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## Cash Policy Talking Points

The following is intended as general guidance when communicating with the public, not as a strict directive. If you have a reason to use a term that this document suggests you avoid, we encourage you to take into account the intention of the guidance and to speak to your audience in the way you think is most effective.

Language we encourage	vs. language we want to avoid
<p><b>Social contract</b></p> <p><i>This term emphasizes a reciprocal relationship between people and their government, with responsibilities and rewards shared across society.</i></p>	<p>vs. <b>Social safety net</b></p> <p><i>This term only describes programs to help people experiencing hardship, which others may not view as a benefit for themselves.</i></p>
<p>Cash, guaranteed income <b>program, policy, or intervention</b></p> <p><i>These terms position guaranteed income as an undertaking requiring community input, or as a specialized solution to a problem.</i></p>	<p>vs. Cash, guaranteed income <b>support or relief</b></p> <p><i>These terms make cash programs seem like a temporary emergency measure, instead of a reliable system that people should always expect from their government.</i></p>
<p>Cash, guaranteed income gives families <b>financial tools, freedom, creates opportunities, or allows people to afford things to help them work and care for loved ones</b></p> <p><i>These expressions preserve the agency of the person receiving cash, acknowledging and appreciating their hard work. It also names their aspirations.</i></p>	<p>vs. <u>Only</u> saying that cash, guaranteed income <b>fights poverty</b></p> <p><i>We build on anti-poverty framing, adding language that speaks to shared values or identities, like work or family. Message testing shows this can help build support for programs. People may be poor, but they still consider themselves to be hardworking and family-oriented first.</i></p>
<p>A <b>participant</b> in a guaranteed income program</p> <p><i>This term also recognizes the agency of the individual, suggesting that they are not a passive spender, but an active author and problem solver in their lives.</i></p>	<p>vs. A <b>recipient</b> of guaranteed income</p> <p><i>This term may be factually correct, but it emphasizes the passive receiving of cash, not the active use of it to improve one's life.</i></p>

## Key phrases to remember

Guaranteed income is **more than a check** it's...

*This expression emphasizes the non-material aspects of receiving no-strings-attached cash: relief from stress, more time spent with family, confidence in being able to provide, pride in contributing to one's community, etc. Talking about cash in this way allows for more storytelling, and often makes more of an impression on listeners than just statistics.*

Guaranteed income is a part of creating **an economy that works for everyone.**

*This expression implies that the current system disproportionately works for the wealthy and powerful, without favoring any particular ideology that could distract from the policy conversation.*

## Frequently Asked Q&A

### THE ECONOMIC REALITY

64% of Americans are living paycheck-to-paycheck. Working people face a tough job market, and now they no longer have the direct cash and bargaining power they could rely on during the pandemic. Meanwhile, powerful corporate monopolies have been allowed to grow in power, squeezing workers and consumers, and overriding the will of voters. The result: regular people are one emergency expense away from calamity. How do we restore economic power and stability to regular families? In part, through a simple and proven tool: cash.

### WHY GUARANTEED INCOME?

Cash is the currency of urgency – it's what we use to provide food and housing for ourselves and our families, to pay for childcare, to get to and from work, to buy what we need. Cash offers the freedom to make choices, and the resources to create stability. When that cash is provided

monthly, income volatility can be reduced, creating a stable foundation on which to build.

**“Cash is the currency of urgency.”**

### IS THIS BASICALLY A UBI?

Universal Basic Income (UBI) is meant to go to everyone and provide enough money to cover all basic needs, whereas a guaranteed income is meant to establish an income floor that no one can fall below. A guaranteed income can be implemented through the tax code through expanding existing policies like the Child Tax Credit (CTC), and Earned Income Tax Credit (EITC). Both the CTC and EITC have state and federal versions, and limitations on payment eligibility, amount, and frequency. Guaranteed income is not meant to be a replacement for wages and can also be targeted to those who need it most. UBI proponents work hand-in-hand with guaranteed income supporters to create an economy that works for all.

## WON'T GIVING PEOPLE MONEY JUST STOP THEM FROM WORKING?

In practice, people have not stopped working as a result of guaranteed income. Research on several cash transfer initiatives over decades has shown that there is no negative effect on the labor market, and in fact the most recent research out of the Stockton Economic Empowerment Demonstration (SEED) shows participants found full-time work at [double the rate](#) of non-participants.

Additional data out of [Alaska](#), which has had a guaranteed income in the form of the Permanent Fund Dividend (PFD) for over 45 years, shows that cash did not stop people from working.

