

# What we know about Guaranteed Income: Strengthens economic security for families

Providing cash to families struggling to make ends meet is an effective way to help people meet their basic needs. In Oregon, despite working hard to care for their families, more than 2 in every 5 households earn too little to afford a basic survival budget. Research shows a guaranteed income can bolster economic security by giving families the resources they need to fill gaps in their household budgets.

## What the research shows:

### What is Guaranteed Income?

It's cash for families who need it most. The cash is:

**Unconditional:** There are no hoops families must jump through in order to qualify.

**Unrestricted:** Families can spend the money however they need.

**Regular:** Payments occur regularly to help families with rent, groceries, and other expenses.

### Cash programs pull millions out of poverty

Recent experience from the temporarily expanded federal Child Tax Credit (CTC) – which briefly functioned as a guaranteed income for families in 2021 – provides some of the most compelling evidence of how direct cash can boost economic security for families. The expanded CTC contributed to a more than 40 percent cut to child poverty nationally, lifting 3.7 million children out of poverty.



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## Cash boosts economic security

Evidence from pilot programs shows guaranteed incomes help make families more economically secure. The research spans decades. When families receive additional resources, they spend those dollars to meet their basic needs. For example, nearly nine in every 10 Oregon families with low incomes who received the expanded CTC in 2021 reported spending it on basic needs like housing, food, and utilities. Many studies of guaranteed income pilot programs show recipients use cash to pay down debts, and are less reliant on alternative financial services like payday loans or borrowing money from friends and family.

One of the more prominent examples in recent years is the Magnolia Mother's Trust, a guaranteed income pilot program for Black mothers in Jackson, Mississippi. Many of the mothers in the program were able to afford their monthly bills without having to borrow money. Moreover, the share of mothers who had savings doubled, and about three in five women reported paying off debts.

## A guaranteed income would make Oregon families more economically secure

Oregon families work hard, and yet many struggle to meet their basic needs. Establishing a guaranteed income is an efficient and effective way to ensure all Oregon families are able to get by.



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