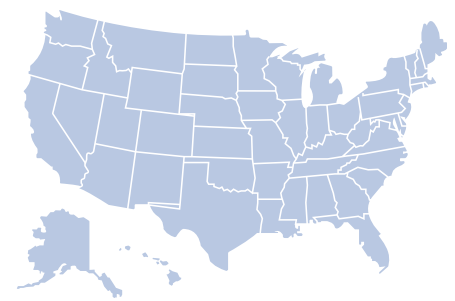



# Innovations in Cash Assistance in New York

## A Primer on the Lessons Learned from Guaranteed Income


Just a few years ago, the Covid-19 pandemic upended life in the U.S. and hit New York especially hard. Because the public health crisis required closing large parts of the economy, policymakers at all levels of government were confronted with urgent questions about how to quickly provide stability to Americans, and not through traditional employment measures. As the scale and scope of the crisis grew, they ultimately turned to a simple solution that has been shown to do just that: direct cash.

From Economic Impact Payments—provided for the first time with no earnings requirement—to the expanded Child Tax Credit, direct cash policies emerged as a primary way to swiftly and effectively provide stability to millions of individuals and families and allow them to address their urgent, and shifting, needs during such an unprecedented crisis. In addition to these direct cash policies, the pandemic reignited momentum around another direct cash policy, guaranteed income, as demonstration projects testing its efficacy spread from city to city. We now have a robust—and still growing—body of research that shows guaranteed income to be a policy solution with real promise.



 **52%**  
**of Americans are economically insecure**



 **54%**  
**of New Yorkers are economically insecure<sup>1</sup>**

<sup>1</sup> Unpublished Urban Institute TCES data, held at FPWA.

As we continue to face an economic security crisis and the greatest income and wealth inequality of any state in the country, New York State needs to explore a variety of evidence-based solutions that have the power to finally, meaningfully stem the tide of growing economic insecurity and inequality. One of many policies that we should explore is guaranteed income, and to begin, we can look to the research from the many demonstration projects for a useful framework for ways to improve our existing income support programs.

This Primer is part one of a two-part series in which we will provide information on guaranteed income, explore what lessons have been learned from it, and explain how we can leverage these learnings in our advocacy to ensure economic security for all.

## What is Guaranteed Income?

**Guaranteed income**, sometimes called Guaranteed Basic Income or Basic Income, refers to regular cash payments accessible to members of a community. Guaranteed income is meant to provide an income floor without strings attached, work requirements, or other administrative hurdles endemic to our current benefits system. The goal of guaranteed income is to support economic security, promote gender and racial equity, and ensure every individual and family has what they need to thrive. Foundational to guaranteed income are the values of trust and respect for individuals and families and a commitment to promoting choice and agency.

In recent years, we've seen guaranteed income demonstrations spread across the country. As of October 2025, there are nearly 200 pilot programs and counting across 35 states and Washington, D.C. As aforementioned, the Covid-19 pandemic also pushed federal, state, and local governments to adopt direct cash policies to buoy families during the pandemic and support the nation's economic recovery, the fastest in history. State and local governments began using federal dollars to fund cash transfer programs as well. Still today, an increasing number of local governments across the country are exploring these policies, and the results (outlined on pages 3 and 4) further demonstrate the efficacy of cash programs.

While the Covid-19 pandemic supercharged these programs, direct cash transfers to those who need it most is far from a new idea. The U.S. government has funded programs to do just that since the 1900s—from Mother's Pensions to Social Security and tax credits like the Earned Income Tax Credit and the Child Tax Credit. In the 1960s and 1970s, the federal government funded a series of guaranteed income demonstrations across the country, and public figures from Johnnie Tillmon and Martin Luther King, Jr. to Milton Friedman and Richard Nixon have proposed direct cash programs.

## How is Guaranteed Income Different from Universal Basic Income?

Guaranteed income is designed to provide cash to individuals and families with no income, low income, or middle income—to provide an income floor and a basic level of financial stability. Universal Basic Income (UBI), on the other hand, would instead offer universal cash payments, in the same amount, to all members of a community regardless of employment status, income, or wealth. UBI proposals would likely require replacing other federal programs, potentially leaving some households worse off. Whereas proponents of guaranteed income focus on the impact it has on individual and family well-being and economic security, proponents of UBI tout efficiency as its main benefit, as UBI would not require administratively complex eligibility verification. However, providing the same amount of cash to everyone and cutting critical existing programs targeted to those most in need means that UBI has the potential to worsen economic inequality. UBI has been championed by 2020 presidential candidate Andrew Yang and other libertarian-leaning and conservative voices who favor replacing the safety net with UBI.

## Why Cash?

Unrestricted cash is simple and effective. It's flexible. Whether provided through a tax credit like the Child Tax Credit or through a guaranteed income demonstration, unrestricted cash empowers individuals and families by trusting them to make decisions about what they need. In doing so, it radically defies the paternalistic, racist, and sexist beliefs embedded in current means-tested programs. And research shows that people use it for basic needs like food and other essentials.

