



TO: Elizabeth Pauli, City Manager
FROM: Council Member Kristina Walker and Melanie Harding, Chief Policy Analyst to the Mayor
COPY: City Council and City Clerk
SUBJECT: Resolution – Authorizing the execution of a memorandum of understanding with Mayors for a Guaranteed Income and United Way
DATE: July 9, 2021

SUMMARY AND PURPOSE:

A resolution authorizing the execution of a memorandum of understanding with Mayors for a Guaranteed Income (MGI) and United Way, establishing the requirements and confirming acceptance of \$500,000 in additional funding from MGI for a Guaranteed Income Demonstration in the City of Tacoma.

COUNCIL SPONSORS:

Deputy Mayor Keith Blocker, Council Member Catherine Ushka, and Council Member Kristina Walker

BACKGROUND:

In June 2020, Mayor Woodards signed on to be a founding member of Mayors for a Guaranteed Income (MGI). She noted at that time that her participation was motivated by the potential to be connected to non-governmental funding opportunities for local demonstration projects. In November 2020, the City Council approved an initial Memorandum of Understanding (MOU) accepting \$100,000 in funds from MGI for exploration and/or design of a Tacoma guaranteed income demonstration.

Because Mayor Woodards is a founding member, MGI offered Tacoma’s guaranteed income demonstration an additional \$500,000 in starter funds in December 2020 that could be distributed to participants selected for a guaranteed income demonstration in Tacoma. The attached MOU would confirm receipt of those funds.

In a presentation in Study Session on June 29, 2021, the City’s key community partner in administering this work – United Way of Pierce County –provided an update on the work done since the initial MOU, including information on the design and implementation steps of a Tacoma guaranteed income demonstration. A context document providing an overview of demonstration design work is attached.

A small group of community leaders have continued discussion and community outreach, including multiple focus groups, to determine what elements should be included in the design of a Tacoma guaranteed income demonstration. Partners in this work have included Mayor Woodards, Council Member Walker, United Way, Sound Outreach (who administers the Center for Strong Families), Tacoma Urban League, Greater Tacoma Community Foundation, and Tacoma Housing Authority. A representative from the Washington State Department of Social and Health Services has also joined the work group to help inform how a guaranteed income might impact benefits received by participants and to align the demonstration efforts with the State’s 10-year plan to dismantle poverty.

Design of the Tacoma guaranteed income demonstration, now known as “Growing Resilience in Tacoma” or GRIT, is also being informed by feedback from researchers at University of Pennsylvania’s Center for Guaranteed Income



Research.¹ With assistance from the Center for Guaranteed Income Research, the lessons learned from a local demonstration would be aggregated with data from other validated demonstrations across the nation and inform state and federal policy work going forward.

Among the community leaders who have been engaged, there remains a shared goal to identify additional private or philanthropic dollars for the guaranteed income payments provided to participants in a Tacoma demonstration.

As defined by the national MGI initiative, guaranteed income is:

- A monthly, cash payment given directly to individuals;
- The payment is unconditional, with no strings attached and no work requirements;
- The additional income is meant to supplement, rather than replace, the existing social safety net; and
- It can be a tool for racial and gender equity.

We live in a time of pandemics and climate disruptions, and MGI holds the position that everyone deserves an income floor through a guaranteed income which empowers recipients to address their most urgent individual needs and provides a cushion for unpredictable expenses, external shocks, and volatility. This follows the foundational anti-poverty work pursued by Dr. Martin Luther King Jr. His speeches used the term “guaranteed income” and are foundational to MGI’s work.

