



Testimony on Harris County's Guaranteed Income Program in the Senate Committee on Local Government

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Unlocking the Potential of Guaranteed Income for Every Texan

Every Texan deserves the opportunity to thrive and ensure a bright future for themselves and their families.

In recent years, guaranteed income (GI) programs have been invaluable for many families. These piloted and means-targeted programs have enabled individuals to afford groceries, ease housing costs, cover medical expenses, and better care for their families. The immediate, tangible benefits of guaranteed income have garnered strong support nationwide.¹

Guaranteed income has deep U.S. roots, gaining traction in the 1960s through civil rights leaders like Dr. Martin Luther King and President Nixon's negative income tax proposal that would have provided a minimum income to low-income families.² It is a proven approach used for decades in Alaska, where direct cash transfers from the state's oil and mineral revenues are distributed to all residents annually.³

Harris County's GI pilot program joins at least 150 initiatives across the country, including cities like Austin and San Antonio.⁴ Many of these programs are at least partially funded using federal funding from the American Rescue Plan Act (ARPA).⁵

Meeting the Demand to Address Our State's Economic Precarity

The immediate demand for Harris County's GI program is clear: despite our state's economic power, working Texans and their families are not reaping the benefits of the booming economy we create. Texas' widening economic gap has resulted in one of the nation's highest poverty

¹ Lake Research Partners, National Survey Results, January 5, 2024, [https://static1.squarespace.com/static/60ae8e339f75051fd95f792e/t/65d3f264d2a6c70038ca259d/1708388968295/LRP+MGI+national+Survey+Memo+1.5.2024+\(2\).pdf](https://static1.squarespace.com/static/60ae8e339f75051fd95f792e/t/65d3f264d2a6c70038ca259d/1708388968295/LRP+MGI+national+Survey+Memo+1.5.2024+(2).pdf)

² Economic Security Project, accessed on September 4, 2024, <https://economicsecurityproject.org/resource/gi-timeline/>

³ National Bureau of Economic Research, Cash Transfers and Child Welfare: Lessons from Alaska, Lindsey Bullinger, Analisa Packham, Kerri Raissian, January 1, 2024, <https://www.nber.org/digest/202401/cash-transfers-and-child-welfare-lessons-alaska>

⁴ Economic Security Project, Accessed on 9/4/2024, <https://economicsecurityproject.org/work/guaranteed-income/>

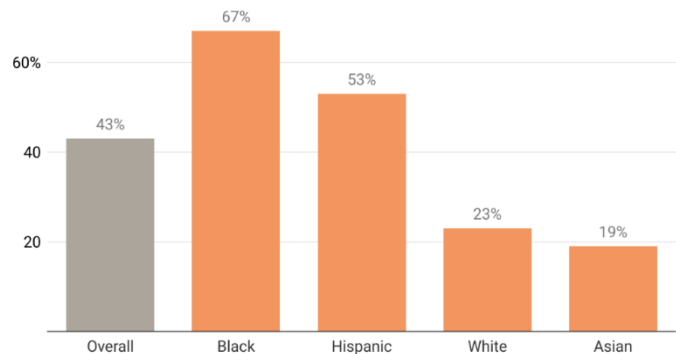
⁵ The American Prospect, Guaranteed Income Gets a New Life, Elizabeth Meisenzahl, August 8, 2023, <https://prospect.org/economy/2023-08-07-guaranteed-income-gets-new-life/>

rates, with nearly two in five Texans struggling to meet their basic needs. This disparity is particularly acute among Black, Latino, and rural communities.⁶

The lack of economic security and concern over insufficient family budgets is driven by stagnant wages created by an outdated minimum wage⁷, underpaid jobs⁸, and a tax system that overburdens low-income Texans⁹. This affects people's ability to save. In Houston, about 43% of Houstonians cannot cover a \$400 emergency from savings, with Black (67%) and Hispanic/Latino (53%) residents more than twice as likely to face this challenge than other racial and ethnic groups.¹⁰

Black and Hispanic Houston Residents Struggle Twice as Much with Emergency Costs Than Other Residents

Share of Houston residents unable to pay for a \$400 emergency in 2023, by race and ethnicity.



