

November 2, 2021

Re: Special Appropriation to the County Government's FY22 Operating Budget, Guaranteed Income Non-Departmental Account (NDA) – Guaranteed Income Pilot Program

Dear Councilmembers,

**I am a District One resident and an enthusiastic supporter of the newly announced two-year Guaranteed Income pilot program** in partnership with the Myer Foundation. Please accept my written comments on the matter, as I cannot attend the hearing on November 2. I serve as the Secretary of the Silver Spring Citizens Advisory Board; although that experience shapes my understanding of my community's needs, I am writing solely on my own behalf. Likewise, I am an expert researcher of household finances at the Aspen Institute; my comments today apply that expertise, but I am writing solely on my own behalf.

**Enabling even just 300 of Montgomery County's most financially vulnerable families to gain financial stability and exercise greater autonomy in their lives through Guaranteed Income payments is reason to celebrate.** I am so appreciative of Councilmembers Jawando and Albornoz for leading this effort on the Council. Guaranteed Income programs that pair local government funding with philanthropic support have proliferated since former Mayor Michael Tubbs of [Stockton, California](#) announced his city's demonstration. The evidence coming out of these short-term programs is clear: people who receive payments have better outcomes on a range of financial measures, from less medical debt to greater food security and higher emergency savings reserves. The impacts on employment are difficult to assess given the small size of most pilots to date, but the magnitude does not appear to be dramatic in terms of workforce participation or causing job churn.

**However, I am concerned that the County is thinking too short-term.** More small pilots are unnecessary to understand the effectiveness of Guaranteed Income programs—they work. But from [Stockton](#), California to [Jackson](#), Mississippi, to [St. Paul](#), Minnesota, the vanguard of the guaranteed income movement has not yet solved for scale or program sustainability. The community foundations are not prepared to make semi-permanent investments in Guaranteed Income programs, and as those resources dry up, many programs simply end.

**My recommendation to the County Council is to immediately begin working with the County Executive on plans to make the program sustainable over a longer time horizon.** Montgomery County has an opportunity to be a national leader, creating the infrastructure to support permanent Guaranteed Income programs. This must include consideration of the financing structure. The Myer Foundation, and potentially other community institutions, should be close partners in this process; ultimately, however, a local government program will thrive or fail depending on how much local government leaders invest in it. It would be shameful to invest millions of dollars, begin to make an enormous difference in the lives of 300 families, and ultimately shutter the program, despite knowing its unrealized transformational power.

**My second recommendation to the County Council is to ensure that the 300 participating families are all very low-income and experience financial exclusion.** Given that the impact of the policy is already well-documented, it is more important to deliver assistance to families with the highest level of need and the fewest alternative options. This could be defined as 30% of the area median income (AMI) based on household size and family structure, or defined as 200% of the federal poverty level. Ideally, the majority of participants will be raising children, so the benefits of the county's investments accrue to recipients who will benefit for decades to come. If possible, based on sources of funding, the County should prioritize households with undocumented members, who have generally been left out of pandemic-related aid programs.

**Relatedly, the County should commit to structuring the program in a way that enables recipients of Social Security Disability Income (SSDI) and Supplemental Security Income (SSI) to participate.** This can be a challenge, given the strict, outdated income and asset limits applied to these programs, but [Magnolia Mothers Trust has made it work](#). This is essential, as disabled people who cannot work, and households raising disabled kids, are among the most likely to struggle financially and have the fewest alternative sources of support.

**There are excellent resources available to the Council as it further develops its support for the Guaranteed Income pilot.** I frequently contact the County Council drawing on my personal expertise as a researcher of household finances, but in this case I direct you to my colleagues and friends: I would recommend several [2020 briefs by my Aspen Institute colleagues Sheida Elmi](#) and [Rachel Black](#); [research and analysis from the Jain Family Institute](#) and the [Economic Security Project](#); and evaluations of the [Stockton](#) and [Magnolia Mothers Trust](#) Guaranteed Income pilots.

I have high hopes and great expectations for my home county. We have proved that we can succeed even in places where similar counties do not (e.g. progress on ending homelessness before the pandemic). I ask the council members who represent me, and everyone else on the County Council, to support this special appropriation to support the Guaranteed Income pilot and also to consider this a first step toward establishing a permanent, county-wide cash benefit for our financially vulnerable neighbors.

I would be happy to respond to questions to connect you to research professionals working on Guaranteed Income. Please reach out to [klucassm@gmail.com](mailto:klucassm@gmail.com).

Thank you,

Katherine Lucas McKay  
Silver Spring, Maryland