

Context-Setting

BEST START REGIONAL NETWORKS LEARNING DIALOGUE

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**CATALYST
CALIFORNIA**
Advancing Racial Justice

What is GBI

A decorative orange line starts at the top left, curves down and to the right, then loops back up and to the left, ending near the top center of the slide.

Guaranteed Basic Income

Guaranteed Basic Income (GBI) refers to a regular cash payment accessible to certain members of a community, with no strings attached. Guaranteed basic income promotes financial stability for people who need it most and who've historically been impacted by lack of opportunities—largely low-income, people of color, foster youth, and other marginalized populations.



Why is GBI needed?

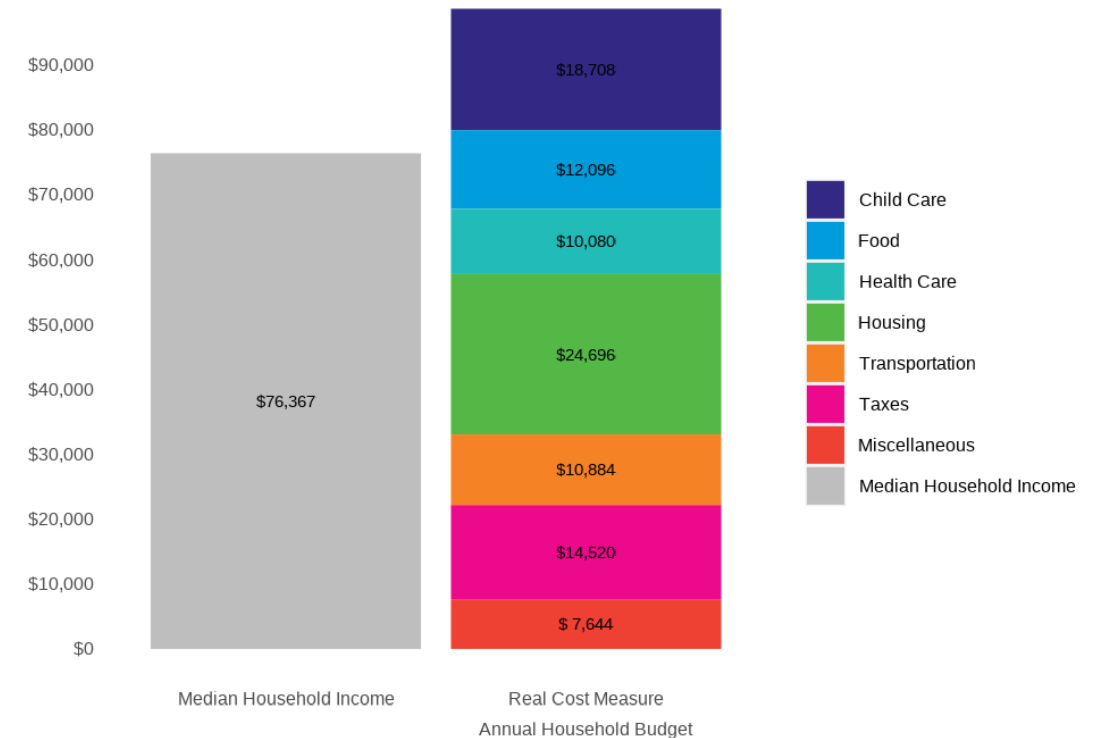
Why is a GBI needed?

LA's families don't earn enough to cover their basic needs.

- The county median household income (\$76,367) is \$22,054 less than the real cost of living for LA's families with children (\$98,421).
- Several costs in a family budget, notably housing and childcare, have increased recently, crowding out the ability to pay for other essential needs.
- Current wages are not enough to meet the Real Cost Measure. It would take 3 minimum wage jobs for a person to earn the Real Cost Measure annually.

- [Source: The Real Cost Measure 2023 by United Ways of California](#)

