



Testimony of Juan Diaz
Policy and Advocacy Associate
Citizens' Committee for Children of New York
Presented to the New York City Council Committee on Social Welfare in Support of Intro 561-A
June 7th, 2023

Since 1944, CCC has served as an independent, multi-issue child advocacy organization dedicated to ensuring that every New York child is healthy, housed, educated, and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce. We document the facts, engage, mobilize New Yorkers, and advocate for New York City's children. Our mission is to ensure that every New York child is healthy, housed, educated, and safe.

Thank you, Chair Ayala, and all the members of the Committee on Social Welfare for holding today's important oversight hearing to examine the impact of direct cash payments on vulnerable populations. We especially would like to thank Council Member Hudson for sponsoring Intro 561-A.

New York City is immersed in an economic and affordability crisis that disproportionately impacts individuals and families with children of color. New York City's child poverty rate of 23.8 percent is much higher than the national average of 16.9 percent.ⁱ Furthermore, the cost of living in New York City is 128 percent higher than the national average, while housing-related costs are 358 percent higher.ⁱⁱ Although there was a significant reduction of child poverty in FY 2020 and FY 2021 due to federal economic supports like the Child Tax Credit and unemployment benefits, most of these federal supports have since ended. During the Covid-19 pandemic's height and as families with young children struggled with the compounding effects of economic insecurity, cash transfer pilot programs provided essential income support.

We acknowledge the positive impact of direct cash payments on reducing the negative effects of poverty and improving overall-wellbeing among vulnerable populations. As such, CCC supports Intro 521-A by Council Member Hudson.

This bill would provide the City Administration authorization to establish or fund one or more pilot programs to provide direct cash assistance to certain eligible low-income individuals. The bill would include research and reporting requirements after the conclusion of the pilot programs. Importantly, the city-administered public benefits of individuals that receive cash transfer programs will not be impacted or discontinued.

Earlier in the year, CCC was pleased with Speaker Adams' and the City Council's proposal for \$5 million in the FY2023-24 budget to fund Universal Basic Income (UBI) pilots specifically for low-income mothers with infants, and special populations of youth at risk of poverty due to engagement with the foster or justice systems. We strongly support these and other efforts to expand access to critical guaranteed income programs.

Existing NYC-Based Cash Transfer Program

There are numerous guaranteed income projects nationally and in New York that the city can look to as models for expanding the number of UBI programs in the city.

One NYC-based program, the [Bridge Project](#), has provided varying cash support to mothers in upper Manhattan and the Bronx over a three-year period, and has recently expanded to include a cohort of pregnant mothers. An initial report indicated mothers receiving cash transfer could secure financial

stability and access to childcare at a much higher rate than the control group.ⁱⁱⁱ Additionally, narratives from participants reveal the positive outcomes that this cash transfer program has on both the young child's early years and the caregiver's health, mental health, and economic wellbeing. The Bridge Project is expected to transition into a permanent cash transfer program in the coming months.

New York City should follow past and existing publicly funded cash transfer pilots in urban areas in the United States, which have produced positive results in terms of improving the financial, mental, and physical well-being of participants and their families. Several of these projects are described below.

- The Stockton Empowerment and Economic Development (SEEDS), which provided \$500 for a 24-month period to 125 participants from Stockton, California. An independent study found that the ongoing monthly payments significantly reduced income volatility, increased the number of full-time employments among participants from 28 percent to 40 percent, and participants spent 5 more than 90 percent of their income on food, utility and medicals bills, transportation, and basic needs.^{iv}
- In 2021, The Newark, NJ Administration launched a cash transfer pilot program with a \$4.8 million investment over a two-year period. The pilot program provides \$500 monthly to 400 participants over the age of eighteen with income under 200 percent of the Federal Poverty Line. An initial report revealed that participants use over 90 percent of the cash transfer income paying for rent, food, transportation, healthcare costs and utilities.^v
- In early 2022, The Washington DC Administration invested \$1.5 million to support a cash transfer program for 132 new and expectant mothers in low-income communities. The payments were unconditional and were delivered in one lump sum or monthly payments of approximately \$1,100 each. Enrolled mothers also received weekly groceries and assistance securing other resources, such as unemployment insurance, financial literacy training, mental health support, and, upon request, workforce training.^{vi}

Supporting cash transfer pilots for families with children under the age of three, youth involved in the child welfare or justice systems, and other vulnerable youth could change the lives of New York City families and create stability for marginalized New Yorkers. We urge the City Council to support Intro 561-A and offer our partnership to make more cash transfer programs a reality in New York City.

