

# Everyone deserves a basic income



**madison  
forward  
fund**

**Imagine a world where everyone's basic needs are met.**

## ▶ **What is basic income**

- A basic income, or guaranteed income, is a monthly cash payment given directly to families. It is unconditional, with no strings attached and no work requirements.
- A basic income is meant to supplement, rather than replace, the existing social safety net and be a tool for racial and gender equity.

## ▶ **Why basic income**

- Guaranteed income is a way to recognize everyone's inherent dignity.
  - Every person is equally worthy of basic human needs, such as housing, food, health and financial security.
  - Cash offers dignity and self-determination, and recognizes that a one-size-fits-all approach is antiquated and rooted in distrust.

## **Tackling poverty at the root through Basic Income policies:**

- ▶ Payments can be made quickly, directly, and at scale.
- ▶ Flexibility: every household has different needs, and needs change over time.
- ▶ Basic income programs can fill gaps in the social safety net: many people who are partially covered, left out entirely, or still don't have basic needs met.

**“I am now convinced that the simplest approach will prove to be the most effective – the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.**

Rev. Dr. Martin Luther King, Jr.



# Testing the concept of basic income in Madison

**\$930,000**

Total funding to be paid to recipients

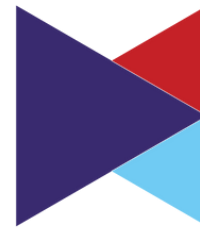
**3,000**

Number of eligible applications submitted

**155**

Number of program recipients

The Madison Forward Fund (MFF) is a year-long guaranteed income program, providing \$500 monthly payments to 155 low-income Madison residents. We know families are still reeling from the pandemic, struggling with rising income inequality, a shortage of childcare and increasing inflation. MFF is founded on the belief that people experiencing financial hardship are best positioned to make informed decisions that efficiently address their household's needs. The program invests in low-income families, providing the autonomy and flexibility of unrestricted financial support. MFF will also examine the impact on participants' health and wellbeing, civic engagement, and workforce participation, helping to provide proof of concept for a national policy.



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**Eligibility:** Madison residents 18 and older with a household income less than 200% of the Federal Poverty Line, and with a child under 18 years old living at home.

MFF was recently profiled in the [Wisconsin State Journal](#) and [WPR](#). Plus, check out this piece on [guaranteed income in the New York Times](#)!



**MAYORS FOR A  
GUARANTEED  
INCOME**



**COUNTIES FOR A  
GUARANTEED  
INCOME**

The Mayors for a Guaranteed Income network has grown to over 100 members since 2020, with dozens of pilots running across the country. Counties for a Guaranteed Income is launching in February 2023!

