POST CONFERENCE REPORT

TAKEAWAYS

FINANCIAL INDEPENDENCE

Using Wealth and Income Policies to Forge a New Social Contract:

Giving People Something to Live For

Takeaways

Description: This individual section of the report provides key points or takeaways from each full brief included as part of the conference along with a link to the full brief. The takeaways are organized by conference session (Children's Savings Accounts and Baby Bonds, Income Approaches to Poverty, and Bringing Together Income and Asset Approaches to End Poverty).

Full Report

Part I.
Asset Approaches: Children's Savings Accounts and Baby Bonds

Part I: Children's Savings Accounts (CSAs)

Context.

"CSAs are More Than a Savings Platform" by William Elliott

Key Takeaways:

- Major foci for the asset-building field in the 1990s were providing evidence that the poor can save and further developing an institutional theory of saving.
- In the early 2000s, CSA researchers began to focus less on saving and more on how CSAs produce asset effects (e.g., psychological, social, and economic). Given this, the research focus shifted away from saving and, more generally, to wealth building.
- An institutional change framework attempts to explain the part of outcomes that are determined by financial institutions and by a child's economic environment—not individual decision-making.
- Automatically enrolling all children into a CSA program is an institutional change intervention. Doing so provides every child with a financial structure capable of efficiently carrying assets and potential income to all children.
- From an institutional change framework, access is achieved through automatic enrollment. The focus is on all eligible children having an account, not simply having the opportunity to have one.
- Key government social welfare programs should be designed so that they define access as automatic. This is because receiving these benefits is so important that the government should guarantee every child who is eligible for the benefit has the benefit.
- Because CSAs provide a financial structure for third-party deposits and access is automatic, each child is given a structure for assets to flow into their account from multiple sources such as family members, employers, philanthropists, communities, and other entities.

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Chapter 1: Evidence and Theory.

"Inclusive Children's Accounts: Toward Lifelong Asset Building for All" by Michael Sherraden, Margaret Clancy, Jin Huang, Trina Shanks, and William Elliott

Key Takeaways:

- The idea of universal, progressive, lifelong asset building, beginning with all children at birth, was first presented in *Assets and the Poor* (Sherraden, 1991). Prior to 1991, no proposals had been made for asset building that included all poor people and people of color. *Assets and the Poor* provided theoretical and policy rationale for a fully inclusive asset-based policy with substantial public deposits, attention to poverty and racial injustices, and asset growth over time. Today, this policy concept has become commonplace.
- Collapsing many years into a few sentences, we carefully designed and tested an asset-building policy model built on a *transformed college savings (529) plan structure* to serve the whole population with full inclusion and progressivity. This became the SEED for Oklahoma Kids (SEED OK) policy experiment that began in 2007 (see Jin Huang et al.'s presentation at this conference). SEED OK has generated evidence of positive impacts on children and families and has confirmed a policy design that is effective and sustainable.
- Today, nearly six million children in the United States have assets in Child Development Accounts (CDAs) that use the policy model demonstrated in SEED OK, representing over 90% of the CDAs, Child Savings Accounts (CSAs), and Baby Bonds actually implemented in the U.S. Moreover, the most prominent federal proposal for early-life wealth-building policy, the "401Kids Act", also uses the platform demonstrated in SEED OK, but with larger deposits and expanding beyond educational uses (see Ray Boshara's presentation at this conference.)
- A note on policy names: Child Savings Accounts, Child Development Accounts, and Baby Bonds have similar origins, and there is remarkable agreement on policy principles. These different policy names are likely to converge over time.
- The efficacy and flexibility of an already established policy platform can become the major pathway toward "Assets for All" as a sustainable, lifelong asset-building policy, which would complement income-based policy. The overall vision would be a social policy that both supports and develops the entire population.

