



Guaranteed Income
COMMUNITY OF PRACTICE

GUARANTEED INCOME & THE FIGHT TO END HUNGER:

Feedback from Economic Security Project's Virtual Listening Session with the Guaranteed Income Community of Practice

Prepared by the [Economic Security Project](#), with insight and recommendations from the [Guaranteed Income Community of Practice](#)

INTRODUCTION

During the height of the COVID-19 pandemic, federal, state, and local governments used direct cash programs to provide fast, efficient, flexible support to residents navigating the economic consequences of the pandemic. From stimulus checks to the expanded Child Tax Credit to multi-year guaranteed income programs funded through the American Rescue Plan Act (ARPA), we have seen that cash policies can successfully meet short-term needs and hold great promise for addressing long-standing policy challenges. In studies of the monthly Child Tax Credit, stimulus checks, and guaranteed income demonstrations around the country, researchers find repeating themes: food is consistently one of the most common items purchased with extra cash, and providing unrestricted cash payments to recipients helps reduce hunger and food insecurity. For these reasons, as part of the fight to end hunger, **we encourage the Administration to fund and support policies that provide unrestricted, monthly cash payments to low-income individuals.**

Lack of resources is one of the main drivers of food insecurity. The risk of food insecurity [increases](#) when families don't have enough money to buy food. Even with existing food benefits in place, many families face food insecurity, and the data show that unrestricted cash helps households put food on the table. In fact, when the first monthly Child Tax Credit payments went out to families with kids in July 2021, the number of people in households without enough to eat was reduced by [2.6 million](#), and food was the number-one use of the money people received – with nearly half of recipients spending part of their credit on groceries or restaurants. While food availability and utilization can be more challenging to address, we can directly increase food affordability by providing unrestricted cash. With the negative economic impacts of the pandemic continuing and food costs rising, increasing the amount of money people have available to spend on food provides a direct, immediate way to address hunger now.

The pandemic response shows that **cash policy has a vital role to play in ending hunger and addressing food insecurity in the United States.**

Based on the success of cash policies during the pandemic and the insight shared by members of the Guaranteed Income Community of Practice, we recommend the following policies to put more money into the pockets of families experiencing hunger to increase food security:

1. Reinstate the expanded monthly refundable Child Tax Credit;
2. Make all tax credits for low-income Americans, such as the Child Tax Credit and Earned Income Tax Credit, available monthly;
3. Provide federal guidance to USDA and other agencies to ensure that SNAP, WIC, TANF, and other federal benefits programs do not consider payments from guaranteed income demonstrations as income for determining eligibility or benefit level;
4. Provide a monthly, unrestricted federal guaranteed income to families and individuals struggling to make ends meet; and
5. Increase the federal minimum wage.

ABOUT US

The Economic Security Project (ESP) works to build economic power for all Americans. We advocate for a guaranteed income that would provide an income floor through which no one could fall. We co-convene the Guaranteed Income Community of Practice (GICP), a coalition of more than 430 individuals from more than 250 organizations across the country working on guaranteed income. Many of these organizations are coordinating pilot demonstrations that provide unrestricted cash payments to recipients. The

following is drawn from the expertise of ESP staff and our GICP members.

DIRECT CASH IS SHOWN TO HELP END HUNGER

Cash works because it gives people agency, dignity, and flexibility. Families' circumstances and needs are ever-changing. We know from years of research that, with adequate resources, individuals are in the best position to solve their own problems, including feeding their families. Whether through expanded tax credits or guaranteed income programs, monthly cash gives them the ability to do that. Existing public benefit programs like SNAP and WIC are absolutely necessary, but our [current hunger rates](#) show that they aren't enough. In addition to strengthening and broadening current food- and nutrition-specific benefits, we must also add unrestricted monthly cash as a complement to those programs. Even with food programs in place, data consistently show that people spend extra cash – whether from [stimulus checks](#), [guaranteed income programs](#), or monthly [Child Tax Credit](#) payments – on food for their families.

RECOMMENDATION 1

Reinstate the expanded monthly refundable Child Tax Credit.

Parents and caregivers spend extra cash on food. Data from the 2021 expanded Child Tax Credit (CTC) shows that households with children spend extra cash on feeding their families:

- The monthly Child Tax Credit dramatically and quickly reduced food insecurity in the first months. Following the first payment in July 2021, food insufficiency [dropped by 24 percent](#) in families with kids. Families

who received the monthly CTC payments were [1.4 times more likely](#) than ineligible households to be able to afford balanced meals and buy the kinds of foods they needed, including meat or protein and fruit. The differences were even more stark among Black and Latinx families: for example, eligible Black families were almost twice as likely to be able to afford the kinds of food they needed compared to ineligible Black families.