Early data from the Stockton Economic Empowerment Demonstration – where they are providing \$500 per month for 24 months showed that 40% of the funding was spent on food. That percentage has increased during COVID-19. Initial qualitative data reflect improved mental health, the ability to seek medical or dental care, and the ability to better show up for and support their children.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Community leaders engaged in this work have continued discussion and community outreach, including multiple focus groups, to determine what elements should be included in the design of a Tacoma guaranteed income demonstration. Community engagement will not end when GRIT begins - the experience of participants and data from the demonstration will inform future efforts to address poverty.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: *(Mandatory)*

This demonstration is intended to provide data on innovative solutions to address poverty and, thus by extension, the wage/wealth inequities across our state and nation. The U.S. is one of the wealthiest countries in the world but prosperity and well-being are not broadly shared. Nearly 40% of Americans cannot afford a single \$400 emergency, and rising income inequality is compounded by a growing racial wealth gap. The median white worker made 28% more than the typical Black worker and 35% more than the median Latine worker in the last quarter of 2019. At the same time, the median wealth of white families was more than \$100,000 while the median wealth of Black families was approximately \$10,000 prior to the coronavirus pandemic.

Additionally, women – particularly women of color – are the most likely to live in poverty. They are overrepresented in low-paying occupations, and are far more likely to lack access to sick leave and health care

¹ <https://www.penncgir.org/>



benefits. When we look at these disparities combined, Black women are paid 66 cents for every dollar that is paid to white men, and Latinas make even less at 58 cents for every dollar white men make.

Recent research has indicated significant disparities when looking at the earnings for gay and transgender workers, and specifically for gay men and transgender women. Looking at data across 12 studies, the Williams Institute found that gay and bisexual men earn 10-32% less than heterosexual men that were similarly qualified. One study found that the earnings of female transgender workers fell by nearly one-third following their gender transitions.²

Livability: Equity Index Score: Moderate Opportunity

Improve health outcomes and reduce disparities, in alignment with the community health needs assessment and CHIP, for all Tacoma residents

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Explain how your legislation will affect the selected indicator(s).

Income levels are directly linked to public health outcomes. "Poverty and low-income status are associated with a variety of adverse health outcomes, including shorter life expectancy, higher rates of infant mortality, and higher death rates for the 14 leading causes of death."³ Overall, the effects to the health and wellness of Tacoma's lower income earners have a collective impact on our health, behavioral health, education, housing, and social services systems.⁴ Using a guaranteed income to establish an income floor can reduce the need to spend public dollars in these areas that are crucial to residents' health and wellbeing. The demonstration design seeks to impact these areas equitably by targeting zip codes of high need according to the City of Tacoma's Equity Index.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Decline to authorize the MOU	N/A	An additional \$500,000 will need to be provided through private fundraising.

EVALUATION AND FOLLOW UP:

Information from participants in GRIT's storytelling cohort will share their experiences over the course of the demonstration. Complete aggregated data from Tacoma's demonstration will be available roughly one year following the completion of the demonstration and others throughout the nation will be compiled by University of Pennsylvania's Center of Guaranteed Income Research and used to inform future legislative advocacy efforts at the State and Federal Level.

² <https://www.americanprogress.org/issues/lgbtq-rights/news/2012/04/16/11494/the-gay-and-transgender-wage-gap/>

³ <https://www.aafp.org/about/policies/all/poverty-health.html#poverty>

⁴ <https://academic.oup.com/jpubhealth/article/40/1/3/2966187>



STAFF/SPONSOR RECOMMENDATION:

The sponsors recommend approval of the resolution.

FISCAL IMPACT:

This does not have a fiscal impact to the City. Funds will go directly from MGI to United Way for disbursement to demonstration participants selected at random by University of Pennsylvania’s Center for Guaranteed Income Research.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. N/A			
TOTAL			

What Funding is being used to support the expense? N/A

Are the expenditures and revenues planned and budgeted in this biennium’s current budget?

NO, PLEASE EXPLAIN BELOW

Funds will go directly from MGI to United Way for disbursement to demonstration participants selected at random by University of Pennsylvania’s Center for Guaranteed Income Research.

Are there financial costs or other impacts of not implementing the legislation?

YES

These dollars are being injected into our local economy at the potential benefit to local families.

Will the legislation have an ongoing/recurring fiscal impact?

NO

Will the legislation change the City’s FTE/personnel counts?

NO

ATTACHMENTS:

- Memorandum of Understanding
- Draft Context Document