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"Child Development Accounts and the SEED for Oklahoma Kids Experiment: Evidence and Impacts" by Jin Huang, Michael Sherraden, Margaret Clancy, Sondra Beverly, and Mark Schreiner

Key Takeaways:

- As a large-scale longitudinal experiment of a statewide Child Development Account (CDA) policy, SEED for Oklahoma Kids (SEED OK) demonstrates a scalable and sustainable account structure for universal, progressive, and lifelong asset building.
- SEED OK achieved near-universal account and asset holding, including all racial minorities and disadvantaged families, through automatic account openings and a large, automatic initial deposit.
- Positive financial outcomes from SEED OK demonstrate the potential of CDAs to reduce racial wealth inequality.
- SEED OK findings indicate continuous effects on the social development outcomes of children and families, including educational expectations and engagement, parent-child interactions, mental health, and socio-emotional development.
- Informed by SEED OK findings, multiple states have adopted variations of this CDA model, and the majority of these statewide CDA policies are universal and automatic.
- Design principles proposed and implemented in SEED OK for CDAs have built a consensus among policymakers, researchers, and practitioners on how to design and implement Federal policies on early wealth building.
- The universal and centralized account structure in CDAs makes it an effective, scalable, and sustainable policy framework for delivering various wealth and income-transfer programs and for accommodating community-based engagement and financial-capability services.

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"Kindergarten to College (K2C) College Enrollment Findings: Fuel for an Evidence-Based Movement" by William Elliott, Nicholas Sorensen, and Megan O'Brien

Key Takeaways:

- **CSAs**—an evidence-based movement.
  - **Evolution 1**: The emerging evidence period uses nationally representative secondary data sets to test the relationship between parental assets, primarily net worth, and college enrollment.
  - **Evolution 2**: The promising evidence period is characterized by a shift from using family net worth as a proxy for participation in a CSA program to a proxy derived from questions that asked children if they had a conventional savings account and whether they had designated some of the savings in that account for future schooling.
  - **Evolution 3**: The third evolution supported evidence that researchers moved from using non-experimental explanatory designs to using quasi-experimental impact evaluation designs that better accounted for potential selection bias through advanced statistical methods.
  - **Evolution 4**: Evolution four, well-supported evidence, marks a period when quasi-experimental impact study designs using CSA participants start to test the effectiveness of CSAs.
- **Key Moment**: Thirteen years after its start, Kindergarten to College (K2C) now has college-aged participants, allowing the field to answer the question: What is the impact of CSAs on college enrollment using data from CSA participants?
  - **Finding**: Among K2C students, the gap in college enrollment between represented and under-represented students decreased by nearly 30% relative to the gap in the comparison group.

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Chapter 2: Policy and Practice

"The (Unknown) Children's Savings Accounts Federal Policy Landscape" by Ray Boshara

Key Takeaways:

- As of September 2024, the Federal policy landscape is highly uncertain, but that landscape—who controls the White House, Senate, and House—has profound implications for the success, structure, and scope of Federal CSA policy.
- What is less certain are the two legislative vehicles likely to be used to advance federal CSAs, regardless of who controls Washington: (1) the reauthorization of certain provisions of the Tax Cuts and Jobs Act (which could also be done in "Reconciliation" if either party has a "trifecta"—total control of Washington); and (2) the SECURE 3.0 retirement security bill which, like previous SECURE bills, has been crafted on a bipartisan basis. The legislative vehicle will also greatly shape how a CSA bill would be designed.
- Federal CSA policies have been, since their inception in the late 1990s, proposed on a bi-partisan basis. While that has been less true the last decade, that is likely to change going forward, given new and growing Republican interest in federally-funded CSAs at birth.
- Since any Federal CSAs bill—whether Senator Casey's 401Kids proposal or Senator Booker's "Baby Bonds" proposal—is not likely to advance as written, given fiscal and political constraints, it's critical that policymakers and the CSAs field be guided by widely adopted CSA policy design principles as they consider difficult tradeoffs.
- Prospects for a federal CSA bill are exciting and closer at hand than in recent memory. Advocates, experts, non-profits, financial institutions, state Treasurers, recordkeepers, and other stakeholders should work closely together to advance the best bill possible.

