.



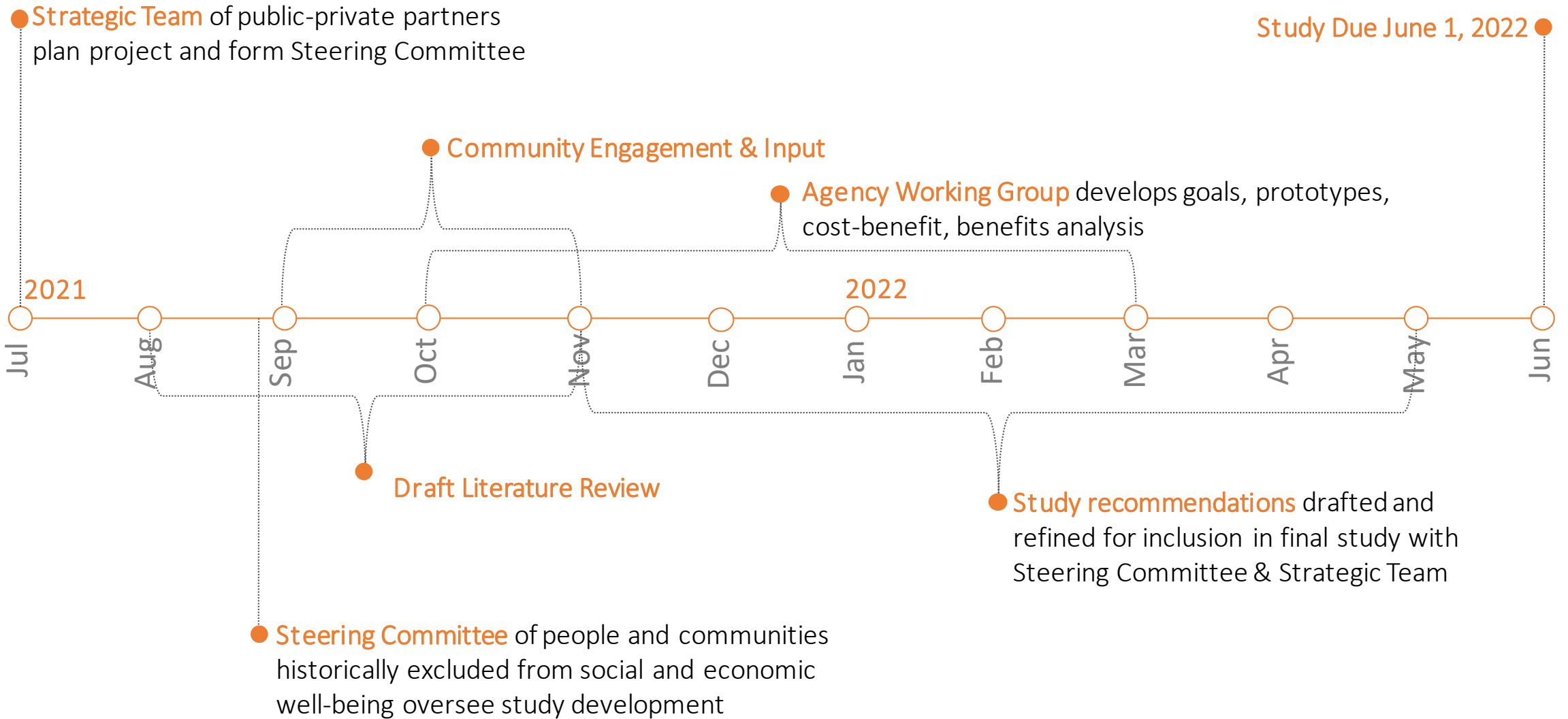
8 STRATEGIES POVERTY REDUCTION

ROOT CAUSES & BEYOND

- 1 UNDO STRUCTURAL RACISM**
Understand structural racism and historical trauma and take action to undo how they manifest in state policy, program, and practice.
- 2 BALANCE POWER**
Make equal space in decision-making for people and communities most affected by poverty and inequality.
- 3 INCREASE ECONOMIC OPPORTUNITY**
Target equitable income growth and wealth-building among people with low incomes.
- 4 ENSURE FOUNDATIONAL WELL-BEING**
Strengthen health supports across the life span to promote the intergenerational well-being of families.
- 5 PRIORITIZE URGENT NEEDS**
Prioritize the urgent needs of people experiencing homelessness, mental illness, or addiction.
- 6 BUILD A HOLISTIC CONTINUUM OF CARE**
Build an integrated human service continuum of care that addresses the holistic needs of children, adults, and families.
- 7 DECRIMINALIZE POVERTY**
Decriminalize poverty and reduce reliance on the child welfare, juvenile justice, and criminal justice systems.
- 8 PREPARE FOR THE FUTURE OF WORK**
Ensure a just transition to the future of work.



