

# A Colorado guaranteed income program could help families, but the costs are high

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Published: December 12, 2025 8:51am EDT



Guaranteed income programs have grown in popularity in the U.S. as costs of living continue to rise.

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In Colorado, full-time workers need to earn an hourly wage of at least \$36.79 to afford \$2,000 in monthly rent, which is below the federal fair market rate for a Denver-area two-bedroom unit.

More than 87% of low-income Coloradans spend more than one-third of their pretax income on housing — a common benchmark for housing affordability. High costs of housing, child care and transportation in Colorado are key drivers of a statewide cost of living that is 12% above the national average.

For many Coloradans, a few hundred extra dollars a month would go a long way. Yet today, the U.S. safety net appears more tenuous than ever and is unlikely to meet all their needs.

Nationally, over the 43-day government shutdown that began on Oct. 1, 2025, 1.4 million federal workers went without paychecks. More than 150,000 jobs were cut in the U.S. private sector in October alone.

As layoffs increase, fewer people are being hired into new positions. At the same time, the federal government shutdown put families receiving federal food assistance on an emotional roller coaster as aid was promised and then pulled away.

This recent federal funding uncertainty has resurfaced the idea of state or local programs that give people money without any strings attached.

## **Rise of guaranteed income programs**

First proposed nationally during the Nixon administration in the 1970s, guaranteed income programs have grown more popular in the U.S.

The concept got a big boost when entrepreneur Andrew Yang proposed a \$1,000 monthly stipend during his bid for the Democratic Party's presidential nomination. Yang's proposal called for giving all Americans money to help them deal with economic problems brought on by job losses tied to automation and new technologies.

In Colorado, both Boulder and Denver have piloted guaranteed income programs. In both cases the programs were studied using rigorous randomized-control trial research designs.

We are an academic research team comprised of a social scientist with a background in economic analysis, a social work scholar who studies policy approaches to reducing health and wealth disparities, and an urban planning scholar with expertise in state and local policy.

We were contracted to provide an independent evaluation and cost assessment of administering a statewide cash assistance program for Coloradans. Our estimates include projections for population changes, such as the aging workforce, and three tiers of support: from low, \$25 per month, to medium, \$100 per month, to high, \$500 per month.

Rolling out a state government program that gives everyone money would be expensive, so we also estimated what it would cost to introduce a program just for the lowest-income Coloradans.

## **What are guaranteed income programs?**

Guaranteed income programs are policies that support a population by giving people money on a regular basis — regardless of their income. They're called universal basic income programs.

More common in practice are cash dividends. Dividends offer cash assistance to a qualifying group or segment of the population, such as people below a certain income or with a qualifying disability. An example of this is Michigan's Rx Kids Program, which provides cash assistance for pregnant people, new parents and babies.

Guaranteed income programs can be administered at the neighborhood, city or state level. Programs in Cambridge, Massachusetts; Richmond, California; and Baltimore have all shown efficacy in targeting the needs of local communities.

For example, people who were enrolled in the Rise Up Cambridge program became more likely to be employed, get enough to eat and have housing – while making more money — than those who didn't get cash assistance.

Most cash assistance programs have succeeded. Research by GiveDirectly and the Stanford Basic Income Project likewise find that beneficiaries of cash assistance programs are more likely to get involved in their local communities.

These programs can support people who have lost their jobs or are experiencing health crises. In Colorado, a statewide guaranteed income program could help low-income Coloradans facing high housing and child care costs.

Similarly, the program could help Colorado's growing population of older people with fixed incomes.

It could also address fears that the rise of artificial intelligence will cause job losses and result in lower wages for many workers. Columbia Business School researchers have predicted a 5% decline in how much of the country's total economic output goes to workers' wages due to artificial intelligence.

## **Program, not panacea**

While guaranteed income programs can help the people who get money from them, they are complicated, expensive and hard to administer.

Administering a guaranteed income program requires massive capacity to deploy and manage. The state would have to facilitate enrollment, keep mailing addresses or bank information updated and supervise transfers for more than 5 million Coloradans every single month. Some of this data may already exist at state agencies, but no one agency has all of this information at its disposal.

For instance, only 80% of adults, roughly 3.3 million people, in Colorado filed a tax return in 2023; only 175,000 workers filed a Family and Medical Leave Insurance claim in 2024; and just about 1 million adults are enrolled in Health First Colorado, the state's Medicaid program. Even merging data across these agencies — an effort that is underway but is just getting started — would miss some households across the state.



It would cost more than half of Colorado's annual general fund to give \$100 a month to every Coloradan as part of a statewide income program.

*Jan Butchofsky/GettyImages*

In a world of finite budgets, a statewide universal program would have to be smaller per person, limiting its benefits. Giving all Colorado residents \$100 per month would cost more than \$7 billion each year. That's more than half of Colorado's annual general fund. However, it would cost half as much — \$3.3 billion — to provide \$500 per month to the 554,000 Coloradans who are below the federal poverty line, which is \$32,150 for a family of five.

Finding this money within the state budget could require cutting spending elsewhere — potentially from other state-funded programs that benefit low-income families.

## Trade-offs for policymakers

If federal food assistance, including the Supplemental Nutrition Assistance Program, is disrupted again, either by more funding freezes or new changes in eligibility rules, a statewide supportive assistance program could help offset the impact.

In 2024, the average American getting SNAP benefits received \$6.11 per day, or less than \$200 a month. One in 10 Coloradans, 584,500 people, receive SNAP benefits.

However, a guaranteed income program might risk pushing some households' income above the eligibility cutoff for programs like SNAP — creating unintended consequences that harm household welfare. It's unclear whether assistance from a basic income program would count as reportable income.

Where AI-driven job loss is concerned, guaranteed income programs could smooth transitions for laid-off workers needing to upskill or move industries. However, guaranteed income programs are not likely to be sufficient in scope or generous enough to cushion workers from a potential restructuring of the labor market, which may have already begun.

## Assessing public support

Given the high costs of creating a statewide guaranteed income program for Colorado, getting substantial public buy-in would be necessary.



In 2025, Colorado voters passed legislation to fund a free lunch program for all students regardless of family income.

*Helen H. Richardson/GettyImages*

Recent election results, in which voters approved a new tax to fund free school meals for all students, suggest that Coloradans can support programs that help the most vulnerable families.

A recent privately funded poll in Colorado, which was informed by our evaluation's estimates, found that 56% of voters would support a monthly \$500 payment for all new parents, people experiencing homelessness, and low-income households. The poll found that Coloradans were less likely to support a program providing a smaller stipend to all Coloradans, regardless of their income.

Taken together, these polling results suggest that many Coloradans would support some form of need-based income assistance. However, the price of operating any statewide guaranteed income program could give them sticker shock.

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Jennifer C. Greenfield was hired by Thinking Forward, LLC and the Denver Basic Income Project as a consultant to provide cost estimates and analysis of a potential cash dividend program in Colorado, as described in this article.

Kaitlyn M. Sims receives funding from the Wisconsin Department of Children and Families, the Arnold Ventures Foundation, and the Institute for Humane Studies. She was contracted by Thinking Forward, LLC, and the Denver Basic Income Project to provide a cost-benefit assessment of a statewide cash dividend for the state of Colorado.

Stefan Chavez-Norgaard was contracted by Thinking Forward, LLC, to provide a cost-benefit analysis and broad assessment of a statewide cash dividend program for the State of Colorado. He has also connected with organizations mentioned in this article, including the Denver Basic Income Project (DBIP) and the Fund 4 Guaranteed Income, supporter of the Compton Pledge.

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