Real Cost Budget for Family with Children in Los Angeles County

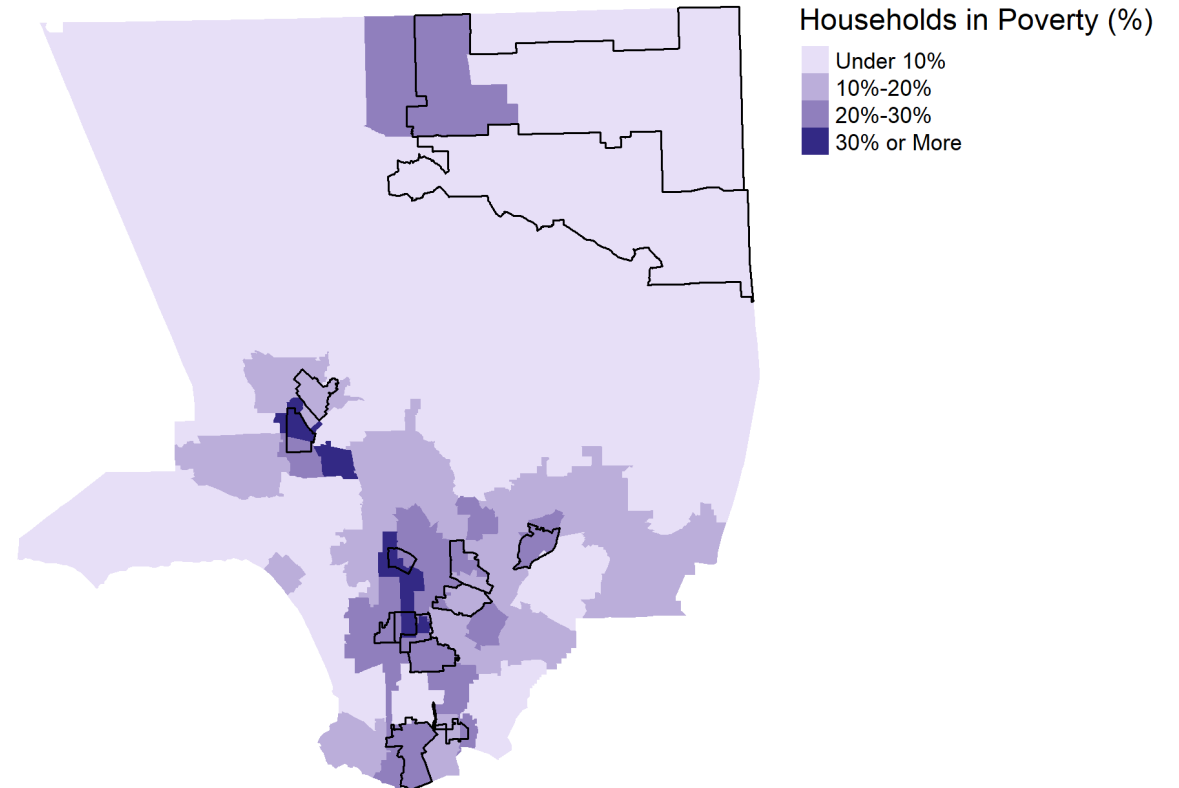


Data Sources: Real Cost Measure annual budget for a family with two adults, one preschooler, and one school-aged child living in Los Angeles County from Struggling to Stay Afloat: The Real Cost Measure in California 2021, United Ways of California. Median household income from American Community Survey 2017-2021 5-year estimates table B19013.

Why is a GBI needed?

Many households with young children live in poverty and reside in Best Start geographies.

- 17.5% of children under 5 are in poverty in Los Angeles County
 - [Source: 2022 ACS 1-Year Estimates](#)
- Median household income is lower in Best Start geographies than the county.



Source: ACS 2021 1-year PUMS estimates. Note: Poverty is using the 100% Federal Poverty Level (FPL)

Why is GBI needed?

15.3%

Black family poverty

4.9%

White family poverty

The need for GBI varies by race, making this a racial equity issue

- The poverty rate for Black families is triple that of White families in Los Angeles County
 - [Source: 2022 ACS 1-year estimates](#)
- Households led by Latinos are twice as likely to earn incomes below the real cost measure as White households.
 - Source: The Real Cost Measure in California 2023 by United Ways of California. Data calculated for this geographic profile is from 2021. For detailed methodology, please visit <https://www.unitedwaysca.org/realcost>.
- White households have a median net worth of \$355,000, compared to \$3,500 for Angelenos of Mexican descent, \$4,000 for U.S.-born Black Angelenos, and \$23,400 for Korean Angelenos.
 - Source: “The Color of Wealth in Los Angeles” report by the Federal Reserve Bank of San Francisco, 2016

Wealth for selected LA groups

White	Mexican descent	U.S.-born Black	Korean descent
\$355,000	\$3,500	\$4,000	\$23,400



**How would GBI benefit
families?**

What would GBI impact families?

Physical health

- Low-income adults in the United States have higher rates of heart disease, diabetes, stroke, coronary heart disease, chronic arthritis and other chronic diseases compared to wealthier individuals in the United States (Schiller et al., 2012). This burden is shared by children living in poverty who experience higher rates of asthma, heart conditions, hearing problems, digestive disorders, and elevated blood levels.
- Strong evidence suggests that an absolute increase in an individual's income floor would directly improve health outcomes (Benzeval et al., 2014; Braveman et al., 2010, 2011; Woolf et al., 2015). One study showed an 8.5 percent decline in hospitalizations related to accidents and injuries (Forget, 2011) - including children suffering from accidents.
 - [Source: Stanford Basic Income Lab](#)

What is the impact of GBI on families?

Mental health

- Communities facing stark social inequalities, financial strain, limited education, unemployment, and adverse neighborhood characteristics are associated with an increased risk of developing a variety of mental disorders, including depression, anxiety, posttraumatic stress disorder or substance use disorder (Allen et al., 2014; Silva et al., 2016)
- One study found better mental health outcomes (MacIntyre et al., 2016); another found a reduction in children's psychiatric disorders (Costello et al., 2003); a third found reductions in posttraumatic stress and chronic health problems (Forget, 2019); and a fourth found that regular payments reduce financial stress and overall wellbeing (Kramer et al, 2019).
 - [Source: Stanford Basic Income Lab](#)

What is the impact of GBI on families?