## MADISON FORWARD FUND PARTNERS



**MAYORS FOR A  
GUARANTEED  
INCOME**

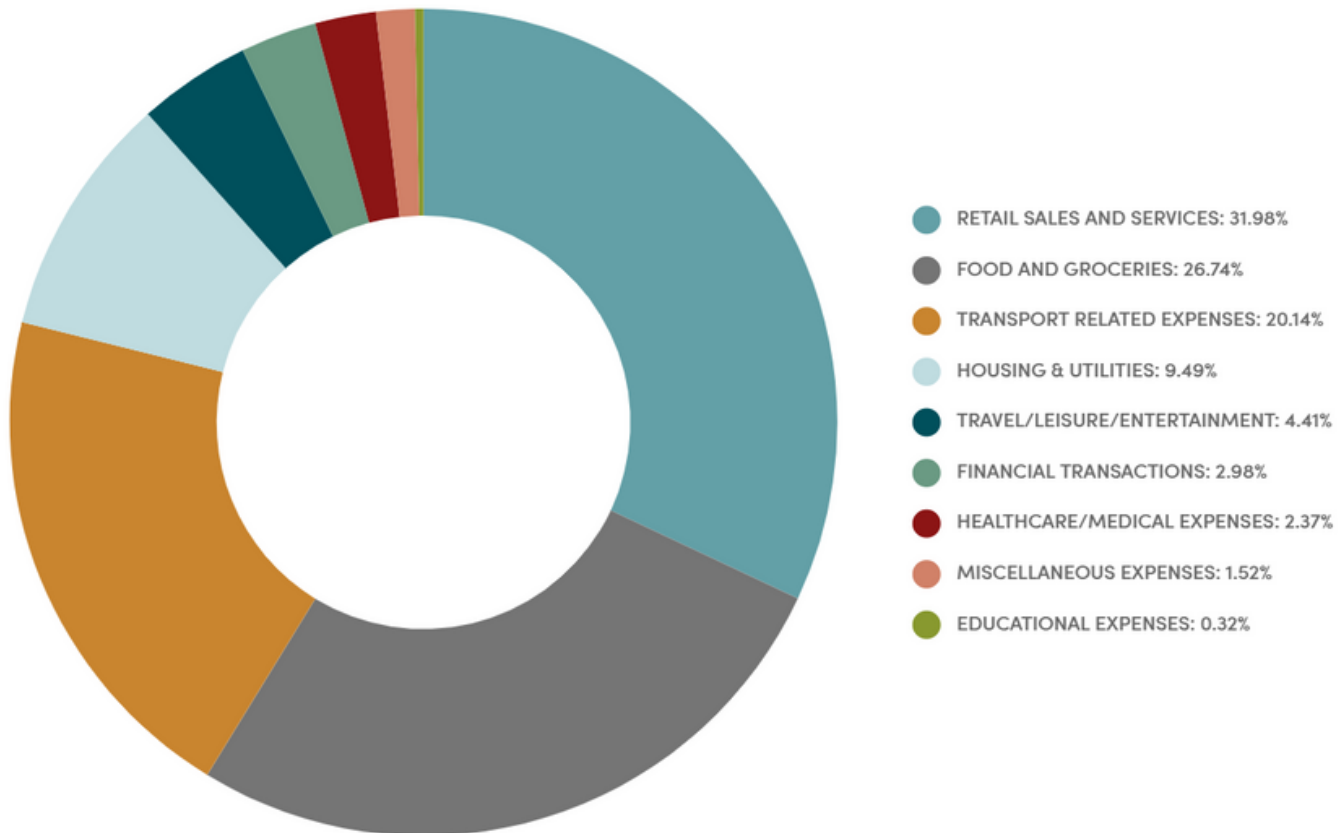


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# How are basic income payments spent?

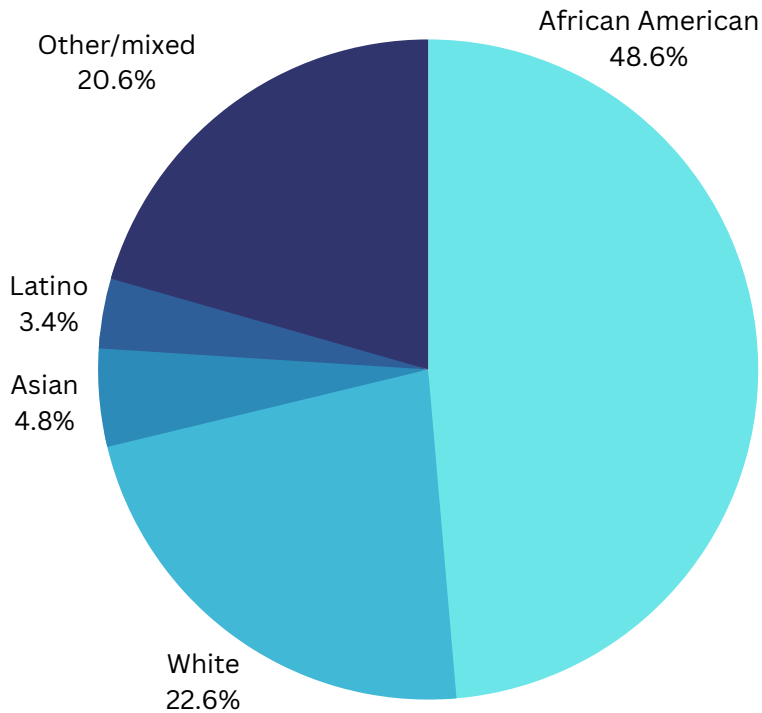
\*The data in this pie chart shows aggregate spending for MFF participants Sept-Nov 2022. This includes all non-cash expenditures from participants' pre-paid debit card that is loaded with payments monthly.



