

Harris County's Guaranteed Income Program Will Build Financially Resilient Communities Sammy Cervantes, Invest in Texas Analyst June 30, 2023

Harris County, the third largest county in the nation, has made a powerful stride towards advancing racial justice and economic equality through the establishment of a guaranteed income program. The program aims to provide low-income families with unconditional financial support, empowering them to adequately meet essential needs such as housing, groceries, transportation, and healthcare. By addressing economic barriers for Brown and Black Texans, Harris County is reducing financial instability to help create a more equitable society.

## Harris County Program Targets Most Needy Zip Codes for Financial Safety Net

The Uplift Harris pilot program, approved by the Harris County Commissioners on June 6, 2023, will provide supplemental income to thousands of families living 200% below the poverty line – approximately \$60,000 for a family of four.<sup>12</sup> Funded by the Biden Administration's American Rescue Plan Act and administered by the Harris County Health Department, the program will offer participants \$500 per month for up to 18 months to directly support their households' needs starting this fall. Participating households will be randomly selected from high-poverty zip codes, or from households that participated in the Harris County Public Health's Accessing Coordinated Care and Empowering Self Sufficiency program. According to Harris County Judge Lina Hidalgo, some eligible areas with a median income of \$35,000 include Forest Acres, Acres Homes, South Park, East Six Jensen, Sunnyside, Northgate, Greater Fifth Ward, Settegast, Gulfton, and Galena Park.<sup>3</sup>

## **Uplift Harris Addresses Economic Disparities Across Racial Groups in the County**

The guaranteed income program will address widening disparities in one of the country's most economically segregated counties, especially within marginalized brown and Black communities,<sup>4</sup> According to the Kinder Institute's survey of Houston residents in 2023, more than a quarter of residents are apprehensive about the state of the local economy in a county where 8% of residents live in persistent poverty. While a significant amount of Houstonians reported economic discomfort in the survey, there are significant disparities in economic stability among different racial and ethnic groups.

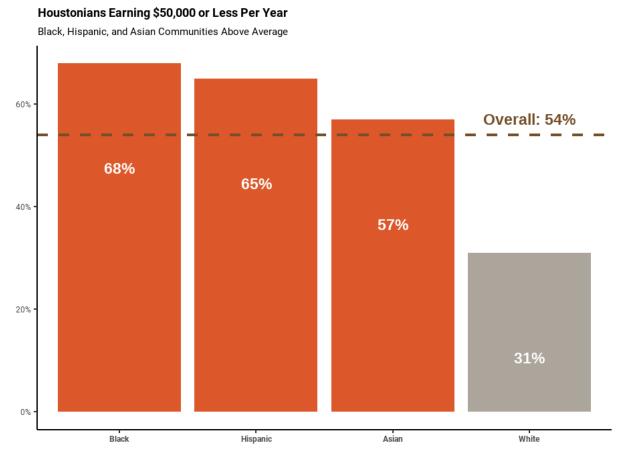
<sup>2</sup> Chron, Harris County leaders approve guaranteed income for struggling families:

<sup>&</sup>lt;sup>1</sup> Harris County Precinct 1, Uplift Harris: Guaranteed Income Pilot Overview:

https://www.hcp1.net/Portals/hcp1/Documents/UpliftHarris\_Backrounder.pdf

https://www.chron.com/news/houston-texas/article/harris-county-guaranteed-income-18138053.php <sup>3</sup> lbid.

<sup>&</sup>lt;sup>4</sup> Houston Chronicle, Study finds Houston leads most cities in racial, economic and poverty disparities: https://www.houstonchronicle.com/business/article/Study-finds-Houston-leads-most-cities-in-racial-15579 190.php



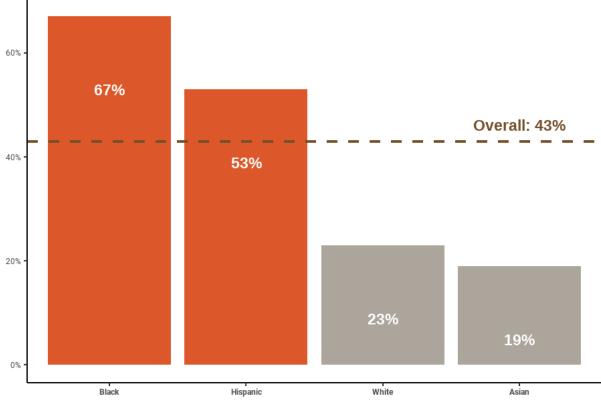
Kinder Institute for Urban Research (2023)

For example, approximately 54% of Houston residents reported an annual income of \$50,000 or less, with a notably higher percentage of Black (68%), Hispanic (65%), and Asian (57%) residents earning \$50,000 or below in comparison to 31% of White residents.<sup>5</sup>