Access to Health Care


- Cost is one of the top barriers to care for low-income people, and a GBI could improve access to care, especially preventative care and medications that are difficult to afford (Ruckert et al., 2018).

Maternal wellness

- One study found that female heads of household with young children took longer maternity leaves with a GBI (Forget, 2011).

Equity

- Unlike the G.I. Bill, redlining, and other policies that benefitted Whiter and wealthier Americans, a GBI benefits those at the bottom of the income distribution, which are disproportionately non-White individuals. A GBI ensures that all individuals can cover their basic needs.
 - [Source: Stanford Basic Income Lab](#)



**Where are some GBIs &
supporting
infrastructure in LA?**

Where are some GBIs in LA (1 of 2)?

Name	Eligibility	Duration	Amount (\$)	# Recipients
Mothers Rising	<ul style="list-style-type: none"> • Rising Communities published The Price of Motherhood in South LA (Authors Michelle Burton, Melany De La Cruz-Viesca, Pamela Stephens, Sonya Vazquez, and Veronica Flores) which informed the creation of Mothers Rising for Guaranteed Basic Income, a forthcoming GBI program in South LA 	2 years	\$500/month	100
Big Leap	<ul style="list-style-type: none"> •Reside in the City of Los Angeles •Be 18 years of age or older •Income level at or below the Federal Poverty Level •Have at least one dependent child or be pregnant •Experienced economic and/or medical hardship due to COVID-19 	1 year	\$1,000/month	3,200
Breathe	<ul style="list-style-type: none"> •Be 18 years of age or older •Have a household income at or below 100% of the County's AMI for a single person household/ 120% of the County's AMI for households with two or more persons. •Have been negatively financially impacted by the COVID-19 pandemic •Not be currently enrolled in another Guaranteed Income project offered by the County, a city, or other public or private entity. 	3 years	\$1,000/month	1,000
Compton Pledge	<ul style="list-style-type: none"> •Must reside in the city of Compton. •Income level at or below the Federal Poverty Level 	2 years	\$300-600/month	800
Long Beach Artist GI	<ul style="list-style-type: none"> •Must reside in the city of Long Beach •Must be an artist or cultural worker who was hit financially by COVID-19 	6 months	\$500/month	150
Long Beach GI	<ul style="list-style-type: none"> •Must be a single parent household consisting of mostly single mothers with income below the poverty line •Must reside in the 90813 Zip Code in the city of Long Beach 	1 year	\$500/month	500

Source: Abt Associates. All programs on this slide are City-run programs, except Breathe, which is a County program, and Mothers Rising which is a community program.

Where are some GBIs in LA (2 of 2)?

Name	Eligibility	Duration	Amount (\$)	# Recipients
West Hollywood GBI	<ul style="list-style-type: none"> •50 years or older (44% of residents living in poverty in WeHo) •Currently reside in the City of West Hollywood, CA. •Have an annual household income of \$41,400 or less •Application closes 6/26 and cash distribution will begin September 2022 	18 months	\$1,000/month	25
TAYPortunities	<ul style="list-style-type: none"> •Must be a transition-aged youth (TAY) LA county resident ages 18 through 24 who are currently receiving “general relief” welfare benefits and who participate in a county workforce development 	3 years	\$1,204/month	150
El Monte GI for Single Mothers	<ul style="list-style-type: none"> •Female heads of household (no spouse present) •Must be El Monte residents with children under 18 years of age who have been impacted by COVID-19 with a verified household income at or below poverty level 	1 year	\$500/month	125
Pomona	<ul style="list-style-type: none"> •Low-income household •Must have a middle school student (grades 6, 7 and 8) in Pomona Unified School District 	2 years	\$500/month	400
Santa Monica POD Program	<ul style="list-style-type: none"> •Provide target monthly “after rent” income of \$747 for 1-person households and \$1,306 for 2-person households to help pay for basic needs •Seniors (65+) in long-term rent-controlled apartments in Santa Monica •Pilot 1 launched in 2017 and expansion launched in 2019 •No end date anticipated and continuing to recruit more participants •Annual household income below 50% Area Median Income for LA County 	No anticipated end	Varies	200

Source: Abt Associates. All programs on this slide are City-run programs, except TAYPortunities, which is a County program.

The Price of Motherhood in South LA

Wealth stripping – by exploitative high costs of corporate and alternative financial lender services and products – of mothers in South LA prevents financial stability. 85% of South LA mothers are short \$443 per month.


- How does wealth stripping impact quality of life in the sense of mental health and hopefulness for children's futures?
 - 77% of South LA mother's mental health is impacted by financial stress at least some of the time
 - 23% of South mothers felt they lacked the resources to help their children
- Mothers Rising would pay \$500/month and include a financial education program to support financial stability and combat the effects of wealth stripping.




bit.ly/mothers_rising

THANK YOU!

Questions?

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