

What we know about Guaranteed Income: Supports hardworking Oregonians

Additional cash in the pockets of hardworking Oregonians can help them stay employed, research shows. In instances where people reduce their working hours, it is often because they are working less overtime to spend more time with their families, reducing their hours to pursue schooling or training for better pay in the future, or performing unpaid caregiving work.

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.

Guaranteed income programs support work

Despite claims to the contrary, research shows that unconditional cash transfers often have no significant impact on people's employment. In fact, basic income programs can help workers stay employed by covering an unexpected car repair so they can get to work, or by filling in the gaps when persistently low wages fail to keep up with the rising cost of living. In the case of the Stockton SEED program, people were more likely to work full time at the end of the program than when they entered it.

Cash helps workers meet their families' needs

Analysis of guaranteed income and direct cash transfer programs finds that when recipients reduce their working hours, it is often to provide caretaking for a family member, or pursue additional schooling or job training that will result in better long-term pay.



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Take for instance the Magnolia Mother's Trust in Jackson, Mississippi. Some mothers used the cash they received to afford child care so they could work. Others chose to use the funds to cover the basics while they provided care for their children at home.

Research on other pilot projects confirms these findings. Studies consistently show that workers reducing their hours are doing so to provide care to loved ones, or to pursue job certifications, training, and better employment opportunities.

Guaranteed income boosts worker power

Cash can boost worker power by giving workers an additional cushion to advocate for better wages, benefits, and workplace conditions. Research shows workers with greater levels of income outside their work earnings have higher "reservation wages," meaning they demand higher pay before deciding to take a job. Such leverage can force employers to raise starting pay levels in order to compete for labor. Moreover, knowing they have an additional safety net may encourage workers to organize their workplace to demand better pay and working conditions. Some have attributed the rise in union activity in the wake of the pandemic to an expansion of direct cash programs.

A guaranteed income would support Oregon workers

Whether harvesting fruit, providing care to their children or aging parents, or working in the back of the house in one of Oregon's famous restaurants, Oregonians work hard. Too often that work pays too little to get by.

Research shows that having additional cash in their family budgets would enable Oregon workers to better meet their family's needs.



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