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"Pennsylvania's Keystone Scholars and Other Statewide CSAs" by Julie Peachy

Key Takeaways:

- Several early statewide CSA programs were created via legislation or administrative rule, demonstrating a trend towards legislative interest in CSA programs as policymakers started viewing CSAs as a tool with very strong potential to support economic opportunity.
- The positive impacts demonstrated by research, along with the articulation of key elements for program design, sparked the legislation and development of more state-sponsored CSA programs in the late 2010s.
- The swift passage of Pennsylvania's Keystone Scholars legislation in 2018, championed by a bipartisan group of state legislators, is a testament to the efforts of researchers and early programs.
- Keystone Scholars fits well with the PA 529 College and Career Savings Program, helping the program reach a broader group of families to save in their own 529 accounts while driving changes to make the program more accessible.
- In a relatively brief period, the development and implementation of statewide CSA policies utilizing 529 account infrastructure is making a difference. Just four statewide at-birth, automatic CSA programs connected to their state's 529 program have made it possible for nearly seven million children to have accounts with funds for postsecondary education.

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"Children's Savings Accounts – Maine's My Alfond Grant Program" by Colleen Quint

Key Takeaways:

- Universal access to and participation in Children's Savings Accounts and other early wealth-building strategies ensures inclusion of all children, not just those whose parents are motivated to and/or have the agency to take steps to enroll.
- Early investment in a child has a positive impact on parents' aspirations for their children's future. "Someone else believes in my child and sees that they have value."
- Families can, will, and do save—and allowing contributions from multiple sources creates an opportunity for community and philanthropic involvement, furthering not only financial assets but also future aspirations.
- An at-birth or similar early start program provides an opportunity for contributions over the long term, increasing the opportunity for growth in the market and creating an 18-year platform for communications. Parents begin saving when they are younger and when their children are younger.
- A "low-touch" model can be effective with strong communications and local partnerships. And when a universal platform is used, program partners can more easily work to promote and encourage engagement when all children in their programs are participating.

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"NYC Kids RISE, Unleashing Multiple Streams of Assets" by Debra-Ellen Glickstein and William Elliott

Key Takeaways:

- Despite being assigned to individual children, CSAs can be understood as community accounts opened by the community on behalf of a child.
- CSAs provide an institutional structure that allows for third-party contributions from family members, employers, philanthropists, communities, and other entities, as well as government contributions.
- Community Scholarships provide an innovative mechanism to drive additional capital into CSA accounts.
- The CSA platform can serve as an organizing tool within and across communities to enhance connectivity among residents and local institutions, build robust partnerships and collaborations between organizations with complementary missions, and direct resources toward people living in communities outside their neighborhoods.

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"Building Assets & Aspirations: Integrating College Promise Programs & Children's Savings Accounts"
by Martha Kanter and Michelle Cooper

Key Takeaways:

- College Promise is leading efforts to combine its free-tuition initiatives with Children's Savings Accounts (CSAs), creating a powerful model that supports students financially from childhood through college. This integrated approach helps address immediate and future financial needs, making postsecondary education more attainable for low-income families.
- By pairing College Promise scholarships with CSA savings, students can access funds for essential non-tuition expenses like housing, transportation, and books, which are often unaddressed. This holistic financial support allows more students to afford college and persist through graduation.
- Integrating CSAs into College Promise programs fosters a college-going mindset from an early age. This early exposure to savings and college planning helps students and families see college as an achievable goal, increasing high school completion rates and college readiness.
- College Promise's work with communities, states, educational institutions, and financial partners allows CSA-Promise integration to be scaled from local to statewide levels. This collaboration is essential for expanding access to higher education across diverse communities and achieving meaningful, long-term impact.

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Part I.
Baby Bonds

Part I: Children's Savings Accounts (CSAs)

Context.