- Food was the most common use of monthly cash people received through the expanded Child Tax Credit over the last half of 2021. When the final CTC checks went out in December 2021, [two-thirds](#) of recipients used their CTC on food, nearly double the share who spent it on any other category.

The expiration of the Child Tax Credit increased food insecurity for households with children. Five months after the CTC payments ended, [half of families](#) with kids could no longer afford enough food.

RECOMMENDATION 2

Make all tax credits for low-income Americans, such as the Child Tax Credit and Earned Income Tax Credit, available monthly.

Monthly cash reduces income volatility and keeps more kids out of poverty all year long. Income volatility – the destabilizing swings in income from month to month – [disproportionately affects](#) Black and Latinx families and families with low incomes. Recent research shows that the wellbeing of Latinx and Black families is 20 to 50 percent [more sensitive](#) to income shocks than white families.

- [Research](#) from monthly guaranteed income pilots shows that giving people money on a regular basis reduces income volatility, making it easier for families to budget and meet changing needs. Because of this increased stability, regular monthly cash also keeps families out of poverty for more of the year.
- Recent research from [Columbia University](#) shows that compared to annual payments, distributing payments monthly would consistently lower child poverty rates by 6.8 percentage points on average – or about one-third lower – with the same total spending level.

RECOMMENDATION 3

Provide federal guidance to USDA and other agencies to ensure that SNAP, WIC, TANF, and other federal benefits programs do not consider payments from guaranteed income demonstrations as income for determining eligibility or benefit level.

Unrestricted cash is a complementary benefit to existing programs. It allows people to fill in the gaps these programs leave: the data clearly show that even when people receive food-specific benefits, they still spend extra cash on food. SNAP and WIC are not indexed to cost-of-living differences in different areas of the country. Monthly cash payments can supplement these essential programs to ensure families can afford the food they need.

Monthly cash allows families more flexibility to buy food to fit their families' needs. Existing food programs like SNAP and WIC are critical lifelines, but they are often insufficient to meet families' varying needs because of prescriptive rules and requirements about what food recipients can buy and where they can buy it. For example:

- WIC only allows a prescribed amount of specific food items;
- Most SNAP recipients cannot use their benefits to buy hot prepared food from the grocery store, like a pre-cooked whole chicken – a huge timesaver for busy families across the income scale; and
- Until recently, SNAP recipients couldn't use their SNAP benefits to buy food from online retailers, where food is often cheaper – a convenience that became a necessity for some families during the COVID-19 pandemic. Even with recent relaxation of the rules, only recipients in 48 states can currently buy food online with SNAP benefits.

RECOMMENDATION 4

Provide a monthly, unrestricted federal guaranteed income to families and individuals struggling to make ends meet.

Monthly cash improves food security and reduces hunger. In addition to data from the monthly CTC payments, data from [guaranteed income pilots](#) clearly show receiving a regular cash benefit increases families' ability to meet their nutritional needs:

- **Magnolia Mother's Trust in Jackson, Mississippi:** Monthly cash to Black mothers increased the percent of families that were able to [prepare three meals a day at home](#) in the first year of the program. In the second year, mothers were able to [budget an additional \\$150 for food and household expenses](#).
- **Stockton Economic Empowerment Demonstration (SEED) in Stockton, California:** Monthly cash payments [increased food security](#) both for recipients

and for the broader networks in their communities from whom recipients would often borrow money when they didn't have enough money for food.

- **The Bridge Project in New York City:** Monthly cash helped parents get through the month when [food stamps ran out](#).
- **Miracle Money in the California Bay Area:** People experiencing homelessness who received monthly cash payments [spent more on food \(30.6%\) than on housing \(29.9%\)](#), indicating high food insecurity prior to the program.
- **Camp Harbor View in Boston, Massachusetts:** According to the program evaluator, guaranteed income recipients "consistently report being able to buy groceries is one of the benefits of the program."
- **Guaranteed Income Program in the Saint Paul, Minnesota area:** More than half (52%) of participants reported spending their guaranteed income on groceries. One recipient shared, "I have more time, energy, and space to dedicate to my kids' interest. I was able to afford the needs of my children."
- **HudsonUp in Hudson, New York:** In the first-year results of a five-year guaranteed income pilot, participants in the qualitative survey reported a reduction in stress and improvements in their mental health since joining the program, with many describing the program as a "relief" and connecting their reduced financial strain to improvements in their physical health. Some participants had begun eating healthier, sleeping better,

exercising more, and drinking less alcohol, with one reporting, “Sleep hygiene has been amazing. Mental health has been amazing. My ability to eat regularly and I drink less.”