- The largest share of funds were spent on retail sales and services, which includes large and small chain stores, wholesale and discount clubs, maintenance and repair services, and superstores, like Target and Walmart, where participants can purchase food, school supplies, medical products, etc.
- Food and grocery purchases represented about one quarter of all spending; transportation related expenses (including fuel, parking, vehicle maintenance and repair, vehicle purchase, public transit, and other commuting expenses) was about one fifth of all spending.

# Participant Demographics

**Race**



**Ethnicity**

Hispanic	17.8%
Non-Hispanic	82.5%

**Primary language spoken at home**

English	88.4%
Spanish	9.6%
Other	2.1%

**Household Composition**

Average age of recipient	36 years old
Average HH size	4
Average # of children in HH	2
Annual HH income	Mean: \$16,267 Median: \$14,378

**Gender**

Male	15.1%
Female	82.2%
Other	2.7%

Families are working hard, but the structural nature of poverty keeps them stuck. MFF payments are providing stability and financial resilience.

Regina is a passionate mom of three kids, ages 4, 8, and 10. Like most parents, she knows the challenge of needing to work to support your family but having most of those earnings go towards childcare. In early 2022, Regina had just started a new job and was working a lot of hours, but still not earning enough to cover basic needs for her family. **"Other people say, 'you need to put in more hours'. That might sound logical to some people, but if you think about it, who's gonna watch your kids for you to work more hours?"** For her, receiving funds through MFF has provided a stable and consistent source of income to supplement her earnings. Since joining MFF, the payments have helped Regina cover her bills each month. "[With MFF,] I'm not choosing between bills anymore, which one to pay now and which one to wait on to pay later." Regina says programs like this just make sense and she would like to see every family who needs it have access to a basic income. "If there's not being any pay increases with labor, and minimum wages not going up, plus everything is getting more expensive, I think we should go for it!"

## Regina



Unrestricted payments provide flexibility, autonomy and freedom. Parents are able to help their families thrive.

*"It has also helped with bringing food to the table, especially now with the prices going up. We all struggle with gas, food, bills, debt, Etc....Being able to receive it and **being able to spend it where it's needed is the best.** I am able to catch up." - MFF parent*

*"Being a single mom, receiving guaranteed income from the MFF program has been a relief for me and my family. I am able to pay the utility bill, start the process of getting some braces for my teeth and get my kids clothes and shoes when they need it. I felt bad not being able to provide my kids everything that they needed. Now I don't have to wonder how I am going to pay my bill next month because I can count on that income coming in. Having Bipolar 2 and not being able to keep a job due to depression or not being confident enough to find one due to my disorder gives me hope and a sense of security." - MFF parent*



# Marisol

Marisol is originally from Puerto Rico and loves her adopted home of Madison, where she has lived since 1999. She has 5 kids, with the youngest still living at home. Marisol has fibromyalgia, a chronic condition that prevents her from being able to work consistently. She struggled a lot, especially during those times when her health was worse, and she couldn't work. She feels lucky to have some support from the government, but Marisol explains, **"With food stamps, I can't buy detergent, or do my laundry, or get school supplies for my kid."** Once she started receiving payments from MFF, the funds provided a reliable and consistent source of income for her to cover daily family expenses, whether her health allowed her to work or not.

"This money is a big help. A program like this is giving opportunity, and right now this is a blessing. For me, where I've been struggling with an illness for so long, and as a single mom when I have to pick whether to pay bills, pay rent, or pay for things my kids need...I'm a person that struggles but I stay strong. Now with this money, it's making it easier for me to do other things. Before, my kid didn't get new clothes for the new year, and didn't get a backpack, nothing. But this year it was like a miracle. The first payment came right when the new school year was starting. The first deposit I got, we ran to the store and got stuff for school, and we were both really excited."