"What Do We Know About Baby Bonds? Condensed Literature Review" by Madeline Brown, Signe-Mary McKernan, Samantha Atherton, and Miranda Santillo

Key Takeaways:

- Versions of the Baby Bonds Program are in the early implementation stages in Connecticut and Washington, D.C. A pilot program is underway in California for children who lost a primary caregiver to COVID-19 or have long-term stays in the state's foster care system. Eleven additional states have introduced Baby Bond proposals: Iowa, New Jersey, New York, Wisconsin, Washington, Delaware, Nevada, Vermont, Massachusetts, North Carolina, and Rhode Island.
- Baby Bonds build on decades of evidence from IDAs and CDAs. Despite the evidence of success across IDAs and CDAs, there is little or no evidence to our knowledge that these programs reduce wealth inequities (though 401Kids accounts hold promise). Baby Bonds, first introduced in Hamilton and Darity's (2010) seminal paper, were proposed to eliminate the racial wealth gap.
- Because Baby Bonds are a nascent policy, no empirical studies on their effects have been published. However, simulations find that Baby Bonds would reduce Black-White racial wealth inequities:
    - Median **White-Black wealth ratio fell to 1.4** (from 15.9) at age 18-25 (wealth-based federal contributions) (Zewde, 2019).
    - Median **White-Black wealth gap fell to 3.4** at age 18-25 (income-based federal contributions) (Mitchell & Szapiro, 2020).
    - Mean **White-Black wealth gap fell to 2.7** at age 65 (wealth-based federal contributions) (Weller, Maxwell, & Solomon, 2021).
    - Median **White-Black wealth gap fell to 2.2** (from 10.8) and White-Latino to 1.3 (from 1.7) for young adults (wealth-based federal contributions) (Sullivan et al., 2016).
    - Median **White-Black financial wealth ratio fell to 2.1** (from 2.4), and the White-Hispanic financial wealth ratio fell to 1.9 (from 2.4) at age 18 (income-based federal contributions) (preliminary, Urban Institute forthcoming microsimulation).
- Baby Bonds do not need to replace individual or child development accounts. Rather, policymakers and researchers can focus on the key elements of wealth-building policies that have been studied and combine them to design holistic programs that tackle wealth inequities.

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Chapter 3: Evidence and Theory.

"Baby Bonds" by William Darity Jr.

Key Takeaways:

- The motivation for developing the original version of the "Baby Bonds" proposal was the perception that President Obama's administration was timid about implementing policies that were designed specifically for Black Americans.
- So, we designed a plan intended for all Americans—what can be described as a universal program rather—that might have a disproportionate benefit for Black Americans.
- Differences between Children's Savings Accounts (CSAs) and Baby Bonds
  - CSAs usually give all eligible children an identical sum of money.
  - Baby Bonds are universal, but they are not uniform in payouts.
  - The sums under Baby Bonds generally are significantly larger than CSAs.
  - With Baby Bonds, families and others cannot contribute.
  - Baby Bonds guarantee recipients a fixed real rate of interest.
- Differences between Baby Bonds as Originally Proposed and State and Local Proposals
  - Generally, uniform—paying children exactly the same amounts.
  - Not universal. Customarily, they are means-tested.
  - Amounts are considerably smaller in the state and local plans.
  - They usually do not prohibit contributions from relatives.
  - Nor do they guarantee a fixed interest rate on the accounts.
- If the difference in the wealth gap is measured at the median, the original version of the Baby Bonds plan will not come close to bridging the wealth gap; it should be measured at the mean.
- As currently designed, no existing Baby Bonds plan will eliminate the racial wealth gap. That will require a reparations plan for Black Americans.

