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A Path to Safer, Stronger Communities: The Case for Guaranteed Income in Reentry

Incarceration has immense individual and societal costs. Reallocating funding from prisons toward guaranteed income would produce better outcomes.

Each year, over **600,000 adults** are released from prison in the United States — typically with **less than \$50** in “gate money” to begin rebuilding their lives. As they reenter their communities, they face widespread employment discrimination, unaffordable housing, and, for some, restriction from public benefits, which put financial stability ever further out of reach. It should come as no surprise that **half of people who leave prison are unable to achieve stability and are reincarcerated within three years.**

Beyond the toll on individuals and their families, incarceration carries a steep price for the public and local economies, too. Nationally, the systems of **policing, courts, and incarceration cost government and families of system-involved people at least \$445 billion every year.** Of that total, federal, state, and local governments spend at least \$89 billion a year on corrections alone (prisons, jails, probation, and parole) — spending that could otherwise fund schools, roads, and public services closer to home.

That price tag, however, doesn’t capture what families themselves lose. Incarceration costs families **nearly \$350 billion every year**, a staggering figure that encompasses lost wages, the costs of staying in touch and providing basic support, and long-term reductions in earnings that persist long after release. In the first year of reentry, **only 55 percent of formerly incarcerated people have any reported earnings**, and among those who do find work, median annual earnings hover well below the federal poverty line. Over a lifetime, the average formerly **incarcerated person loses an estimated \$500,000 in wages.** These losses fall hardest on Black and Latino returning citizens, who are less likely than white peers to see those earnings recover over time.

In short, as a widespread cost-of-living crisis persists across the U.S., it’s become even more difficult for individuals returning from incarceration and their families to secure their financial footing. Building on **the success of unconditional cash in supporting people through other major life transitions**, a growing number of guaranteed income (GI) pilots are exploring **what role cash can play during the critical period when someone is returning to their community.** These pilots have shown promising results for recidivism, financial well-being, family relationships, and more. The evidence suggests cash is an impactful and underutilized component of reentry support — one that can amplify the broader services and supports that make successful reentry possible. Investing in people, not prisons, is a proven path to safer, stronger communities.

Cash reduces recidivism and improves public safety

High recidivism rates have immense human and economic costs. In 2021 alone, **reincarceration cost states more than \$8 billion, for both new offenses and technical violations of supervision (e.g., missing appointments or failing to pay court-mandated fines or fees)**. Reducing recidivism keeps families and neighborhoods intact and frees up significant public dollars that can be reinvested in public goods. Cash has the potential to help people to meet the conditions of their release, and thereby avoid rearrest or reincarceration. Here are some proof points we've seen in recent pilots:

- In [Gainesville, FL](#), **Just Income**, an ongoing program now in its fourth cohort, provided its initial participants \$1,000 in the first month and \$600 monthly for the next 11 months. Six months after payments ended, 27.8 percent of GI participants in the program's initial evaluation had recidivated, compared to 40.3 percent of the control group: **a 31 percent reduction in recidivism overall**.¹
- In [Durham, NC](#), the **Excel** pilot that provided \$600 monthly to adults with a recent history of incarceration found that they reported **less difficulty staying away from criminal activity and avoiding probation or parole violations**.
- In [Los Angeles and Alameda counties](#), participants in the **Returning Citizens Stimulus** program, who received up to \$2,750 divided into three installments based on their progress toward personal goals, had **fewer parole violations in the year after their release** than participants in the control group.
- The [Chicago Future Fund](#) pilot, which provided \$500 per month to Chicagoans post-incarceration, reported **minimal reincarceration during the program — just three participants out of 100**, far lower than state or national averages.

These findings are consistent with the broader literature on income access, financial support, and criminal justice involvement, including research on preventive effects. Together, this evidence makes a clear fiscal case that investing in cash programs for returning citizens costs far less than reincarceration, producing net savings for states. For example, past research has shown that **each additional \$1,000 in Earned Income Tax Credit (EITC) refunds received by a child's family reduces the risk of criminal conviction in adolescence by 11 percent**. Among adults, one study found that access to the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) benefits immediately after release from prison reduced the likelihood of reincarceration within the next year **by 10 percent**. Similarly, **the availability of a state EITC and a higher minimum wage have been found to reduce recidivism**, as has [access to Medicaid](#).

Gainesville's [Just Income](#) program shows what this fiscal case looks like in practice. Participants received \$7,600 in guaranteed income over 12 months, while Florida spends over \$41,000 annually to incarcerate a single person. And, for every 100 participants who received GI, these [payments resulted in 12 fewer reincarcerations — a net](#) public savings of more than \$13,000 per person in the program, even after paying for the cash program itself.

