

Homelessness Research and Action Collaborative

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Written Testimony

Chair Kayse Jama

Vice Chair Dick Anderson

Members of the Senate Committee on Housing and Development

RE: SB 603

Dear Senator Jama, Anderson and members of the Committee on Housing and Development:

We are Dr. Marisa Zapata, Director, and Dr. Kathleen Conte, Senior Research Associate, of the Homelessness Research and Action Collaborative at Portland State University, and Dr. Jenny Liu, Assistant Director of the Northwest Economic Research Center at Portland State University. Thank you for the opportunity to testify in support of SB 603.

We are researchers who have worked with governments on a range of issues aimed at strengthening public policy and action for vulnerable populations. Recently, our organization conducted the annual Point in Time Count for Multnomah, Washington and Clackamas counties which provides local and federal governments a census of those currently experiencing unsheltered homelessness. We regularly work closely with policy makers and communities to provide evidence to guide decision making and action.

Today, we would like to provide you with information about the state of research and policy on Guaranteed Income programs including how Senate Bill 603, if passed, could impact not only housing security in the State of Oregon, but also lead to improvements in workforce participation, health and wellness, and financial security for some of Oregon's most vulnerable populations.

Guaranteed Income programs assert that families best know how to spend money in ways that will support them in their individual circumstances. Providing modest cash payments on a regular basis is intended to quickly and efficiently fill gaps left by existing safety nets. In Oregon, there are currently many more people on waitlists for affordable housing programs than there are services available. SB 603 is directed at helping those individuals who already qualify for housing assistance but are not receiving it and thus, are falling through the gaps in our system.

Research on Guaranteed Income programs is compelling. In international contexts, research has established that such programs demonstrate a range of benefits, including poverty reduction and increased educational attainment. Within the USA, pilot projects have demonstrated:

- Decreased poverty (Jackson, MS; Stockton, CA)
- Decreased food insecurity and improved nutrition (Jackson, MS)
- Improved savings and investment and decreased debt (Stockton, CA; Alaska Permanent Fund)
- Increased workforce participation (Stockton, CA; Alaska Permanent Fund)
- Increased support for caregivers
- Improved mental health (Manitoba, CN, Ontario, CN; Stockton, CA)
- Improved access and uptake of medical services (Ontario, CN)
- Improved health for adults (Manitoba, CN)
- Improved infant and child health outcomes, including infant brain activity associated with learning (Baby's First Years, USA)

Locally, the Multnomah Mothers Trust Project is a pilot providing 100 Black mothers \$500 in monthly Guaranteed Income since early 2022. Managers report that participants use the funds to cover basic and emergency needs including utilities and rent, medical issues, and to begin or add to emergency funds. These results mirror others that demonstrate participants invest money in ways that improve their financial, emotional and physical health.

A common knee-jerk critique of Guaranteed Income programs is that participants may spend money in counterproductive ways — i.e. on alcohol or drugs. There is little evidence to support this. Currently, an ongoing study of over 7500 people from >30 pilot projects across the USA reports that individuals spend most of the money on basic household items and clothing, and food (<https://guaranteedincome.us/>). Other research suggests that Guaranteed Income results in *reduced* spending on alcohol, cigarettes and other drugs (New Leaf, Canada, 2020), perhaps due to improved financial security and wellbeing that reduces stress and thus reduces individuals' need to seek out coping mechanisms.

Yet there are a range of questions that remain unanswered. For example - What is an effective amount of money and how best to disperse it? How does a Guaranteed Income impact various populations - including, for example, people in rural areas vs urban, Black, Indigenous and People of Color, households including children vs older adults? What existing infrastructure or services may be needed or can be repurposed to efficiently implement and monitor payments and tracking? Therefore, the SB 603 People's Housing Assistance Fund Demonstration Program intends to study what will work best in Oregon, for Oregonians.

Further, there is limited information about how Guaranteed Income affects housing security and homelessness specifically. One randomized controlled trial in Canada tested the impact of a \$7,500 CAD payment to people living in transitional housing. They reported that participants who received the funding were more likely than those who did not receive funding to: spend fewer days experiencing homelessness; move into housing faster; and begin saving money (New Leaf, 2020).

We can likely expect similar results here, however, specifically studying the impact of Guaranteed Income on housing insecurity would provide clear evidence of the impact and outcomes.

Some studies suggest that Guaranteed Income programs may be more beneficial than directed services and some existing social service programs by providing flexibility that accounts for the unique needs and experiences individuals encounter in everyday living. Guaranteed Income may also provide efficiencies in reducing administrative costs and burdens for governments while also reducing application barriers for participants. In short, it could be a more cost-effective and impactful way of implementing public support services. This is another question that could be explored by the SB 603 Demonstration.

Further, the wide range of benefits experienced by Guaranteed Income participants suggests that knock-on effects — i.e. benefits in addition to housing security like improvements in individual health and community-level benefits — will likely be attained. By studying the impact of the SB 603 Demonstration project in detail, we will be able to better understand and identify the cross-sector impacts and efficiencies of Guaranteed Income on a range of issues relevant to the wellbeing of Oregonians and to the design of social services that best support their flourishing.

As we know, there is no one solution for every community. And the needs of Oregonians are diverse and vary from community to community across the state. Therefore, this study would specifically examine what works best for Oregon and Oregon communities with the intention of providing specific recommendations on future administration of the program.

Of particular relevance is ensuring that our most vulnerable populations are effectively engaged and benefit. Therefore, we will specifically ensure that groups disproportionately vulnerable to housing insecurity and homelessness are considered including those groups defined by:

- Geographic location and population size of the participant's locality;
- Racial and ethnic identity;
- Current housing status; and
- Household/family type, such as households including children and households including older adults

Finally, the program specified by SB 603 would be the first of its kind offering Guaranteed Income at a state level. This provides Oregon an opportunity to lead the country in ground-breaking research and policy on this issue.

We are happy to provide further information on the study approach, research questions, and evidence on Guaranteed Income. Should SB 603 be successful, we look forward to collaborating with the Department of Human Services (or, the administering body) to further design a program and research protocol that answers the specific concerns of Oregonians and guides research action.

We request that you work to progress SB 603.

Sincerely,

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