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"Lessons from Behind the Curtain: The Massachusetts Baby Bonds Task Force" by Tom Shapiro

Key Takeaways:

- **Impact of Guaranteed Income (GI)**: A $1,000 per month GI would drastically reduce poverty rates, particularly among African American and Latinx households, cutting the overall poverty rate from 12% to 2%. It would also eliminate poverty for key groups, such as single-parent households and older Latinx adults.
- **Baby Bond Endowments**: These accounts, which begin with a $1,000 contribution at birth and continue with annual payments based on family wealth, would dramatically reduce racial wealth gaps. For example, Black families with children would see their wealth grow from an average of $2,910 to $71,479 by the time children reach adulthood, while Latinx families' wealth would increase from $6,652 to $84,724.
- **Racial Wealth Equity**: The combined GI and BB policies would reduce the racial wealth gap significantly. Black families would see their wealth ratio to White families rise from 8 cents to 71 cents per dollar owned by White households. For Latinx families, the ratio would increase from 17 cents to 84 cents.
- **Affordability**: The report estimated the annual cost at $3.33 trillion and outlined several funding mechanisms. These sources could raise over $4 trillion, making the program financially feasible.

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"What Would Be the Likely Impact of Large Progressive Proposals on the Black-White Wealth Gap" by Christian E. Weller

Key Takeaways:

- Several proposals exist to shrink the large Black-White wealth gap. They include debt-free college, Baby Bonds, eliminating housing market discrimination, creating new low-cost, low-risk retirement savings options for all workers and strict financial market regulation enforcement. A simulation model is created to see how effective these policies could be in reducing the Black-White wealth gap.
- **Three key results:**
    - First, all policies would shrink the Black-White wealth gap, but to varying degrees.
    - Second, "Baby Bonds" would have the single largest impact, shrinking the average Black-White wealth gap by about one-fourth.
    - Third, approximately half of the expected Black-White wealth gap would remain after one generation, even if all proposals were enacted.
- **Conclusion**: ONLY a large-scale immediate targeted wealth transfer to Black households BEYOND THESE LARGE EFFORTS could eliminate the Black-White wealth gap.

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Chapter 4: Policy and Practice

"Comparing Federal Early Life Wealth Building Policy Proposals" by Madeline Brown

Key Takeaways:

- **The programs utilize different types of accounts.** The American Opportunity Accounts would be new accounts held by the Treasury and invested in the same manner as the Thrift Savings Plan. The 401Kids Savings Accounts would only be new if babies are not automatically enrolled in a state 529 plan at birth, and the accounts opened for them would be structured as 529s.
- **The 401Kids Savings Act allows multiple entities to contribute to accounts; the American Opportunity Accounts Act does not.** 401Kids allows for contributions from non-profits, employers, foundations, and others. Families are capped at contributions of $2,500 a year, but states may make additional contributions to 401Kids beyond the $2,500 annual contribution limit. No mechanism is provided in the legislation for entities other than the Federal Government to contribute to the American Opportunity Fund.
- **There are differences in the scale of Federal contributions.** Children in the lowest income families under the AOAA will receive $37,000 in today's dollars from the Federal Government, while children in the lowest income families will receive $13,500 under the 401Kids Savings Act (assuming no family contributions).

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"Baby Bonds: Funding New Jersey's Future" by Harbani Ahuja, Henal Patel, and Laura Sullivan

Key Takeaways:

- New Jersey has one of the largest racial wealth gaps in the country, tracing back to its colonial era, where land ownership and wealth accumulation were deeply racialized, with slavery, sharecropping, and discriminatory policies contributing to entrenched inequalities.
- Today, Black and Latina/Latino communities in New Jersey experience some of the worst economic disparities nationwide, with limited access to intergenerational wealth and financial security compared to their White counterparts.
- Baby Bonds are proposed to provide financial security and opportunity to low-income children, particularly benefiting children of color, by giving them a foundation to build wealth and access economic opportunities as they reach adulthood.
- Despite initial momentum with Baby Bonds legislation in New Jersey, progress has stalled due to funding concerns and hesitancy from policymakers. However, ongoing advocacy seeks to address these issues and push for the program's implementation.
- To create an impactful Baby Bonds program in New Jersey, some recommended changes to the pending legislation include ensuring automatic enrollment, allowing withdrawals up to age 35, allowing retirement as an investment, creating a sustainable funding source, ensuring a robust initial investment, and preventing funds from affecting eligibility for other benefits.

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Part II.
Income Approaches: Unconditional Cash transfers (UTC), Child Tax Credit (CTC), and Child Allowances (CA)

Context.