"At a time that I wasn't expecting but definitely needing some kind of financial assistance, I came across an MFF announcement for applications on the Madison Public Library website. I thoroughly read through the criteria and was relieved that my status as undocumented would not disqualify me as an applicant. For the past ten years my American-born oldest son has been the primary breadwinner for my family of five. He has been working since he was 16 to support us. And for the first time after so long I finally have money in my bank account. No words can really describe my feelings. **The dignity of being able to pay my utility bills and groceries is simply overwhelming.**

## W.N.H.



My sons are aware of us getting the MFF. I explained to them there is no shame in getting the help we need. **It is not a handout. It is a guaranteed income that supports one to be a functioning member of society** - one that does not fall into despair drowning in financial obligation that he or she just cannot get out of. My family is now at a better place than we were ten years ago. My husband and I are in the process of getting our permanent residence here. And while we eagerly wait for that, I hope that the MFF program would continue to grow."



# At the end of the study, we will have survey data on:



Financial stability



Civic engagement



Physical and mental  
health



Workforce participation

**MFF is designed as a Randomized Controlled Trial, the gold standard for research experiments.**

**MFF pilot final data collection is Feb 2024.**

## In the meantime, promising evidence for basic income programs is growing

### Studies of basic income have found significant impact on:

- ▶ Financial stability: reduced income volatility
- ▶ Labor market participation: increased work (when work reductions occur, time is channeled into other valued activities, such as caregiving)
- ▶ Short-term educational outcomes: improved school enrollment and attendance
- ▶ Mental health: less depression and anxiety

Source: Hasdell 2020

[https://basicincome.stanford.edu/uploads/Umbrella%20Review%20BI\\_final.pdf](https://basicincome.stanford.edu/uploads/Umbrella%20Review%20BI_final.pdf)

## The guaranteed income served as **compensation** for unpaid labor

Cash enabled recipients who perform care work, primarily women and women of color, to receive compensation for what is typically unpaid or underpaid in the formal economy.



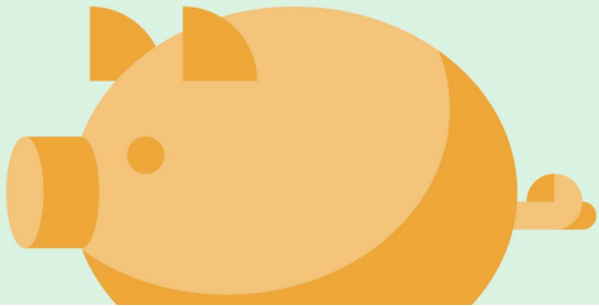
## Guaranteed income enabled recipients to find **full-time employment**

Those who received a guaranteed income of \$500 a month went from part-time to full-time employment at more than twice the rate of those who didn't.



## The guaranteed income alleviated financial scarcity creating new opportunities for **self determination**, choice, goal-setting, and risk-taking

*"I could sustain myself until this new opportunity came around, and I was able to take it."*



## Recipients of guaranteed income were healthier, showing less depression and anxiety and **enhanced wellbeing**

*"I had panic attacks and anxiety. I was at the point where I had to take a pill for it. And I haven't even touched them in awhile. I used to carry them on me all the time."*



Parents articulated newfound time and ability to engage with their children in small, but normal rights of passage that generated dignity and quality of life.

*"Watching tv with my kids instead of yelling."*

*"I can breathe and do homework with them."*

*"Take your kids to the movies."*

*"Be able to say yes to the ice cream instead of no. My kids have always heard no."*

 **SEED**  
Stockton Economic  
Empowerment Demonstration

Source: [Stockton Demonstration Preliminary Analysis](#)





Mayors for a Guaranteed Income ✓

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Last week, we met with senior leaders in the Biden-Harris Administration to share learnings from our pilots. Unconditional cash is good politics & good policy, and we're excited to keep making the case for [#guaranteedincome](#) as a tool to lift folks out of poverty.



12:10 PM · Jan 24, 2023



[Read the full conversation on Twitter](#)



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Thank you Mayors for your leadership & for joining — @SatyaForMadison, @Woodards4Tacoma, @MichaelDTubbs, @MayorSPH, & @LevarStoney!

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For more information, visit

**[MadisonForwardFund.wisc.edu](https://MadisonForwardFund.wisc.edu)**



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