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COMMUNITY RESOURCES

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EXPANDING GUARANTEED INCOME PILOTS & STREAMLINING EXEMPTION PROCESS FOR PUBLIC BENEFITS

Anyone who has ever struggled with poverty knows how extremely expensive it is to be poor. -James Baldwin

Many families experiencing poverty work, but do not make enough income to meet basic needs. An analysis by the <u>Public Policy Institute of California</u> found that in Fall 2021, nearly two-thirds (64.2%) of poor Californians were a part of families with at least one working adult, excluding families with only adults 65 and older. United Ways of California published a study entitled <u>Struggling to Move Up: The Real Cost Measure in California 2021</u>. The Real Cost Measure tallies what it really costs to live in California, including the costs of housing, health care, child care, transportation and other basic needs. The study found that **nearly one third of California households do not earn sufficient income to meet basic needs**.

Guaranteed Income is a nationwide movement to provide direct cash payments to individuals and families with no strings attached. There are over a hundred U.S. Mayors participating in <u>Mayors for a Guaranteed Income</u>. The first guaranteed income program in Sacramento was developed by UpTogether and United Way California Capital Region, and provided \$300 dollars a month to 100 Sacramento households for 2 years. Starting July 1, 2023, United Way California Capital Region will launch another round of Guaranteed Income in partnership with the City and County of Sacramento using American Rescue Plan Act (ARPA) funds. Households selected for this next phase will receive \$500 for exactly one year.

ARPA funds made Guaranteed Income possible for thousands of families across the nation that are in recovery from job loss and economic instability exacerbated by the COVID-19 pandemic. <u>The National League of Cities</u> found that many of the participants in these programs who experience

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structural inequalities had increased financial resiliency, decreased unemployment and better mental health. In 2022, California became the first state to provide state funds to support Guaranteed Income pilots.

Recommendations:

We need Congress and the Administration to:

- 1) Explore additional funding sources to provide an extension of pilot programs and allow new participants to receive Guaranteed Income.
- 2) Support State and Federal agencies to streamline approving income exemptions so that participants receiving SNAP, TANF, Social Security, or other benefits are not negatively impacted. Participants in these programs are often still unable to meet their basic needs. These approvals should be simplified for local jurisdictions and community-based organizations charged with implementing Guaranteed Income programs.