And most proposals for a guaranteed income are rather modest – *could you quit your job for \$6,000 a year?*

## BUT DIDN'T PEOPLE WORK LESS DURING THE PANDEMIC BECAUSE OF CHECKS THEY RECEIVED?

Dubbed the “The Great Renegotiation,” 33 million Americans *quit their jobs* since the spring of 2021. But the story doesn't end when workers quit one job—we have to look at what they go on to do.

According to [a study](#) by Washington University in St. Louis and Appalachian State University, there was zero effect on recipient employment rates during the six months of expanded CTC payments. In fact, during this time period, overall

unemployment dropped 33%, from 5.9% in June 2021 to 3.9% in December 2021.

This could be attributed to the alleviation of constant financial strain, which according to [a study from SEED](#), generates increased bandwidth for goal-setting and risk-taking, which can manifest in the form of enrolling in professional training, or actively searching for a job.

**“Cash rebalances power between working people and their employers.”**

According to the [Brookings Institution](#), CTC parents were 1.3x more likely to start new professional training while receiving the credit; 1.7x more likely to stop using short-term payday loans; and twice as likely to stop selling their blood plasma.

Targeted payments like the Child Tax Credit strengthens the labor market by providing parents with the resources they need to care for their children so they can go back to work, pick up hours, and keep their jobs.

More broadly, cash rebalances power between working people and their employers, allowing them to choose to find a better job, enroll in training, or negotiate better wages and working conditions. Guaranteed income allows people to find the work they are best suited for, not drop out of the workforce altogether.

## WON'T PEOPLE JUST WASTE THE MONEY ON FRIVOLOUS PURCHASES?

A great deal of research shows that participants in cash transfer programs overwhelmingly use the money on their basic needs – housing, utilities, food, unexpected medical costs or other financial emergencies. Paternalistic requirements—such as strict income, eligibility, or spending requirements, involving red tape and mountains of paperwork—only serve to dissuade potential participants. We have a disappointing history in our country of believing that people facing financial challenges can't be trusted to make their own choices, which goes against the ideals of freedom and dignity that this country is founded upon.

**“Aside from the material impact, this money buys *time*.”**

Data collected from over [30 guaranteed income pilots](#) show that the majority of money was spent on retail sales, food, transportation, and housing. 91% of families with incomes under \$35k reported spending expanded [CTC checks](#) on basics, like food, rent, utilities, clothing, and education. Spending can also include celebrations, vacations, or gifts, which can make some people uncomfortable. We believe that everyone is entitled to joy; being able to afford more than just the bare necessities allows people to be fully present in their lives and in the lives of others.

Aside from the material impact, this money buys *time*. This is more than just a check, it has been

demonstrated to improve [mental health outcomes](#), relieve stress, and result in more time [spent together with family](#).

## IS THIS A TECH INDUSTRY IDEA?

The concept has been around as long as America. Founding Father Thomas Paine was supportive of a guaranteed income, as was Rev. Dr. Martin Luther King, Jr - who advocated for it in his final manuscript, *Where Do We Go from Here: Chaos or Community*. Johnnie Tillmon and the National Welfare Rights Organization [pushed MLK to support this idea](#), and called for a guaranteed income to support the unpaid caregiving labor of mothers. It also has historical bipartisan backers in libertarian Milton Friedman and Republican Richard Nixon.

## HOW WILL WE PAY FOR IT?

Guaranteed income programs can -- and have-- been paid for in a number of possible ways. We can bring tax rates on the wealthiest and corporations to their 20th-century historical averages, and ensure that capital gains are taxed at or above income from work. For pilots, funding can come from philanthropic sources, public dollars, or a mix of both.

## ISN'T THIS UNFAIRLY CHANGING THE TAX CODE TO BENEFIT THE POOR?

Our existing tax code and legal system already favors corporate interests and the wealthiest Americans, through [deductions and loopholes](#) that only they can access. Guaranteed income helps

create a tax code that works for everyone, not just for multimillionaires and billionaires.

## **DIDN'T GIVING CHECKS TO PEOPLE DURING THE PANDEMIC CAUSE INFLATION?**

[A letter](#) signed by over 200 economists said the expanded monthly refundable CTC, at under 0.4% of GDP, was too small to meaningfully increase inflation. Long-term cost-of-living increases have more to do with [corporate pricing power](#), and the consolidated state of our economy that keeps out competition.

## **WITH A DIVIDED CONGRESS, HOW CAN WE PASS CASH POLICIES?**

While the federal government is the biggest player in providing cash tax credits, state governments play a critical role. State legislatures can create or expand their state CTC and/or EITC amounts, or expand eligibility to ensure the biggest impact for the maximum number of families. [Over thirty states](#) have created, expanded, or demonstrated interest in creating or expanding CTC/EITC programs. These initiatives can build momentum for permanent, expanded, monthly federal programs, while making a huge difference for the people of these states.