Monthly cash allows families to afford the types of food their family needs. Current food programs often force families to make tradeoffs between price and other factors like nutrition, taste, and cultural preference. Research demonstrates that generous and consistent cash transfers increase the quantity and quality of food available to families, and reduces the prevalence of hunger and food insecurity.

- **Monthly cash helps families eat more nutritious food.** [Data](#) from monthly Child Tax Credit payments show that eligible families were 1.3 times more likely than ineligible households to increase fruit consumption and 1.5 times more likely to increase meat or protein consumption while receiving the payments.
- **Monthly cash reduces time poverty, giving parents and other caregivers more time to care and cook for their kids.** As researchers of the groundbreaking Stockton Economic Empowerment Demonstration ([SEED](#)) guaranteed income demonstration in Stockton, California put it, “financial scarcity generates time scarcity.” Low-income parents juggle jobs (often multiple), household responsibilities, and children – on top of figuring out how to put food on the table each day. And while a home-cooked meal may be the ideal scenario, these families have very little time to prepare meals from fresh fruits and vegetables each day, as is envisioned by the SNAP and WIC programs. Demonstrations like the one in Stockton

show that with a little extra cash in their pockets, parents can free up time to care for their families and feed their children the way they’d like to.

- **Unrestricted cash gives families agency to meet their food needs and buy the food they want.** Unrestricted cash allows individuals and families to purchase the foods they choose, which may increase the ability of families to prepare and serve foods specific to their culture.

Cash gives families the resources to meet the myriad challenges they face, which cause or exacerbate food insecurity. As Feeding America notes, “Food insecurity does not exist in isolation, as low-income families are affected by multiple, overlapping issues like lack of affordable housing, social isolation, economic/social disadvantage resulting from structural racism, chronic or acute health problems, high medical costs, and low wages.” Direct cash payments can ensure that families do not have to choose between food and other necessities like housing, utilities, or health care.

RECOMMENDATION 5

Increase the federal minimum wage.

Higher wages reduce hunger and food insecurity by increasing purchasing power of low-income households. Researchers at the Century Foundation [studied](#) the impacts of increasing the minimum wage to \$15 an hour and found that it would significantly improve food security, especially for people of color and single-parent households. They found that a higher minimum wage enables households to worry less, reduce reliance on low-cost food, and afford more balanced meals.

VIRTUAL LISTENING SESSION: GUARANTEED INCOME COMMUNITY OF PRACTICE

We asked the 430 members of the Guaranteed Income Community of Practice, representing nearly 300 organizations, colleges, and universities, for their responses to the White House's questions about the right solutions to food insecurity and hunger. Their responses are summarized below.

What specific actions should the U.S. Federal government, including the Executive Branch and Congress, take to achieve each pillar? What are the opportunities and barriers to achieving the actions? Actions should include specific policy and/or programmatic ideas and changes as well as funding needs.

- Provide unrestricted cash alongside SNAP and other benefits to ensure people can purchase nutritious food.
- Ensure guaranteed income demonstrations are excluded from asset and income determinations for benefits programs to ensure our most vulnerable residents can equitably participate in these innovative programs.
- Expand SNAP and other benefits with less restrictions both on purchases and eligibility to provide residents the flexibility they need in their daily lives.
- Fund grocery stores and markets to open in rural and urban areas lacking access.
- Codify Child Tax Credit expansions under the American Rescue Plan.

What specific actions should local, state, territory and Tribal governments; private companies; nonprofit and community groups; and others take to achieve each pillar?

- Provide guaranteed income – unrestricted monthly cash payments – at the local, state, and federal level.
- Fund grocery stores and markets to open in rural and urban areas lacking access.
- Expand SNAP benefits and reduce bureaucratic and eligibility requirements.
- Expand the federal and state Child Tax Credits and Earned Income Tax Credits and make the payments monthly.

What are opportunities for public- and private-sector partners to work together to achieve each pillar?

- Create community and school gardens, food pantries in schools and colleges, incentivize and make easier food donation for restaurants.
- Use technology to ensure people have access to no-fee cash even when they lack access to banking.

What are innovative, successful activities already happening at the local, state, territory, and Tribal levels that could inform actions at the Federal level?

- Guaranteed income demonstrations have been successful in increasing recipients' spending on food (see data from [Miracle Money](#), [Magnolia Mother's Trust](#), [Stockton Economic Empowerment Demonstration](#)).
- Food pantries, especially those with fresh foods and community gardens increase access to healthy and nutritious foods.
- Programs to address food waste and redistribute food surplus.