"Context and Architecture of Unconditional Cash" by Amy Castro

Key Takeaways:

- Unconditional cash is designed to work alongside the safety net, not in place of it.
- Unconditional cash addresses income volatility and inequality but is not designed to address wealth inequality.
- Unlike traditional safety net benefits, unconditional cash is provided with no strings attached.
- Unconditional cash is causally associated with a range of positive health and well-being outcomes.

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Chapter 5: Evidence and Theory

"Enhancing Economic Stability: The Role of Guaranteed Income in Comprehensive Support Systems" by Sarah Berger-Gonzalez, Allison Thompson, Amy Castro, Stacia West, and Nina Cross

Key Takeaways:

- Guaranteed income (GI) provides recurring, unconditional cash transfers to enhance financial stability and help fill and bridge gaps where low-wage jobs and benefits fall short.
- GI offers:
    - Flexibility, empowering individuals and families to address dynamic and immediate needs.
    - Reduced income volatility caused by low wages or inconsistent work hours, providing opportunities for improved financial stability.
    - Less administrative burden for recipients as well as administrators.
- Programs vary in benefit size and duration and are typically designed to supplement basic needs while promoting stability.
- Across four randomized controlled trials (LA, CA; Paterson, NJ; Cambridge, MA; & Columbia, SC) conducted by the Center for Guaranteed Income Research (CGIR), the following number of studies demonstrated improved financial outcomes among GI recipients compared to the control group for at least one post-baseline time point:
    - Improved Financial Well-being: Three out of four
    - > $500 in Savings: All four studies
    - Ability to Afford $400 Emergency: Two out of four
    - Reduced Food Insecurity: Three out of four
- Guaranteed income is designed to exist alongside other critical supports and benefits as a bridge to financial stability and an accelerator to accessing other benefits and assets that promote economic mobility.
- For a guaranteed income policy to successfully exist alongside other public benefits, waivers, and income disregards must be in place to ensure households are not made worse off.
- A guaranteed income policy within the larger system of benefits can be a bridge for individuals and families, freeing them from absorbing the shortcomings of market failures and declining benefits and providing financial stability.
- A guaranteed income policy of a longer duration can potentially serve as an accelerator toward accessing benefits and programs aimed at wealth-building and economic mobility.

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"Hidden in Plain Sight: The Need for Clarity on The Tax Treatment of Direct Cash Transfers" by Sarah Berger-Gonzalez and Fred Goldberg

Key Takeaways:

- Widespread uncertainty regarding direct cash transfers; proper tax treatment under Federal law imposes a major impediment to their efficacy and scope.
- Among the adverse impacts that are all too common:
    - Inaccurate and conflicting statements of the relevant tax treatment.
    - Uncertainty in common situations where governmental programs are administered and/or jointly funded by non-profits and others in the private sector.
    - Friction imposes significant legal costs, administrative burdens, and perceived risks that have material adverse impacts on the scope, implementation, and scaling up of programs.
    - Irreversible impact on budgeting and eligibility for critical Federal safety net and other programs.
- Much of this confusion results from an everyday occurrence: the challenge of translating the tax law into understandable and actionable guidance that does not impose unreasonable and costly administrative requirements.
- 501(c)(3) Organization direct cash transfer payments to or on behalf of eligible recipients are treated as non-taxable for Federal income tax purposes to recipients under tax Code Section 102(a) if they are made in furtherance of its IRS-approved charitable purpose and are not compensation for property, goods or services.
- Governmental entity direct cash transfer payments to or on behalf of eligible recipients are treated as non-taxable for Federal income tax purposes under the General Welfare Exclusion (GWE) if:
    - payments are made for the purpose of meeting the needs of eligible recipients,
    - are paid with the governmental entity's funds and
    - are not compensation for property, goods, or services.
- Jointly funded and/or administered direct cash transfer payments to or on behalf of eligible recipients are treated as non-taxable for Federal income tax purposes.
- Additional services alongside direct cash transfers have no impact on the Federal tax treatment of direct cash transfer payments.
- The nationwide platform of direct cash transfer programs will continue to move forward as there is a better understanding of current law and how it is complied with.