¹ A note on terms: "Recidivism" is a broad term that can include rearrest, reconviction, or reincarceration, as well as technical violations of supervision. "Reincarceration" refers specifically to a return to prison or jail. Gainesville's evaluation counts any rearrest, reconviction, or return to incarceration, but excludes technical violations that didn't result in new charges.

Cash supports employment, reducing barriers that undermine public safety

People who have been incarcerated face widespread employment discrimination and are often [banned](#) from holding a wide range of jobs as a result of their records. Time out of the labor force due to incarceration only compounds these barriers. Moreover, even once returning citizens find work, conditions of release — including frequent meetings with probation officers during work hours — can jeopardize job security. Nevertheless, receiving GI has been shown to mitigate some of these challenges:

- Across cities implementing the Returning Citizens Stimulus, participants were **38 to 54 percent more likely to secure placement in an unsubsidized job.**²
- In Gainesville, **rates of full-time employment increased among GI participants** but decreased among those in the control group.
- Similarly, in Durham, those who received GI were **more likely to maintain full-time work** over the course of the pilot.

By expanding employment opportunities and ensuring returning citizens can meet their basic needs, GI also improves public safety. By the end of the 18-month study, **77 percent of Durham GI participants reported it was easy to stay away from criminal activity**, compared to just 57 percent of the control group — even though both groups began at similar levels (74 percent and 82 percent, respectively). Durham participants were also **more likely to report that they could easily avoid drugs and alcohol, avoid parole violations, and provide themselves with food** — thereby overcoming key barriers to work. While many systemic barriers exist to finding and keeping employment after incarceration, cash has demonstrated real impact in addressing some of the most frequent individual hurdles.

Cash helps parents show up for their kids

Qualitative research shows that guaranteed income is especially impactful for returning parents of school-age children. In Durham, parents reported that the **cash facilitated their ability to be present with their children and to show up for their school or extracurricular activities**. Similarly, in Chicago, IL, many GI participants [reported](#) using the cash to pay for childcare or to purchase essentials for their kids. As one Chicago parent recounted, “It’s hard right now. Even when you have a job, it’s still hard to meet ends with rent, and a car note, and kids. The extra \$500 that the program was giving me was very helpful. **I can use the \$500 on paying my car note; or use it to pay half of my rent; or use the \$500 on buying my kids some shoes or clothes or something extra for school.** So that was very helpful for me. It’s like an extra push to keep going.” For some parents whose children had grown up without them, the cash provided a tool for simple bonding experiences, like going to the movies together.

Immediate financial support can also help returning parents build the stability required to reestablish custodial relationships with their children. [Nearly half](#) of people in state prison are parents of minor children, and when children cannot remain with the other parent, they are frequently placed in kinship or foster care: nationally, [7 percent of children](#) entering foster care do

² This figure comes from the Center for Employment Opportunities’ own analysis of program data across cities implementing the Returning Citizens Stimulus.

so due to parental incarceration. For parents returning home, reunification depends heavily on demonstrating financial and housing stability. Research shows that children of returning parents who secure stable housing are [50 percent more likely](#) to be living with them than those whose parents remain unstably housed. Cash support can directly enable that stability, and for many returning parents it may be what makes reunification possible.

Cash boosts financial stability and food security

In Chicago, returning citizen GI participants reported an **18-percentage-point increase in the ability to pay their bills**. Cash also helped them better prepare for unexpected costs. In Gainesville, from the beginning of the pilot to six months after it concluded, **the share of participants who said they could cover a \$400 expense increased from 9 percent to 16 percent**; among the control group, the corresponding share was unchanged at 7 percent. Participants in the Excel pilot in Durham also reported a greater ability to cover an emergency expense.

Greater financial security in turn improved food security. In Gainesville, by the end of the pilot, **GI participants were less likely than the control group to report reducing their food intake due to a lack of resources — the most severe indicator of food insecurity — at 41 percent compared to 55 percent**. Durham saw a similar pattern: by the end of that pilot, 40 percent of GI participants reported severe food insecurity, compared to 48 percent of the control group. Especially for participants banned from receiving SNAP because of their records, cash provided meaningful support.

Cash improves family relationships after incarceration

[Half of American adults](#) have an immediate family member who is or has been incarcerated. Supportive family members can make a [powerful difference](#) for successful reentry, and these relationships have been shown to **significantly lower chances of recidivism**. At the same time, families face numerous stressors both during a loved one's incarceration and upon their return home. **Returning citizens' ability to contribute to their households and help meet their families' needs can help fortify these relationships and strengthen a sense of belonging and reciprocity for the returning citizen.**

In Gainesville, access to GI supported these goals. Throughout the pilot, about one in five GI participants reported being able to help family or friends financially, while among the control group, that share fell from 18 percent to 6 percent. In interviews, some participants spoke about the emotional benefit of being able to contribute, rather than feeling like a burden. In the words of one participant: "It was a blessing because all the years that I wasn't there for them, and **now I'm getting the opportunity, you know, to help them out when they need something**. And you know, what I couldn't do for [my kids]...while I was in prison, I'm doing it for my grandkids now."

