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Guaranteed Income and Employment in California

California's guaranteed income pilots show that direct cash increases employment, strengthens job quality and worker autonomy, and supports strategic workforce transitions.

Guaranteed Income and the Affordability Crisis

Guaranteed income (GI) provides regular, unconditional cash payments to individuals and families, offering them more resources and agency to make decisions based on their own needs. Unlike traditional safety net programs with work requirements and means testing, GI lets participants use funds as they see fit — for rent, childcare, transportation, education, starting a business, or whatever else their family may need at the time.

Today, [almost 1 in 3 Californians live in or near poverty](#), and California has the highest [poverty rate \(17.7%\) of the 50 states](#) despite being home to some of the [most expensive cities to live in](#). With Californians facing an acute [affordability crisis](#), **guaranteed income serves as a buffer during financial shocks and a tool that supports the agency and dignity of all residents of the Golden State.**

What We've Learned from Guaranteed Income in California

Currently, [California leads the nation](#) in scale and evidence of GI programs, with over 60 GI pilots launched since 2018 — more than 30 of which have concluded and been analyzed. In 2021, it enacted the nation's first state-funded program, investing [\\$35 million](#)

[over 5 years](#) to support pregnant people and former foster youth aging out of care, and reaching [more than 2,000 participants](#) since its inception. Other notable California programs include [Stockton SEED](#) (the nation's first mayor-led GI pilot, providing \$500/month); [Breathe: LA County's Guaranteed Income Program](#) (\$1,000/month for three years); [Oakland Resilient Families](#); and the [Compton Pledge](#). These programs have served thousands of Californians and provided millions of dollars in direct cash support.

The results indicate that, among other benefits, **guaranteed income increases full-time employment, improves job quality, supports workforce transitions, and enables economic mobility.**

Cash serves as employment infrastructure for full-time work

Rather than discouraging work, **cash removes barriers to employment and enables better outcomes by providing stability that helps people pursue better opportunities.**

Financial scarcity generates time scarcity: when every dollar is allocated to bills before it is earned, workers cannot afford to skip a shift for a job interview — structurally trapping them, regardless of effort. GI addresses this by providing a little extra cash that creates flexibility: it reduces income

volatility and builds financial resilience. In Sacramento, only 15% of participants could cover a \$400 emergency at baseline; after one year of GI payments, 34% could. In Los Angeles's BIG:LEAP program, the share who could cover a \$400 emergency doubled to 52%. SEED participants experienced 1.5 times less income volatility than control groups; for these participants, 12% of spending went to auto care and transportation, enabling work commutes that were previously out of reach.

With more cash, participants can take time off for internships, job interviews, training, or coursework that can lead to better jobs. Across California's largest pilots (Stockton, Los Angeles, and Oakland), participants obtained full-time employment at up to double the rate of control groups, took time off to seek higher-quality employment at more than triple the rate of control groups, and even pursued starting a business at five times the rate of controls.

Cash boosts job quality and enables strategic career transitions

Because GI reduces income volatility and removes many financial barriers to upskilling, participants can leave their current jobs to pursue positions with greater stability, benefits, and opportunities for growth.

Across pilots, participants consistently reported improvements in work satisfaction, mental health, and sense of dignity: in San Francisco's MOMentum program, 30% of participants started a new job, with top reasons being "a more flexible schedule," "more career advancement opportunities," and "a better fit." In Stockton, participants were able to leave jobs with unsafe working conditions, take fewer shifts to pursue job

interviews, and shift from gig work to stable full-time positions with benefits.

GI also relieves the financial burden of pursuing certifications and completing degrees. Nearly half of MOMentum participants enrolled in education or training programs—including community college courses, medical assisting certification, and peer support training—and 86% said GI influenced their decision to enroll. In Oakland, participants were significantly more likely to be full-time students than control group members. In Sacramento, 14.9% of GI participants started an education or training program, compared to 5.6% of the control group. SEED participants in Stockton completed CNA licenses, Associate and Bachelor's degrees, and professional certifications.

"I didn't have to jump on some random other job that I didn't want... [I could] pursue real career opportunities"

- Young adult in Alameda County's NET Growth Movement pilot.

Cash supports California parents' ability to balance work and care

Cash helps parents to invest in both work and family, rather than choosing between them. Oakland Resilient Families participants attended more parent-teacher conferences while maintaining employment, and their children's academic performance improved, with higher rates of straight-A grades compared to the declining performance among the children of the control group. In California's LIFT program, parents used cash to start savings accounts, register small

businesses, start college funds for their children, and save for family emergencies.