BI Project Timeline & Activities





Basic Income Definitions

- No standard definition, but generally:
 - › Universal Basic Income is a cash transfer given to all members of a community on a recurrent basis regardless of income level and with no strings attached
- Variations on the UBI concept:
 - › Guaranteed Basic Income
 - › Baby Bonds
 - › Freedom Dividend
 - › Negative Income Tax



Emerging Understanding of Basic Income Evidence: 2009-2019

Issue	General Findings	Important Considerations
Poverty	⬆️	Strong measurable decrease, but not enough to move people with disabilities out of poverty
Household Spending	⬆️	Increases in food spending
Assets & Wealth	↔️	Limited evidence to suggest it increases savings, investments, or access to credit
Labor Participation	↔️	Some evidence that work participation increases, but also evidence that caregiving increases
School Enrollment (Child)	⬆️	Strong evidence in short-term; long-term effects unknown
School Attendance (Child)	⬆️	Strong evidence in short-term; long-term effects unknown
Health Outcomes	⬆️	Overall strong evidence for health improvements
<i>Mental Health</i>	⬆️	Strong evidence, but paired with fear of stigma for receiving benefit
<i>Unplanned Pregnancy</i>	⬆️	Effects largest in advanced economies when benefit is targeted and unconditional
<i>Low Birthweight</i>	⬆️	Effects largest in advanced economies when benefit is targeted and unconditional
<i>Food Security</i>	⬆️	Strong evidence, with increases in dietary diversity

⬆️=Positive Outcome ↔️=Mixed evidence ☒=Negative Outcome

Source: DSHS|ESA synthesis of Hasdell, Rebecca (2020) *What We Know About Universal Basic Income: A Cross-Synthesis of Reviews*: Stanford Basic Income Lab

Available for download at <https://basicincome.stanford.edu/research/papers/what-we-know-about-universal-basic-income/>



Emerging Evidence: 2020 & Beyond



HOW MUCH: \$1000/month for 12 months

WHO: Black mothers in federally subsidized housing in Jackson, MS

- ↑ in paying bills on time
- ↑ in emergency savings
- ↑ in having enough money for food
- ↑ in health and life insurance; ↓ in medical debt
- ↑ in having enough gas in car
- ↑ In ability to purchase clothes, shoes, and school supplies for kids

“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.”

HOW MUCH: \$500/month for 24 months

WHO: 125 residents in Stockton, CA

- ↑ in full time employment
- ↓ in income volatility
- ↓ in depression and anxiety
- ↑ in self-determination, choice, goal-setting, and risk-taking

“Before SEED came along, I was paying a lot of bills and didn’t know how I was gonna eat...it’s like being able to breathe.”

HOW MUCH: (1) \$333 each month (\$4,000 each year) OR (2) \$20 each month (\$240 each year), for the first 40 months of a child’s life

WHO: 1,000 low-income mothers and their newborns

- Definitive study evaluating the effects of BI on child development and family life





Research Summary

- Many different ways to structure a Basic Income
 - › **Who, how, and how much** vary considerably depending on approach
 - › Evidence is largely based on pilots conducted in small geographies
- Weight of existing evidence shows strong support for a BI program to improve social and economic well-being: ↓ poverty, ↑ education, ↑ health – and minimal effects on labor force participation
- Pilots have not been around long enough to evaluate sustained impact on individual, family, community, and macroeconomic outcomes, including whether BI closes gaps in social, racial, and geographic inequality
- Need to consider how a BI program intersects with other resources
 - › e.g., wages, compensation, public assistance, tax credits
 - › Atlanta Federal Reserve Tool helps with this: https://emar-data-tools.shinyapps.io/gi_dashboard/



Proliferation of Basic Income Pilots in the U.S.





Proliferation of Basic Income Pilots in the U.S.





Pilots Underway in Washington State



- **May 2021:** Rainier Beach Action Coalition launches local GBI
- **July 2021:** Tacoma Mayoral GBI Pilot launches “Growing Resilience in Tacoma”
 - › \$500/month
 - › City of Tacoma Residents currently residing in Eastside (98404), Hilltop (98405), South Tacoma (98409) and the South End (98408)
 - › Single parent or guardian households with children living in the home up to age 17, children with disabilities up to age 21
 - › Meet the Alice definition: Asset Limited, Income Constrained while Employed. ALICE households costs are between 100% and 200% of the Federal Poverty Level (FPL)
- **Coming Soon:** Seattle Mayoral GBI
- **Coming Soon:** Perigee Foundation GBI
 - › Pilot to include a significant focus on enrolling and supporting pregnant people and/or primary caregivers with children (0-3) who identify as Black, Indigenous, and People of Color (BIPOC)

Prototyping Basic Income Models

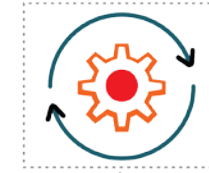
basic



targeted



interactive



pure universal bi

- *Raises economic floor
- *All individuals eligible
- *Unconditional
- *Cash payment
- *Recurring/periodic

GBI model 1

- *Raises economic floor
- *Targeted based on geographic and demographic characteristics
- *Unconditional
- *Cash payment
- *Recurring/periodic

Example:

Baby's First Years



GBI model 2

- *Raises economic floor
- *Targeted based on geographic and demographic characteristics
- *Unconditional
- *Cash payment
- *Recurring/periodic

Example:

Magnolia Mother's Trust



GBI model 3

- *Raises economic floor
- *Targeted based on geographic and demographic characteristics
- *Unconditional
- *Cash payment
- *Recurring/periodic

Example:

Stockton Economic Empowerment Demonstration (MGI)



interactive bi

- *Sets an economic floor
- *Meets floor through a combination of wages, employer compensation, public assistance, and tax credits
- *Adapts to fluid individual circumstances
- *Unconditional
- *Cash payment
- *Periodically evaluated

interactive bi+

- *Sets an economic floor
- *Meets floor through a combination of wages, employer compensation, public assistance, and tax credits
- *Adapts to fluid individual circumstances
- *Unconditional
- *Cash payment
- *Periodically evaluated
- *incentives to advance education, employment & training, and career pp-pathways



Key Questions for a State Basic Income Pilot

- What should the primary purpose of a BI be?
- Who should be the primary beneficiaries of a BI?
- How should the BI program be structured?
- How much cash should be provided?
- What is the mechanism for delivery?
- How will it be paid for?