



Testimony to House Committee on Intergovernmental Affairs Against HB 530

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Every Texan is an independent research organization that advocates for public policies to achieve equitable access to quality health care, food security, education, and good jobs. One theme that runs throughout our policy work is economic security. We believe our state is stronger when more Texas families are economically secure. They are better able to overcome short-term financial challenges, and they are free to make more successful long-term decisions about their families' lives and futures.

HB 530 would prohibit localities in Texas from operating guaranteed income (GI) programs. We oppose HB 530 because we believe local communities should be able to use GI to offer greater economic security to struggling families. Research has shown that families receiving GI use it productively, and their communities benefit broadly.

Texas has a booming economy – the eighth-largest in the world. But beneath the glowing statistics lie many less rosy ones. More than 40% of Texans live in economic hardship. One third of Texas families and about half of renters are burdened by housing costs. Over 17% lack medical insurance – the highest rate in the country. 60% of Texas schoolchildren are economically disadvantaged. Texas is the most food-insecure state in the nation.

When so many families live this close to the edge, any setbacks or bad luck can be catastrophic. As the cost of living continues to rise, and as the gulf widens between rich and poor in our state and around the world, GI programs can help. Direct cash assistance is flexible and highly effective at helping families get through crises and lowering the risk of permanent financial damage.

This is why GI programs are popular. Economic Security Project polling from 2023 found that GI is supported by 56% of voters overall, by 54% of Republicans under 50, and by 70% of political independents under 50.

A number of small pilot GI programs have already helped struggling Texans. On March 5, Every Texan, UpTogether, and Economic Security Project invited over 50 participants in such programs across Texas to come to the Capitol to meet with state lawmakers. At the event, participants shared their powerful stories about how GI helped them navigate economic hardship and meet unexpected needs. Some of those recipients are here today.

These pilots have given us valuable empirical information about the good these programs can do and how they can be designed most effectively. In 2024, Urban Institute studied the results of the yearlong Austin Guaranteed Income Pilot, begun specifically to help low-income Austinites cope with skyrocketing housing costs and gentrification. Researchers found that recipients used more than half of the money for housing support, as intended. Housing stability and food

security improved significantly among participants. 34% of participants also used the payments for education or to build skills; by the end of the pilot period, 30% had raised their incomes or gotten better jobs.

A 2024 OpenResearch study of 3,000 participants in pilot GI programs in Texas and Illinois found similar results. Overall, recipients prioritized the basics: housing, food, transportation, and child care. Beyond that, many participants used the money to help others – family members or neighbors – suggesting a beneficial ripple effect throughout communities. The analysis also found that GI programs led to a greater capacity for entrepreneurship, with some using the cash to start or grow their own businesses; Black participants in particular were 26% more likely to start to help start a business.

Other GI programs have been piloted in Texas, with similar results. Before the Austin Guaranteed Income Pilot, a Central Texas pilot saw participants' employment rate increase from 56% to 67%, while 48% paid down debt. In a San Antonio pilot program conducted from December 2020 to January 2023, half the 1,000 program participants improved or maintained their housing stability. A 2022-23 program in New Mexico is worth mentioning as well, the New Mexico Guaranteed Income Pilot Program for Immigrant Families. Rural residents, comprising one-third of participants in the program, demonstrated improvements in employment (up 14%) and education (grade completions up 13%).

All these successful programs have something in common: They were conceived and run at the local level. If communities and their local elected officials want to offer a GI pilot program, the state should let them. Local governments must be free to design these programs to suit their communities, taking advantage of the programs' flexibility to respond to unique situations and needs. GI programs can be simpler and faster for them to administer than other kinds of aid.

Texans across the state – urban, rural, suburban, Black, Brown, white – want their communities to thrive and succeed. We know our communities are stronger when fewer of our neighbors live on the edge of financial precarity, and GI programs can help. We oppose HB 530 because the state must not interfere with these programs.