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Source: Kinder Institute for Urban Research, Houston Area Survey (2023)

Leveraging Local Governance for More Resilient Communities

Localities have a deep understanding of their communities' needs and are best positioned to allocate resources effectively. Investing in direct cash policies using ARPA funds is not just an opportunity—it's a necessity. These federal dollars must be spent, or they will be forfeited, missing a critical chance to support those who need it most. Direct cash investments empower families during uncertain times, providing immediate relief that can drive long-term stability.

Harris County's GI program would establish a minimum income level to prevent participants from falling below it. This is a rare opportunity to invest in their future; letting these funds go unused

⁶ Every Texan, Texas is the Tale of Two Economies, Amanda Posson, Shannon Halbrook, Samuel Cervantes, March 14, 2024, <https://everytexan.org/2024/03/14/texas-is-the-tale-of-two-economies/>

⁷ Every Texan, Living Wages, accessed on September 4, 2024, <https://everytexan.org/our-work/policy-areas/worker-power-thriving-families/living-wages/>

⁸ Every Texan, The Texas Workforce is Resilient and Undervalued, Amanda Posson, Shannon Halbrook, Samuel Cervantes, August 12, 2024, <https://everytexan.org/2024/08/12/the-texas-workforce-is-resilient-and-undervalued/>

⁹ Every Texan, Latest Study Confirms Unfairness of Texas' State and Local Tax Systems, Dick Lavine, January 9, 2024, <https://everytexan.org/2024/01/09/latest-study-confirms-unfairness-of-texas-state-and-local-tax-systems/>

¹⁰ Every Texan,

Harris County's Guaranteed Income Program Will Build Financially Resilient Communities, Samuel Cervantes, June 30, 2023, <https://everytexan.org/2023/06/30/harris-countys-guaranteed-income-program-financially-resilient-communities/>

would be a missed opportunity for meaningful change. Evidence shows that direct cash transfers are spent prudently on necessities, and over time, participants can use this support to build toward long-term goals. GI programs can:

- **Help workers invest in themselves and their communiti:** Guaranteed income programs empower individuals to take risks and pursue better jobs by providing financial stability. In Austin's pilot program, participants used guaranteed income to invest in education at times by adjusting their work hours and having better access to transportation options, all of which helped them advance in their careers.¹¹
- **Nurture stronger families with time to care for loved ones:** Guaranteed income programs strengthen families by relieving financial stress, giving caregivers the time and support they need to care for loved ones. This financial stability enhances access to quality food and medical care, helping families meet their basic needs and fostering a healthier, more supportive environment for everyone.¹²
- **Improve family budgets to meet rising living costs:** Guaranteed income programs help families keep up with rising living costs and offer crucial relief during financial crises. By providing a steady income, these programs help cover unexpected expenses, such as emergency care or unforeseen bills. Participants also experienced better housing affordability, with fewer late rent payments and reduced eviction rates.¹³

¹¹ Urban Institute, Austin Guaranteed Income Pilot:

Participant Outcomes at Six Months, Mary Bogle, Fay Walker, Eleanor Noble, and Lauren Fung, May 2023, <https://www.urban.org/sites/default/files/2023-05/Austin%20Guaranteed%20Income%20Pilot-Participant%20Outcomes%20at%20Six%20Months.pdf>

¹² Journal of Urban Health, Impact of Guaranteed Income on Health, Finances, and Agency: Findings from the Stockton Randomized Controlled Trial, Stacia West, Amy Castro, April 10, 2023, <https://link.springer.com/article/10.1007/s11524-023-00723-0#citeas>

¹³ Urban Institute, Austin Guaranteed Income Pilot:

Participant Outcomes at Six Months, Mary Bogle, Fay Walker, Eleanor Noble, and Lauren Fung, May 2023, <https://www.urban.org/sites/default/files/2023-05/Austin%20Guaranteed%20Income%20Pilot-Participant%20Outcomes%20at%20Six%20Months.pdf>