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Chapter 6: Policy and Practice

"Child Allowances and the U.S. Child Tax Credit" by Jacob Bastian

Key Takeaways:

- Many countries offer child allowances—monthly, unconditional cash transfers that support child development, reduce poverty, and aid family well-being, improving health, education, and gender equality.
- The 2021 U.S. Child Tax Credit expansion increased maximum benefits to $3,600 for young children and $3,000 for older ones, made credits fully refundable, and provided monthly payments, benefiting low-income families the most.
- The expanded CTC cut child poverty, reduced food insecurity, and offered financial relief to families, easing household expenses and mental stress, especially in low-income and minority families.
- Research shows small work disincentives from the CTC, with a permanent version projected to reduce child poverty by up to 28%, fostering long-term economic equity.

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"Basic Income Guaranteed: Los Angeles Economic Assistance Pilot" by Abigail Marquez

Key Takeaways:

- BIG: LEAP was launched in October 2021 and served as the first large-scale municipal pilot in the United States. The program offered 3,200 participants $1,000 monthly for 12 months, with no strings attached.
- The average age of participants was 38 years old, with an average income of under $15,000 per year—80% of participants were female, nearly half were of Hispanic origin, and nearly a third were African American.
- The program was designed as a Randomized Controlled Trial (RCT) in collaboration with the University of Pennsylvania Center for Guaranteed Income Research.
- Pilot Findings:
    - **Financial Well-Being:** Treatment group participants experienced a significantly increased ability to cover a $400 emergency after 6 months compared to the control group.
    - **Health:** The treatment group demonstrated a significant decrease in food insecurity and an increase in health-promoting behaviors.
    - **Intimate Partner Violence**: The treatment group reported reduced severity and frequency of IPV.
    - **Decision-Making & Planning**: Recipients established immediate safety in the first 6 months, proximate safety in months 6-9, and future safety by planning for the pilot's end.
    - **Parenting**: Treatment Group parents are significantly more likely than control group parents to maintain enrichment and extracurricular activities for kids.
    - **Community Impact**: Treatment Group members are significantly more likely to report reduced fear of community violence and more positive interactions with neighbors.
    - **Employment**: Recipients were significantly more likely to secure full-time jobs than to remain unemployed, not looking for work compared to the control group.
- By providing unconditional cash to low-income families, the City of Los Angeles has demonstrated the transformational potential for municipal-led guaranteed income programs to create lasting, positive outcomes on individuals' overall well-being.

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Part III.
Income and Assets, Coming Together to Solve Poverty and Form a Social Contract for the 21st Century

Context.

"Income and Asset Policies: Together They are More Effective" by William Elliott

Key Takeaways:

- Financial structures like high-yield savings accounts—and, even more dramatically, investment accounts—produce wealth on behalf of individuals above and beyond their own individual effort and ability.
    - **Implication**: If not everyone has access to these institutions, the story that America is a meritocracy is nothing more than a lie.
- The amount of assets children must put into a financial institution plays a key role in how much they can benefit from it.
    - **Implication**: Institutional access alone will not create equity.
- Small initial deposits limit the return people can receive from financial institutions.
    - **Implication**: When the wealth gap is large, like it is in America, leveling the playing field through early children's assets requires large initial or ongoing deposits.
- For financial institutions to be truly effective at reducing wealth inequality, it's necessary to not only increase the capacity of low-income children but also put some limits on the advantages accruing to high-income families.
    - **Implication**: There is a need to cap deposits by higher-income families, but not low-income families.

