



City of Tacoma

City Council Action Memorandum

TO: Elizabeth Pauli, City Manager
FROM: Melanie Harding, Chief Policy Analyst to the Mayor, City Manager's Office
COPY: Mayor, City Council and City Clerk
SUBJECT: A resolution authorizing the execution of a memorandum of understanding with Mayor's for a Guaranteed Income and United Way to explore and/or implement a potential guaranteed income pilot in Tacoma
DATE: November 23, 2020

SUMMARY AND PURPOSE:

A resolution authorizing the execution of a memorandum of understanding (MOU) with Mayors for a Guaranteed Income (MGI) and United Way that would grant \$100,000 in starter funds to the United Way of Pierce County to launch a task force to explore the viability of a guaranteed income pilot in Tacoma or assist with launching a guaranteed income demonstration, for a term running from December 8, 2020 to December 31, 2021.

To support potential future use of guaranteed income to address and eliminate poverty at the federal level, the MOU also outlines the following responsibilities for Mayor Woodards and the City of Tacoma:

- Conduct regular check-ins with the MGI team to ensure that work is coordinated with the demonstrations, task forces, and other MGI-related work in other cities;
- Participate in MGI research consortium, either by opting into the multi-city evaluation, or ensuring that research questions and design are aligned with MGI's learning agenda (or if hiring an independent evaluator, parties will enter into a data-sharing agreement with MGI and participate in quarterly research and evaluation coordination calls);
- Participate in MGI narrative shift efforts to highlight the lived experiences of economic insecurity (specifically, the Mayor of Tacoma will accept national and local media opportunities related to the work plan and, recognizing the need for individuals to own and tell their stories, demonstrations will work to incorporate a storytelling cohort and task forces will engage with community members); and
- Assist in national fundraising efforts, and identify opportunities for unique partnerships.

Additionally, the MOU identifies that the City of Tacoma will work in partnership with United Way and other community partners to develop a work plan for task force and/or demonstration design and implementation, and share with MGI for feedback. Once finalized, the work plan would be incorporated into and be bound by the terms and conditions of this MOU.



COUNCIL SPONSORS:

Councilmember Kristina Walker
Deputy Mayor Blocker
Councilmember Beale

BACKGROUND:

In June 2020, Mayor Woodards shared with the Deputy Mayor and the City Council that she had 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 pilot projects.

Since this summer, a small group of community leaders have been exploring the potential for a Tacoma guaranteed income pilot and considering what elements should be included in its design. Partners in this work have included Mayor Woodards, Councilmember Walker, United Way, Sound Outreach (who administers the Center for Strong Families), Tacoma Urban League, Greater Tacoma Community Foundation, and more recently Tacoma Housing Authority. The attached MOU does not bind Tacoma to a guaranteed income pilot.

Because Mayor Woodards is a founding member of MGI, they have offered \$100,000 that would design and lay the groundwork for a guaranteed income pilot in Tacoma. The lessons learned from a local pilot would be aggregated with data from pilots across the nation and could be used to inform federal policy work.

Among the community leaders who have been meeting to discuss a potential pilot in Tacoma, there is shared understanding of the impacts of COVID-19 on the City's budget. They have discussed a shared goal to identify private or philanthropic dollars if a pilot were established in Tacoma. Some funders have already reached out with an interest.

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.

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 Latinx 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 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.

Finally, 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 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 using the term “guaranteed income” 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.

These findings align with research showing that 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.”¹

Overall, the effects to the health and wellness of our cities’ lowest income earners have a collective impact on our health, behavioral health, education, housing, and social services systems.² 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.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The work plan to be developed as part of this MOU would define and outline community engagement and customer research efforts.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

As noted above, economic opportunity (as defined by wages and family wealth) is distributed disproportionately in the United States. This pilot explores the impact of a new approach to addressing these disparities and seeking to end poverty by setting an income floor.

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.

¹ <https://www.aafp.org/about/policies/all/poverty-health.html#poverty>

² <https://academic.oup.com/jpubhealth/article/40/1/3/2966187>



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

While a guaranteed income could also provide elimination of debt, increased ability to attain education, and increase access to early childhood learning opportunities, those indicators most closely linked to this pilot are those listed above under the heading of Livability: Improving health outcomes and reducing disparities, and decreasing the percentage of individuals who are spending more than 45% of their income on housing and transportation costs. While the pilot will provide additional data, an increase in monthly income should immediately reduce the percentage of income going to housing and transportation costs – particularly if the pilot is based on the asset limited, income constrained, employed families served by United Way. Over time, increased income should reduce by some degree the disparities on public health linked to poverty or low-income status.

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. Pursue the design of a guaranteed income pilot without outside resources	The City could modify the definition of “Guaranteed Income” or other core aspects of the program	Expenditures of City funds or other local funds would be required during a time when the COVID-19 pandemic has constrained local resources
2. Do not pursue a guaranteed income pilot	Elected official and staff capacity could be directed to other initiatives	The Tacoma community would not receive funding that could be used to lift the monthly income of residents in need, and the City could not contribute to building on nationally available data that guides future federal policy efforts.

EVALUATION AND FOLLOW UP:

The work plan to be developed as part of this MOU would define and outline performance measures and data collected. This data would be compiled with that from other pilots across the nation.

STAFF/SPONSOR RECOMMENDATION:

Support the resolution to authorize the execution of a memorandum of understanding with Mayors for a Guaranteed Income and United Way to grant \$100,000 to the United Way of Pierce County to launch a task force to explore the viability of a guaranteed income pilot in Tacoma or assist with launching a guaranteed income demonstration, for a term running from December 8, 2020 to December 31, 2021.



City of Tacoma

City Council Action Memorandum

FISCAL IMPACT:

There is no commitment of city funding for this work. The funding provided in the agreement goes directly to Tacoma Pierce County United Way.

What Funding is being used to support the expense?

The funding is provided by MGI

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

NO, PLEASE EXPLAIN BELOW

N/A

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

YES

See "Alternatives"

Will the legislation have an ongoing/recurring fiscal impact?

NO

City Funds are not seen as a viable funding source for a guaranteed income pilot

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

NO

N/A

ATTACHMENTS:

N/A