Below are just some examples of the findings from various guaranteed income pilot programs, which continue to provide clear evidence of the positive impacts of additional, unrestricted cash. These demonstrations provide monthly cash payments to households with low incomes, supplementing their existing income so they experience a net gain in resources, and this research adds to a broader body of research on the positive impact of direct cash transfers on individuals and families as well as on our society as a whole.<sup>2</sup>

- **Increases household resources and reduces income volatility:** Guaranteed income demonstrations have shown that additional unrestricted cash enhances participants' ability to meet their needs and pay their bills on time. It also reduces income volatility by providing regular, reliable cash dispersed monthly.

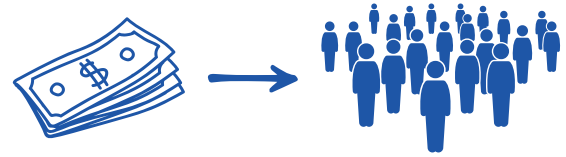
<sup>2</sup> The demonstration projects mentioned in this section provided direct cash in amounts ranging from \$500 to \$1,000 for a period of between 12 to 24 months and were targeted to people with low incomes (including those below the Federal Poverty Level, households with income below 80 percent Area Median Income, and those in neighborhoods with Area Median Income below \$46,033).

- **Supports economic security:** Research from the demonstrations has shown that individuals pay off debt and save for the future, allowing them to weather unforeseen financial shocks, whether it be a personal setback like a job loss or a collective crisis like a pandemic. Further, receiving cash promotes economic mobility by affording individuals more opportunities for self-determination, choice, goal-setting, and planning for the future.
- **Improves health and well-being:** Additional, unrestricted cash supports well-being, as it has been shown to reduce stress and improve physical and mental health, decreasing feelings of anxiety and depression and allowing individuals to seek preventative care and medical attention when necessary. Having more time and money allows individuals to improve their sleep, take necessary medication, walk and exercise more, and prioritize their mental health by seeking therapy—all healthy behaviors that improve overall well-being.
- **Improves birth outcomes:** Multiple pilots have focused on pregnancy, a time of increased financial stress for families, and have found that cash during this time significantly reduces the rates of preterm birth and low birthweight.
- **Supports food security:** The pilots have found that cash recipients have improved food security and nutrition, as it allows more money to cover food costs and more time to prepare balanced meals.
- **Enhances housing stability:** Families who participated in pilot programs had a reduction in their housing cost burden, and cash programs have been shown to help prevent homelessness and support housing stability.
- **Improves educational outcomes:** Additional, unrestricted cash has been shown to improve the educational outcomes for children and increase educational enrollment for adults.
- **Supports both parents and children:** Receiving additional, unrestricted cash supports parents by reducing household stress and allowing for more time with their children. It also allows parents to keep their children involved in extracurricular activities (like sports and after-school lessons). It has even been shown to reduce instances of intimate partner violence, promoting safety for the entire family.
- **Increases rates of full-time employment:** Perhaps surprisingly, receipt of unrestricted cash payments is linked to increases in rates of full-time employment. Additional cash also provides the economic security needed to pursue internships, training, and/or education that paves the way for promotions or better jobs during their careers.

# Guaranteed Income Pilot Programs in New York State

Today, there are at least 15 pilot programs across New York State—from Rochester, to Ithaca, to Hudson, to New York City. These programs are targeted to New Yorkers most in need. Some target a particular demographic, such as expectant and new mothers or young people who are exiting foster care. Others simply are open to all residents who fall below an income threshold.

These programs are channeling direct cash to New Yorkers and helping them increase their savings and afford child care, food, and housing. They allow New Yorkers to increase their employment, improve their health, and reach their long-term goals, like paying off debt, pursuing higher education, or starting a business:



**There are at least 15 programs across New York that channel direct cash to New Yorkers**

## These programs help New Yorkers:



**increase savings**



**afford child care**



**afford food**



**afford housing**

- **Level Up - Mount Vernon** is a guaranteed income program that provided \$500 per month for 12 months to 200 randomly selected Mount Vernon residents. It was funded by dollars from the American Rescue Plan Act and established in partnership with Mayors for Guaranteed Income. The pilot aimed to support residents' overall financial stability.
- **Local Sound's Artist Grants Program** will provide a modest amount of financial support to independent musicians. The Artist Grants Program will distribute unrestricted monthly cash payments of \$200 for 12 months to artists who have financial need.
- **Rochester's Guaranteed Basic Income Program** was a year-long program that provided a guaranteed income to selected Rochester residents who live at or below 185 percent of the Federal Poverty Level. The pilot provided monthly payments of \$500 to 351 individuals for 12 months.
- **HudsonUP** is a basic income pilot program in Hudson that was launched in the fall of 2020. It has supported three cohorts since 2020, providing \$500 per month to selected Hudson residents over a period of five years.