Improvements in physical safety and mental health can lead to better employment outcomes

GI can address California's interconnected housing, health, and employment crises simultaneously. Mental health and housing stability are [foundational to employment](#): mental health treatment [increases job retention rates](#) and workplace productivity, while housing stability [provides the foundation](#) for consistent job search activities and sustained employment.

[BIG:LEAP](#) participants credit GI with establishing both immediate and long-term safety from unsafe relationships and financial abuse, and alleviating housing stress.

[Stockton SEED participants moved from "mild mental health disorder" to "likely well" on clinical measures](#), with measurable improvements in energy, emotional health, and pain. In Oakland, participants were [less likely to be institutionalized](#) in a setting like jail, prison, nursing home, or other facilities.

Policy Recommendations

The following policy recommendations apply to designers and implementers of GI programs, and can help leverage GI to create the most impact for Californians:

Eliminate costly work requirements and provide cash instead

Work requirements for current safety net benefits cost [hundreds of millions](#) of dollars to enforce in California, do not [meaningfully increase earnings](#), cause people to lose access to resources because of administrative hurdles, and ultimately [fail to](#)

[address](#) the root causes of economic insecurity. While early studies claimed that work requirements increased employment, [those gains disappeared](#) as participants [cycled back](#) through jobs without building economic security.

GI increases full-time employment while respecting participants' agency. Other public benefits should adopt the same [principles](#): direct, unconditional, regular, accessible, and rooted in the understanding that participants are best positioned to decide what they need.

Ensure guaranteed income does not affect eligibility for other benefits or support programs

GI programs should complement, not replace, other critical benefits. California has modeled best practices by securing waivers for CalFresh, Medi-Cal, and CalWORKs, [ensuring that GI payments are considered exempt from income](#) and that participants do not have to choose between life-saving public assistance programs. Loss of health insurance or food assistance during pilots undermines GI's positive impacts, including employment, and counties and states must institute waivers to ensure participants retain access to the support they need.

Pair guaranteed income programs with wraparound services for populations with greater barriers to employment

GI programs can be paired with services tailored to communities facing higher poverty, unemployment, and job instability. California has pioneered many of these models — some of which are among the first in the nation:

- **Justice-involved individuals:** [Alameda County's Returning Home Career Grant](#) offered hiring support, mentorship for career pathway mapping, and initiatives confronting employer stereotypes about justice-involved jobseekers
- **Domestic violence survivors:** [San Mateo's Guaranteed Income Program for Domestic Violence Survivors](#) offered access to legal services, safe housing support, and mental health services
- **Immigrant families:** [Mission Asset Fund's Immigrant Families Recovery Program](#) offered financial coaching, training, and education
- **Working parents:** [LIFT's coaching program](#) helped parents establish career, education, and financial goals
- **Homeless individuals:** [Miracle Money: California](#) offered social support and direct pathways to housing
- **Transgender individuals:** [San Francisco's Guaranteed Income for Transgender People](#) offered gender-affirming medical and mental health care, financial coaching, and case management

A Permanent Pathway for Guaranteed Income in California

As California builds towards permanent GI infrastructure, future research and policy solutions should examine how GI can continue to be a complementary support to the existing public benefit system. Government agencies should also explore public funding mechanisms beyond philanthropy; options can range from dedicated local taxes to shifting affordability-focused investments into direct

cash supports. For example, [Breathe: LA County's Guaranteed Income program](#) is entirely publicly funded through the county's [Poverty Alleviation Initiative](#), and other cities have used [American Rescue Plan Act](#) funds to support pilots.

With automation and AI reshaping California's economy, policymakers can build on lessons from [LA BOOST](#), which paired GI with healthcare training for community college students. Future models can similarly explore how cash supports workers during industry transitions by helping them upskill for high-demand jobs.

While California faces the nation's most acute affordability crisis, it also leads the national response in guaranteed income. Over 60 pilots and the first state-funded GI program have demonstrated that direct cash helps families invest in their futures, make more empowered decisions about their work, and build financial resilience. As other states seek to expand and implement solutions, California has proven that guaranteed income is a powerful tool for economic opportunity and infrastructure.

For more information, visit Economic Security Project's website (economicsecurityproject.org), join our [Guaranteed Income Community of Practice](#), or connect with us at info@economicsecurityproject.org.