

PRESS RELEASE

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Sonoma County launches pilot program to provide guaranteed income to 305 families

SANTA ROSA, CA – The County of Sonoma is teaming up with Santa Rosa, Petaluma and Healdsburg and a coalition of community groups to launch a two-year pilot program that will provide a guaranteed minimum income of \$500 a month to 305 low-income families while studying the program's impacts on reducing poverty and promoting economic stability and mobility.

The Pathway to Income Equity program begins accepting applications today. To apply, visit <u>www.pathwaysonoma.org/apply</u> through midnight, October 31, 2022.

The project is a collaborative effort by the Sonoma County Guaranteed Basic Income Coalition, a group of community-based organizations led by First 5 Sonoma County in partnership with Fund for Guaranteed Income (F4GI). The \$5.4 million effort is funded by the Sonoma County Board of Supervisors, the city councils of Santa Rosa, Petaluma and Healdsburg, as well as Corazón Healdsburg and First 5 Sonoma County. More than 90 percent of the pilot project funding is from the federal American Rescue Plan Act (ARPA), intended to help the county recover from the COVID-19 pandemic. Cash transfers will be disbursed by F4GI, a non-profit organizations that supports similar programs across the country.

"Many in our community continue to struggle to afford their basic needs," said Supervisor James Gore, chair of the Board of Supervisors. "This Guaranteed Income pilot will ensure that participating families can cover expenses not covered by other benefits such as rental assistance and food stamps, which are insufficient especially for families with young children." Guaranteed minimum income programs, sometimes referred to as universal basic income programs, provide unconditional, guaranteed monthly payments to support recipients' fundamental needs. The concept has been tested in multiple jurisdictions in California and across the United States, including Stockton, Oakland, San Francisco and Marin County. The Stockton program led to increases in recipients' financial stability and full-time employment, in part by enabling new opportunities for self-determination and goal-setting while reducing anxiety and depression. Analysis of monthly expenditures by participants revealed that the largest spending category was food followed by utilities, auto care and transportation. Less than 1 percent of monthly purchases were for tobacco and alcohol.

"Emerging findings from other guaranteed income projects clearly demonstrate the power of unrestricted cash to support the health, well-being and economic stability of families," said Angie Dillon-Shore, executive director of First 5 Sonoma County, a Santa Rosa nonprofit focused on childhood development. "Unconditionally raising the income floor increases the parent's ability to cover basic needs, reduces the negative impacts of food and housing insecurity for their children, boosts health and education outcomes and offers a springboard to economic mobility, especially to those who have long been structurally marginalized and locked into low-wage positions."

Under the Sonoma County pilot, 305 families will receive unconditional payments of \$500 a month for 24 months. To qualify, the family must live in Sonoma County, have a household income up to 185 percent above <u>the</u> <u>federal poverty level</u> dependent on family size (for example, \$51,338 or below for a family of four), be pregnant and/or parenting a child under the age of 6 and have experienced adverse economic impacts due to the COVID-19 pandemic (loss of employment, income, child care or housing).

To meet federal guidelines for the use of ARPA funds, the pilot program will ensure at least 75 percent of the participating families live in "Qualified Census Tracts," which are areas of Sonoma County with a concentrated population of people who were most adversely impacted by the COVID-19 pandemic.

The Sonoma County Board of Supervisors allocated \$3,045,250 for the pilot program last May. Additional funding includes \$1,008,000 from the City of Santa Rosa and \$636,000 from the City of Petaluma. Corazón Healdsburg, a nonprofit focused on social and economic justice, has committed \$600,000 to support the project (of which \$250,000 was contributed by the City of Healdsburg). First 5 Sonoma County will leverage approximately \$200,000 in funding from the state's Prop. 10 tobacco tax. "This is a chance for Santa Rosa to make a measurable difference in the lives of our most vulnerable residents," said Santa Rosa Mayor Chris Rogers. "A guaranteed basic income is a step in our efforts to end generational, pervasive poverty in our community."

"Petaluma is looking forward to working with our partners to leverage funds to expand this pilot to our residents," said Petaluma Mayor Teresa Barrett. "This program will provide services beyond the guaranteed income program and we encourage people to apply."

"Healdsburg is excited to be at the forefront of this evidence-based approach to support our low-income families during what continues to be a very challenging time in our community," said Healdsburg Mayor Osvaldo Jiménez.

The pilot program aims to alleviate financial stressors felt particularly by families with young children in Sonoma County. A 2021 United Ways of California study, <u>the Real Cost Measure in California</u>, revealed that 52 percent of Sonoma County households with children under 6 struggled to cover basic needs. Single mothers are most likely to struggle: 67 percent in the county were below the study's self-sufficiency standard. Additionally, Black, Latino, Asian and Native American households make up 33 percent of the total population in Sonoma County but comprise 70 percent of the households struggling to meet their basic needs.

"The guaranteed income program will be a great economic relief for families," said Devi Cibriam, a Healdsburg mother of three children who gave input to help design the pilot program. "With additional income, low-income families like mine will be able to cover essential needs like rent, bills, and filling the fridge with food. I'm sure there will be less stress in homes. Moms who don't work because they don't have enough money to pay for child care can afford to grow their skills and develop their personal abilities."

Research shows conclusively that poverty is closely tied to a child's lack of readiness to succeed in kindergarten, poor academic achievement, a higher likelihood of dropping out of high school, and multiple long-term adverse health outcomes.

"F4GI is thrilled to support this program and the coalition behind it. Our mission is guaranteed income at scale that uplifts families who need help the most. Pathway to Income Equity is a step in that direction," said Nick Salazar, COO of F4GI. Participants will use F4GI's technology to track and manage payments and understand budgets.

As part of Sonoma County's pilot program, the coalition will track and analyze the experiences of families to document the impacts of stable income on family functioning, child development, mental health and other factors.

First 5 is working with the county, the state Department of Social Services and other entities to secure temporary eligibility waivers for participating families so they will not have to choose between the cash payments and critical public benefits, such as CalFresh and Head Start. Participating families will also have access to information about services across the county that promote financial stability, healthy development, nurturing parenting and school readiness.

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