- **The Bridge Project**, launched in 2021, was designed to support low-income mothers in New York City during the first 1,000 days of their children's lives by providing them with unconditional cash. Since then, the program has spread throughout the city and state. Participants receive \$1,000 per month for the first 18 months of the program and \$500 per month for the last 18 months on a biweekly basis.
- **Zero Babies Homeless** was a guaranteed income demonstration project focused on low-income pregnant women and mothers with infants in New York City who were experiencing (or expected to experience) housing instability. In addition to HOMEBASE homeless prevention services, participants received \$1,000 per month in unrestricted cash, from their second trimester until their baby turned two years old.
- **The Trust Youth Initiative's** direct cash transfer program was launched in New York City to give 30 young adults (ages 18–24) experiencing homelessness \$1,100 per month for up to two years to support investments in their housing and personal goals and a one-time transfer of \$3,000 to support an exit from homelessness.
- **Family Goal Fund** is a direct cash program run by LIFT, a national nonprofit providing coaching and other supportive services to families in New York, Chicago, Los Angeles, and Washington, D.C. The program provides a modest amount of cash, \$150 every three months, to support families' progress towards their self-named career, education, and financial mobility goals.
- **Ithaca Guaranteed Income** provided direct and unconditional cash to residents of Ithaca. The program was specifically for low- and moderate- income adults who are unpaid caregivers for aging or disabled adults or children, and it provided \$450 per month.
- **Baby's First Years** was a direct cash program that provided monthly, unconditional cash (\$333 per month) to low-income mothers in New York City. The cash transfers started at their child's birth and ended three months after their child's 6th birthday.
- **Project Resilience's** guaranteed income program provided \$500 per month in unrestricted cash to 100 low-income households in Ulster County. Initially slated for 12 months, the program was extended for an additional five months due to the financial repercussions of the pandemic, with the payment amount decreasing during the five-month phase out period.
- **Creatives Rebuild New York (CRNY)** launched a Guaranteed Income for Artists program in 2022, which provided regular, no-strings-attached cash payments for 2,400 artists who have financial need. Each artist received \$1,000 per month for 18 consecutive months. The program aimed to help artists meet their basic needs outside of traditional or merit-based grantmaking.
- **YouthNPower's** Direct Cash Transfer pilot is focused on providing unconditional cash to 100 young people aged 18 to 22 in New York City who have either voluntarily left foster care after age 18 or aged out after age 21. The program provides youth with \$1,000 per month for 12 months.

## What Do New Yorkers Think?

As conversations around unrestricted cash programs continue and the movement grows, we wanted to know: What do New Yorkers think? So, when we interviewed recipients of cash assistance, who have direct experience navigating the complex benefits system, we asked them what they think of guaranteed income as a policy proposal.

Some expressed support and noted the simple, intuitive nature of the idea of providing additional cash to help stabilize individuals and families:

"[Guaranteed income] would be amazing. That would help so many people out. It would just be a blessing to everyone, because it's so hard right now to do anything, let alone have any extra money [to live]."

***Andrew, 26 years old***

"I have heard of [guaranteed income] being implemented in certain zip codes that are near where my employer is, and it's made a very dramatic difference in those people's lives. Very obviously, if you have more money, you are more stable. It's just a very simple solution that is clearly working."

***Devin, 21 years old***

Others spoke about the potential for guaranteed income to help people meet their needs, build towards economic security, and make New York more affordable:

"I think it's always a good idea to give people cash...if you think about even the stimulus check...a lot of times [families] were paying [off] debt...credit card debt or student loans. People end up using the money for things they actually need...People need the money for food. So, I think it's always a good idea to give people cash."

***Kadisha, 35 years old***

"I think [guaranteed income] is way overdue...I think that would be the right thing to do. Because...in New York, if a person is working at McDonald's and they're making \$15 an hour, but [monthly rent] for a 3-bedroom is \$3,200-\$3,500, they got to balance this thing out. Because what happens is that people are leaving New York."

***Tarajee, 50 years old***



Some participants expressed that guaranteed income would help people do more than just scrape by day to day:

"[Guaranteed income] would help so many people...Because honestly, people shouldn't just be surviving...People should also be able to have some enjoyment in their lives, and just to be able to have some extra money to be able to afford clothes or to go out to eat is something that shouldn't just be a privilege."

***Elias, 24 years old***

Some also spoke about how they would use guaranteed income:

"I would probably buy nonperishables for the house—soups, rice, foods like that, [and] toiletries—stuff that I don't have enough money for."

***Ann, 58 years old***

"I would be able to put it into savings, open a bank account...and it would help me get my apartment...I could pay for [transportation] to appointments as well as [be] able to be there for moments in my family life as well."

***Avery, 22 years old***

## Looking Ahead: What We Can Learn from Guaranteed Income

In short, the principles of guaranteed income stand in stark contrast to the principles of our current program for providing cash to individuals and families with the lowest incomes—the cash assistance program (also referred to as public assistance, temporary assistance, or welfare). As FPWA's [previous research](#) shows, cash assistance, the primary cash program supporting New Yorkers with no and very low incomes, has many flaws in its design and implementation, including strict income and asset limits and work reporting requirements. It also requires recipients to continuously recertify to prove their eligibility and provides extremely low benefit levels. But New York has the power to learn from the guaranteed income demonstration projects to remove unnecessary barriers and make the cash assistance program more equitable and accessible. In the next iteration of this work, we provide a roadmap to do just that. [See our Policy Brief](#) to learn more about our legislative priorities to support New Yorkers most in need.

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