Thank you for the opportunity to testify and your support to uplift marginalized New York families out of poverty.

ⁱ Craig Benson (2022). Poverty Rate of Children Higher Than National Rate, Lower for Older Populations. United States Census Bureau. Retrieved from: <https://www.census.gov/library/stories/2022/10/poverty-rate-varies-by-age-groups.html>

ⁱⁱ Cost of Living in New York City. Payscale website. 2023. <https://www.payscale.com/cost-of-livingcalculator/New-York-New-York>.

ⁱⁱⁱ "The Bridge Project 6 Month Impact" The Bridge Project. Retrieved from: <https://bridgeproject.org/wp-content/uploads/2022/04/The-Bridge-Project-Phase-I-Six-Month-Impact.pdf>

^{iv} West, S., Baker, A. C., Samra, S., & Coltrera, E. (2021). Preliminary analysis: SEED's first year. Stockton, CA: Stockton Economic Empowerment Demonstration, 500.

^v "Newark Movement for Economic Equity (NMEE) Report" Guaranteed Income Dashboard. Retrieved from: <https://guaranteedincome.us/newark>

^{vi} "THRIVE: Providing Cash Relief to DC Residents Hit Hardest by the Pandemic" Urban Institute, 2023. Retrieved from: <https://greaterdc.urban.org/thrive-providing-cash-relief-dc-residents-hit-hardest-pandemic>

Testimony from The Bridge Project
In support of Int 561-A

Thank you so much to Chair Ayala for holding this important hearing and to the lead sponsor, Council Member Hudson, for her leadership on this bill. My name is Josh Wallack and I'll be providing enthusiastic testimony in support of Intro. 561 on behalf of The Bridge Project.

The Bridge Project is New York's first consistent, unconditional cash allowance program. We provide new mothers across New York City with up to \$1,000 a month for 36 months to support during pregnancy, birth, and the earliest years of their babies' lives. In just two years, we've committed over \$30 million directly in the hands of New Yorkers.

The cash we provide mothers can be flexibly spent on food and formula, rent or car repairs, childcare or diapers — whatever the mother deems necessary to keep her baby healthy and her household stable. For many of our program participants, the existing web of social service programs, all with varying eligibility requirements and narrow rules, can feel arbitrary and demeaning. At The Bridge Project, we don't buy into the narrative that lower-income families can't be trusted to make their own decisions. Instead, we prioritize dignity, flexibility, and trust.

Studies have shown that unconditional cash — especially in the earliest years of a child's life — is a direct and effective solution to alleviating poverty. The biggest test case to date was the expanded Child Tax Credit, which lifted 3 million children out of poverty with its flexible, direct cash payments. In addition to the clear, positive impacts on poverty rates, the expanded Child Tax Credit was smart fiscal policy: research showed that a permanent expansion would have generated 10 times the revenue it would have cost.

The successes of The Bridge Project's work are clear: after just six months of participation in our program, mothers identified increased rates of financial stability, greater access to childcare, improved mental health outcomes, and increased confidence.

The cash allowance helps moms like Edith, who used the money to cover daycare expenses for her child. It also helps moms like Daniela, who stayed home for longer to care for her new baby instead of rushing back to work. And it helps moms like Kiara begin to save for her son's college expenses.

We are grateful for Speaker Adams' leadership in identifying cash allowance programs as a critical anti-poverty tool in her State of the City Address earlier this year and we urge the City Council to swiftly head her call and pass Intro. 561.

I'm happy to take any questions you may have. Thank you!



