



State of the South

Reducing Poverty and Investing in Agency through Guaranteed Income



Guaranteed income promotes economic security and mobility by providing individuals and families with monthly, unrestricted cash transfers. Implemented in the US primarily through time-limited pilot programs at the city or county-level, the benefits of guaranteed income, including reduced stress, increased savings, and steadier employment, have been well-studied.[i] Guaranteed income is not new idea—it was championed by leaders like Johnnie Tillmon and Dr. Martin Luther King, Jr.[ii] The COVID-19 pandemic and American Rescue Plan Act funding accelerated interest in unrestricted cash transfers as an economic relief and emergency response strategy, paving the way for economic impact payments and the creation of over 100 new pilots across the United States.

Dignity and Agency

The core tenet of guaranteed income programs and policies, and the factor that differentiates it from other benefits like TANF, Section 8, child care subsidy, SNAP, or WIC, is that the cash transfers are unrestricted—or “no strings attached.” People may use the funds in whatever ways they choose, and they do not have to do anything in return. Grounded in an acknowledgement that people experiencing financial insecurity will best know how to use additional resources to meet their needs, prioritizing agency and dignity among participants is at the heart of guaranteed income.[iii]



“I have worked since I was 17 and now I am 40 years old still working hard – this past year I didn’t have to feel like I was just scraping by, I could actually breathe.” -Halimah, IMPACT pilot participant, Atlanta, GA[iv]

Unrestricted Cash Transfers - The Basics

In the US, unrestricted cash transfer policies and programs are already in operation or have been tried at the state and federal level, usually in the form of tax credits like the Child Tax Credit and the Earned Income Tax Credit. The benefits of these policies are well-studied and include significant reductions in child poverty and food insecurity.[v] Guaranteed income pilots operating at the community, city/county, and state level offer similar benefits, but are structured differently. Guaranteed income is typically distributed monthly for 12-24 months to people in a specific group—for example, single parents, people who have experienced incarceration, LGBTQ+ young people, or people below a certain income threshold. By contrast, universal basic income is received by everyone, regardless of income or identity.



Guaranteed Income Pilots in the South

Guaranteed income pilots are becoming more common in the South. Every state in MDC’s 13-state region, except for Arkansas and West Virginia, has had at least one pilot program.[vi] 51 mayors and county officials across every southern state except for West Virginia have joined Mayors and Counties for a Guaranteed Income, coalitions of local government leaders working to establish an income floor for all Americans.[vii]

One of the first and longest-running Southern pilots is the Magnolia Mothers Trust, providing \$1,000 per month to single mothers living in public housing in Jackson, Mississippi. Six years into running the program, Springboard to Opportunities in Jackson is engaging in research with participating families about how they define prosperity and focusing on how they can use what they have learned to inform other guaranteed income programs and federal cash assistance policy.[viii]

“A multitude of other studies looking at similar guaranteed income programs and other regular, cash-based benefits, like the expanded Child Tax Credit in 2021, have produced similar results and add to the compounding research that tells us all what families already knew: cash works.”

-Springboard to Opportunities, Holistic Property White Paper, 2024[ix]

Legislative Outlook: Progress toward Broader Guaranteed Income Policy

Federally, the Guaranteed Income Pilot Program Act of 2023 has been introduced in the House of Representatives and includes two Southern sponsors, Eleanor Holmes Norton (D.C.) and Jasmine Crockett (TX). The act would establish a 3-year pilot and evaluation serving 10,000 individuals ages 18-65, providing a monthly payment equal to the amount of fair market rent for a 2-bedroom apartment in their zip code.[x] The funds would not count as income for the purposes of other public benefits for 12 months, partially avoiding challenges associated with the benefits cliff. At the state level, legislation to establish state-funded guaranteed income programs has been passed in Washington D.C., California, and Washington. Conversely, legislation to prohibit the use of public funds for guaranteed income has passed in Arkansas, Idaho, and Iowa.[xi]

Public officials opposed to guaranteed income programs often cite concerns about government spending, dependency, and disincentivizing work.[xii] However, research shows that guaranteed income programs are often more efficient than other benefits programs because the funds are not restricted, and the qualification processes are more streamlined. Research also shows that guaranteed income does not have a negative impact on employment; where there are slight reductions in paid work, they are accompanied by increases in caregiving or schooling.[xiii]

The Bottom Line

Guaranteed income programs recognize that individuals experiencing financial insecurity know their needs best and can help reduce stress, offer flexibility to save or pay down debt, and stabilize food or housing security. Studies of guaranteed income pilot programs have repeatedly shown the benefits of the programs for participants. As guaranteed income is gaining traction in the South, we hope that more leaders will consider implementing this tool to expand economic opportunity and invest in the dignity of Southern people.

To learn more about guaranteed income, check out these resources from the Economic Security Project: [The Guaranteed Income Blueprint](#) and [Guaranteed Income, A Primer for Funders](#). To learn more about the perspectives of participating families in the South, please read [My kids deserve the world: How children in the Southeast benefit from guaranteed income from Mayors for A Guaranteed Income](#).

Sources:

[i] Stanford Basic Income Lab. “[Work: Job Precariousness; Economic Effects: Saving and Investments; Health: Mental Health](#).” Online Research Visualization. 2020. Accessed on December 11, 2024.
[ii] Foster, Natalie. “[THE NEW REPUBLIC—Guaranteed Income Programs Are Martin Luther King Jr.’s Legacy](#).” The Economic Security Project. Published January 1, 2023. Accessed December 12, 2024.
[iii] Foster, Natalie. “[THE NEW REPUBLIC—Guaranteed Income Programs Are Martin Luther King Jr.’s Legacy](#).” The Economic Security Project. Published January 1, 2023. Accessed December 12, 2024.
[iv] [Guaranteed Income Pilots Dashboard](#). Accessed December 12, 2024.
[v] “[Insights from OpenResearch on the 2021 Expanded Child Tax Credit](#).” OpenResearch. Published December 5, 2024.

[vi] [Global Map of Basic Income Experiments](#). Stanford Basic Income Lab. Accessed December 12, 2024.

[vii] [Mayors for a Guaranteed Income](#). Accessed December 12, 2024.

[viii] [Holistic Prosperity](#). Springboard to Opportunities. Accessed December 12, 2024.

[ix] [Holistic Prosperity](#). Springboard to Opportunities. Accessed December 12, 2024.

[x] McDonald, Makayla and Burnside, Ashley. “[Two New Guaranteed Income Bills Bring Different Strategies to Reducing Young Adult Poverty](#).” The Center for Law and Social Policy. Published March 2, 2024. Accessed December 12, 2024.

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[xii] Ludden, Jennifer. “[After a boom in cash aid to tackle poverty, some states are now banning it](#).” National Public Radio. Published May 3, 2024. Accessed December 12, 2024.

[xiii] “[Addressing Misconceptions in 2024 Guaranteed Income Research](#).” Economic Security Project. Published October 2024. Accessed December 12, 2024.