

COUNCIL COMMUNICATION

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|  CITY OF DES MOINES OFFICE OF THE CITY MANAGER | Number: | 22-334 | Meeting: | July 18, 2022 |
| | Agenda Item: | 37 | Roll Call: | 22-1151 |
| | Submitted by: | Malcolm A. Hankins, Assistant City Manager | | |

AGENDA HEADING:

Approval of funding to support the Central Iowa Basic Income Pilot (BIP) Project.

SYNOPSIS:

Nationally, BIPs have been implemented in over 40 communities and counting. Early findings from these pilots suggest positive participant outcomes, including improved mental health and increased ability to obtain full-time employment.

A coalition of community partners and institutions, led by the Mid-Iowa Health Foundation (MIHF), have come together to support implementation of a basic income pilot project for the community. In response to the extreme hardships brought on by the pandemic, communities across the country are using American Rescue Plan Act (ARPA) funds to implement BIPs to understand the effectiveness and efficiency of basic income as a benefits model. The Central Iowa BIP seeks to measure improvements in the health and well-being of individuals and their families by removing monthly income volatility. The pilot also seeks to support the economic health of the community by improving the ways in which community members show up in the workforce due to the reduced burdens brought on by the stressors associated with poverty. The pilot affords central Iowa with an opportunity to understand how a basic income may impact the health and well-being of residents, support a thriving local workforce, and contribute to the current national discussion occurring regarding this poverty-reduction strategy.

Over the last few months, MIHF has facilitated the support of eight (8) local private and public funders, as well as gathered stakeholder input and project champions from representatives of over 20 local non-profit organizations. Additionally, local academic institutions Drake University and Des Moines University will partner with leading researchers at the University of Pennsylvania's Center for Guaranteed Income Research to conduct the pilot.

FISCAL IMPACT:

Amount: Total Cost will be \$500,000.

Funding Source: ARPA Funds. FY 2023 Adopted Budget, Finance Department, Special Revenue and Other Funds, Page 85.

ADDITIONAL INFORMATION:

- Mayors for a Guaranteed Income (www.mayorsforagi.org) - is a network of mayors advocating for a guaranteed income to ensure that all Americans have an income floor. Nationally, more than 40 communities are participating in a Guaranteed Income Pilot program. Other communities utilizing ARPA funds (not an exhaustive list):
 - St. Paul, MN
 - Minneapolis, MN
 - Chelsea, MA
 - Richmond, VA
 - Chicago, IL
 - Lansing, MI
 - Baltimore, MD
 - Tacoma, WA
 - Evanston, IL
 - Cook County, IL
 - Alexandria, VA

- Key findings from other pilots (not an exhaustive list):

Stockton, CA (2019-2021)

- Food was the most common thing participants bought with the debit card.
- The additional \$500 was also used to cover the needs of aging or ill family members.
- The treatment group showed less month-to-month income volatility than the control group.
- Participants in the treatment group were better equipped to handle an unexpected \$400 expense. Increasing from 25% of recipients who could pay for it to 52% of recipients after one (1) year in the program.
- The treatment group had lower levels of anxiety and depressive symptoms than the control group after one (1) year in the program
- Full-time employment increased among recipients jumping from 28% to 40% in one (1) year. Recipients were able to reduce the number of part-time shifts they worked and were able to apply for better work opportunities.

Hudson, NY (2020-2025) – 1-year report findings:

- Employment (full-time and part-time) grew from 29% to 63%.
- Participants' physical and mental health improved.
- Participants experienced decreased symptoms of psychological distress.
- Emergent qualitative themes:
 - Greater stability
 - Improved ability to make future plans
 - Improved physical and mental health
 - Improved family and community relationships
 - Increased feelings of individual agency

Baby's First Years (2018-2024) – Multiple sites: New York City, New Orleans, Twin Cities, Omaha

- Babies with mothers receiving the higher cash value (\$333) showed greater mid- to high- frequency absolute EEG power in the alpha-, beta-, and gamma-bands compared

to infants whose mothers were receiving the lower cash amount. More absolute power in mid- to high-frequency bands (e.g., alpha, beta, and gamma) is associated with higher language, cognitive, and social-emotional scores.

- Reducing poverty appears to change children's brain function to have higher cognitive skills.
- Unconditional cash transfers can positively affect infant brain activity.

Washington, DC (2020-2022)

- 90% of participants reported spending a large portion of their cash payments on housing.
- 42% of participants reported spending "all or almost all" or "a lot" of their cash payments on food.
- The costs that participants had the most concern about were related to debt (37%), internet or phone bills (32% and 30%), and transportation (29%).
- Participants had lower rates of food insecurity than other people with low incomes.
- Before cash payments 34% of participants reported they sometimes or often did not have enough to eat compared to after the cash payments where 19% reported experiencing that.
- 68% of participants reported there had been a time before receiving payments when their child did not receive needed healthcare or childcare, compared to 36% of participants reported this happening after the payments.

Child Welfare Impacts – Clare Anderson, University of Chicago, June 2021

- Sustained economic support is a preventive strategy towards engagement with the child welfare system.
- American Academy of Pediatrics (2021) identified cash assistance to low-income families as a method to meet concrete needs and minimize poverty-related neglect cases.
- Centers for Disease Control and Prevention (CDC) (2016) identified economic supports to families as a strategy to prevent child abuse and neglect; also, found that policies that improve the socioeconomic conditions of families have the largest impact on health.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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