**Testimony of The Legal Aid Society
Before the New York City Council Committee
on General Welfare**

Hearing on Consideration of Proposed Int. No. 561

June 7, 2023

About The Legal Aid Society

The Legal Aid Society appreciates this opportunity to submit written testimony to the New York City Council Committee on General Welfare pertaining to the hearing held on June 7, 2023, on the following proposed piece of legislation: Proposed Int. No. 561. We commend the sponsors for their leadership on this important legislation.

The Legal Aid Society, the nation's oldest and largest not-for-profit legal services organization, is more than a law firm for clients who cannot afford to pay for counsel. It is an indispensable component of the legal, social, and economic fabric of New York City – passionately advocating for low-income individuals and families across a variety of civil, criminal, and juvenile rights matters, while also fighting for legal reform.

The Legal Aid Society has performed this role in City, State, and federal courts since 1876. It does so by capitalizing on the diverse expertise, experience, and capabilities of more than 2,000 attorneys, social workers, paralegals, and support and administrative staff. Through a network of borough, neighborhood, and courthouse offices in 26 locations in New York City, The Legal Aid

Society provides comprehensive legal services in all five boroughs of New York City for clients who cannot afford to pay for private counsel.

The Legal Aid Society's legal program operates three major practices — Civil, Criminal, and Juvenile Rights — and receives volunteer help from law firms, corporate law departments and expert consultants that is coordinated by The Legal Aid Society's Pro Bono program. With its annual caseload of more than 300,000 legal matters, The Legal Aid Society takes on more cases for more clients than any other legal services organization in the United States. And it brings a depth and breadth of perspective that is unmatched in the legal profession.

Proposed Int. No. 561

The Legal Aid Society supports Proposed Int. No. 561 because unconditional direct cash assistance payments are an essential tool to combat poverty and to address longstanding economic inequality with roots in gender and race-based discrimination. We applaud the Council for exploring the use of this tool in New York City through its proposed pilot program and we are hopeful that the program will produce a positive impact in the lives of participants.

We support this bill for multiple reasons and believe it is particularly well-timed now. Wealth and income inequality have plagued New York City since well before the COVID-19 pandemic, but the continued adverse impacts of the pandemic on individuals, families, and the economy have increased the financial burdens that individuals must bear to survive in New York City. We believe that the unconditional direct cash assistance payments paid through the proposed program will ease that burden by giving participants a way to pay for basic household bills like rent, food and utilities and allowing individuals to make the financial decisions that are best for

them. Additionally, universal basic income programs like this one provide participants with the financial security to weather a sudden economic change like a job loss or an unforeseen expense for medical care.

Given the complicated network of existing public benefits and assistance from local, state and federal sources, we appreciate Proposed Int. No. 561's efforts to incorporate the pilot program payments into the existing public benefit structure in a manner that aims to protect eligibility for existing benefits. We appreciate the fact that Proposed Int. No. 561 requires that any existing approved pilot program must have obtained an income disregard waiver from the New York State Office of Temporary and Disability Assistance and that it calls upon the City to secure any other waivers necessary to ensure that the payments issued under the program do not count against other existing benefit programs. We believe that this step is vital because New Yorkers who participate in this program should not be punished by having to choose between their existing benefits and these direct cash assistance payments. Instead, the direct cash assistance payments from the program must augment the positive impact of any public benefits that an individual already receives.

We also appreciate that Proposed Int. No. 561 directly acknowledges the impact that participation in the pilot program may have on other public benefits or assistance that a participant receives or may be entitled to receive, and therefore, requires that any participant receive benefits counseling to assess the effect of participation on their eligibility for other public benefits. This counseling is crucial to ensuring that potential participants can make informed choices about access to public benefits.

Conclusion

We thank the Council for the opportunity to provide written testimony. We look forward to learning from the pilot program and to further collaboration on the development and implementation of similar direct cash assistance payment programs.

Respectfully Submitted,

Emily R. Lundgren
Staff Attorney
Civil Law Reform Unit
The Legal Aid Society
199 Water Street
New York, NY 10038
Elundgren@legal-aid.org