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Chapter 7: Evidence and Theory

"The Power of Guaranteed Income and Baby Bonds" by David Radcliffe and Madeline Neighly

Key Takeaways:

- We assert that Baby Bonds—publicly funded trust accounts for young people—and Guaranteed Income, deployed together, can build racially inclusive wealth.
- Historically and today, individuals and communities have been stratified into deserving and undeserving along race, gender and other identities, and the government has proactively shaped economies—determining who reaps the benefits of prosperity.
- The solution to decades of exclusionary policy is implementing effective racially inclusive policies that invest in people at scale.
- The two key ingredients to economic well-being are income and wealth.
- To succeed in the U.S. economy, young people must enter adulthood with "investable sums"—a significant amount of money dedicated to asset building—so that they are positioned to make critical investments in their futures and realize the dream of enrolling in higher education, starting a business, purchasing a home or having a secure retirement. At the same time, young people need a steady income to meet their basic needs.

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"Does Guaranteed Income Build Assets for Black Women? Evidence from the In Her Hands Program" by Stephen Roll, Desha Elliott, Simone Smith, Aaron Quick, Laura Brugger, Shadonna Davis, and Leah Hamilton

Key Takeaways:

- *In Her Hands* launched in 2022 and used a lottery system to enroll 654 low-income women in the intervention randomly. Payment recipients received $20,400 over two years, with one group receiving $850/month and one group receiving $4,300 in month one and $700 in the remaining 23 months.
- **Key Results, Recipients Were:**
  - Sixty percent less likely to report that it was very difficult to pay their bills than the comparison group (19.2% vs. 48.4%), and 59% less likely to report that they had been forced to move by a bank or landlord when they did not want to (5.9% vs. 14.4%).
  - Less likely to take out payday loans and pawn shop loans over the prior six months and were also less likely to sell blood plasma and overdraft their bank accounts.
  - Roughly twice as likely to say they had a rainy-day fund as the comparison group (27.9% vs. 14.8%).
  - More than twice as likely to report that they would pay for the $400 emergency expense using a form of liquidity—either money they had on hand or with a credit card that they would pay off in full.
  - Holding more than twice as much in savings ($637) as the comparison group ($307), though this difference was not statistically significant.
  - Sixty percent were more likely to report they were actively saving for their children's education, and recipients held roughly $100 more in child savings than the control group ($566 vs. $457), though this difference was not statistically significant.

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“The Impact of Combining Income and Assets on Parents’ Educational Expectations: CollegeBound Boost Saint Paul, Implications for Ending Poverty” by William Elliott, Nicholas Sorensen, and Megan O’Brien

Key Takeaways:

- The primary goal of income policies in the U.S. has been to move children out of poverty. This has come to mean providing them with enough cash transfers so that they are just above the poverty line but remain economically fragile. That is, they remain susceptible to falling back into poverty if they experience an unexpected income or expense shock (e.g., a car breaks down or health problems come up).
- Increased savings can allow low-income families to continue to consume at similar levels when they experience an income or spending shock. Therefore, it is suggested by the authors that combining income and asset policies provides the most promising strategy for ending poverty.
- The term “asset poverty” is extended beyond emergency savings to include having assets to invest in children’s capital (e.g., human—to include education, training, and well-being—as well as their financial and social capital) or, more simply, their growth and development.
- **Key Moment:** *CollegeBound Boost Saint Paul* is an experimental test, administered through a Children’s Savings Account program, examining the effectiveness of combining income and assets interventions to fight poverty better and improve children’s educational outcomes.
    - **Finding**: Combining quarterly deposits and guaranteed income increases parent expectations for college enrollment by 8.2%

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“Creating an Integrated System of Data and Statistics on Household Income, Consumption, and Wealth: Time to Build” by Smeeding, T. M., Johnson, D. S., and Citro, C. F.

Key Takeaways:

- Bureau of Economic Analysis (BEA) should produce estimates for disposable personal income that exclude nonprofit institutions serving households and estimates of disposable personal income that include retirement distributions and exclude retirement contributions;
- The Census Bureau’s household income estimates should include pre- and post-tax-and-transfer series; and
- The Bureau of Labor Statistics should expand and accelerate its program to publish annual estimates of household consumption.

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Co-Hosts:

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- Poverty Solutions

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