Cash can help stabilize housing

One of the primary challenges facing people leaving prison is finding quality, affordable housing, especially since a criminal record can create a barrier to accessing [public and private](#) housing alike. While GI alone cannot solve the [housing crisis](#) for formerly incarcerated people, several GI

pilots have explored whether cash can make a difference. In both Durham and Gainesville, pilot participants were **more likely to move into higher-quality homes** than those in the control group. Durham participants were also **more likely to rent or own their own homes**. Housing stability in turn is associated with [lower recidivism risks](#).

Cash improves mental health

Experiences of anxiety and depression after release from prison are [commonplace](#), but studies suggest GI can bolster hope, a sense of self-worth, and peace of mind among returning citizens. In Durham, GI participants experienced **an 8 percent decrease in psychological distress from the beginning of the pilot to six months after**, while the control group's psychological distress actually increased by 3 percent. In Gainesville, GI participants reported lower stress, increased agency, and a higher sense of mattering. In Chicago, **97 percent of interviewees who received GI reported that the program improved their well-being**, primarily by reducing stress. Research shows that improvements in mental health post-release are associated with [reduced likelihood of reincarceration](#), suggesting that GI's mental health benefits may have downstream effects on recidivism.

Policy recommendations

Cash works best when other policies reinforce it rather than undercut it. Federal, state, and local policymakers can build on evidence from pilots across the country by investing directly in cash for returning citizens and by dismantling the benefit bans, housing restrictions, criminal justice debt, and hiring barriers that erode its impact.

- **Reallocate funding from prisons to direct cash programs for returning citizens.** The costs of incarceration are staggering, and investing in people, rather than prisons, would do far more to disrupt the cycle of reincarceration. Current federal spending on incarceration outstrips funding for reentry by a ratio of roughly 75:1. Repurposing even 1 percent of the Bureau of Prisons' annual [budget](#) for direct cash to returning citizens could be transformative. Justice reinvestment efforts have already demonstrated that corrections spending can be effectively redirected into community supports, but this has rarely taken the form of direct cash for individuals.

Oklahoma's SQ780/SQ781, which directs savings from the reclassification of low-level drug and property crimes as misdemeanors into community mental health, substance abuse treatment, and reentry services, has generated [over \\$200 million](#) in documented savings from reduced incarceration, reinvested into community-based services. California's Prop 47, which reclassified certain low-level drug and theft offenses from felonies to misdemeanors, has produced [over \\$800 million](#) in savings, with 65 percent directed toward treatment and reentry programs statewide. [California's HIRE Program](#) goes one step further, explicitly pairing employment services with direct cash upon reentry. Building on models like HIRE, states and the federal government should commit to recurring, unconditional cash payments for returning citizens.

- **At the state and local level, explore ways to provide cash to returning citizens at scale during the immediate transition period when it matters most**, including by [using revenue](#) from the [legal sale of cannabis](#) or transforming and expanding “gate money” into short-term [recurring monthly payments](#).
- **Eliminate discriminatory [bans on SNAP and TANF](#) for people with a criminal record**, which counteract the benefits of unconditional cash, [undermine](#) successful reentry, and extend punishment well beyond formal sentencing. Nearly half of states have some restrictions on SNAP and/or TANF for returning citizens.
- **Remove housing barriers so returning citizens can use guaranteed income to secure stable housing**. Criminal records routinely disqualify returning citizens from public and subsidized housing, undercutting the benefits of GI before it can take hold. States and localities should eliminate criminal-record-based restrictions on housing assistance and make [quality, affordable housing](#) available to returning citizens.
- **Abolish the [fines and fees](#) that lead to [criminal justice debt](#), which traps returning citizens in poverty and counteracts the benefits of GI**. Effective state approaches include [eliminating](#) all court fees and surcharges linked to incarceration, discharging accrued debts, and [eliminating](#) medical fees and extending Medicaid to cover people in prison. For example, in 2020, California repealed 23 criminal administrative fees and vacated \$16 billion in related debt.
- **Enact fair chance laws and [couple these measures](#) with records expungement, strong anti-discrimination laws, and pathways to [financial inclusion](#) for people leaving prison**, including by facilitating access to identification and a fee-free bank account.

Enacting these policies can help families become more stable and connected, and can help break the intergenerational cycle of incarceration. Mass incarceration does not merely affect those who are imprisoned: the [financial precarity](#) it creates raises the likelihood that children of returning citizens will themselves encounter the criminal justice system, too. Guaranteed income addresses that precarity [directly](#), making it an investment in returning citizens and in the next generation.