<sup>&</sup>lt;sup>5</sup> Kinder Institute for Urban Research, Kinder Houston Area Survey: https://rice.app.box.com/s/zx6qvqxgnlwaul2wh177vjqja25120zl



Black and Hispanic Communities Above Average



Kinder Institute for Urban Research (2023)

A similar disparity exists in the ability of Houston families to cope with unforeseen financial emergencies. About 43% of Houstonians say they lack the financial resilience to withstand a \$400 unexpected expense using their savings. When analyzing the data by race, Black (67%) and Hispanic/Latino (53%) residents are more than twice as likely to face challenges affording unexpected emergencies compared to their Asian (19%) and White (23%) neighbors.<sup>6</sup>

## **Guaranteed Income Programs Pave the Way for Long-Term Societal Gains**

Harris County's guaranteed income program is part of a growing movement of more than 48 programs nationwide, including initiatives implemented in Austin and San Antonio.<sup>7</sup> This network aims to provide financial safety nets, inspired by the stimulus payments provided to

https://rice.app.box.com/s/zx6qvqxgnlwaul2wh177vjqja25120zl

<sup>&</sup>lt;sup>6</sup> Kinder Institute for Urban Research, Kinder Houston Area Survey:

<sup>&</sup>lt;sup>7</sup> New York Times, Guaranteed Income Programs Spread, City by City:

https://www.nytimes.com/2022/09/10/business/economy/guaranteed-income.html

households during the COVID-19 pandemic. Championed by Martin Luther King, Jr., guaranteed income programs (in the form of no-strings-attached cash transfers) have proven to boost economic prosperity, cultivate healthier lifestyles, and promote cohesive communities.<sup>8</sup>

- **Boost Economic Opportunity:** Guaranteed income programs establish a minimum level of financial security, enabling individuals to handle unplanned emergencies and potential opportunities. For instance, a six-month pilot program conducted in Austin demonstrated that participants modified their working hours to engage in educational activities, part-time employment, or caregiving responsibilities. Additionally, some recipients used the temporary funds to save for improved transportation or to access higher-paying jobs in different neighborhoods.<sup>9</sup> Furthermore, in Austin, participants demonstrated improved housing stability, with a decrease in late rent payments and lower evictions.<sup>9</sup>
- Cultivate Healthier Lifestyles: Guaranteed income programs have a positive impact on health and wellbeing. A University of Pennsylvania study revealed that guaranteed income recipients in Stockton, California reported enhanced mental health compared to those not in the program<sup>10</sup> and were less stressed about where their next meal would come from. The recipients were able to purchase larger quantities of food and secure better support for their medical care, both expected and unexpected. Participants described a transformative shift from scarcity to stability, which allowed them to prioritize connecting with loved ones and enjoying moments of relaxation. This newfound financial security provided recipients with valuable time for self-care and attention to their physical health.
- **Promoting Cohesive Communities:** By establishing a safety net and empowering individuals, guaranteed income programs play a vital role in promoting more inclusive and cohesive communities. An example of the positive impact of guaranteed income is the State of Alaska. Since 1982, Alaska has provided all its residents with an annual payment of about \$3,000, simply for being state residents.<sup>10</sup> This initiative has yielded remarkable results, with the state achieving among the lowest poverty and inequality rates in the country, while also attaining the highest level of overall well-being.<sup>10</sup> By reducing inequality, individuals regardless of their income level can experience a strong sense of belonging, finding value and support in their community.

<sup>&</sup>lt;sup>8</sup> LISC, Demonstrating Economic Liberation: How Guaranteed Income Pilot Programs Point to New Solutions to Poverty:

https://www.lisc.org/our-resources/resource/demonstrating-economic-liberation-how-guaranteed-income-p ilot-programs-point-new-solutions-poverty/

<sup>&</sup>lt;sup>9</sup> Urban Institute, Austin Guaranteed Income Pilot: Participant Outcomes at Six Months:

https://www.urban.org/sites/default/files/2023-05/Austin%20Guaranteed%20Income%20Pilot-Participant%20Outcomes%20at%20Six%20Months.pdf

<sup>&</sup>lt;sup>10</sup> State of Alaska, Permanent Fund Dividend: https://pfd.alaska.gov/

## **Empowering Communities and Building Equity Through Unconditional Resources**

One of the most effective ways to alleviate poverty is through no-strings-attached resources, which allow people to exercise agency in allocating those resources where they are most needed. The Uplift Harris pilot program exemplifies this approach, aiming to enhance economic prosperity, cultivate healthier lifestyles, and promote cohesive communities. By offering crucial supplemental income to communities most in need, namely brown and Black residents, this program takes a significant step toward building a more equitable and prosperous county.