

Legislation Text

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Authorizing the Committee on Global Opportunities and the Creative/Innovative Economy to hold public hearings to explore Philadelphia's existing guaranteed income pilot programs and the potential for their expansion.

WHEREAS, With a 21.7% poverty rate, Philadelphia remains the poorest big city in the nation; and

WHEREAS, Rates of poverty for Philadelphians of color are even higher. At 25%, the poverty rate for Black residents is about twice as high as that of white residents, while the rate for Hispanic residents is 33%; and

WHEREAS, Living costs, especially housing costs, have increased dramatically over the past several years and overshadowed any gains in household incomes. As a result, median Philadelphian household incomes have fallen since 2019, adjusted for inflation; and

WHEREAS, Each year, billions of dollars of State, Local, and Federal dollars are targeted at addressing poverty in Philadelphia. However, large portions of these funds consistently remain inaccessible to families who need them most. Funds are often rendered inaccessible to working class Philadelphians by time-intensive, burdensome application and compliance processes. Furthermore, the families who would benefit most from these funds are often unaware that they qualify for these benefits. Many also feel stigma around receiving traditional government assistance; and

WHEREAS, Unlike traditional poverty alleviation programs, guaranteed income programs provide recurring cash payments, with no strings attached, to targeted groups of people. They succeed on the principle that families know best how to spend money in the ways that best help them. By reducing bureaucracy and red tape, guaranteed income programs provide quick assistance and fill the gaps left in our existing social safety net programs; and

WHEREAS, Research consistently shows that cash transfers from guaranteed income programs are primarily spent on necessities, including food, gas, and rent. Studies also show that guaranteed income programs commonly result in reductions in poverty, higher school attendance rates, and greater food security; and

WHEREAS, Before the COVID-19 pandemic, Philadelphia City Council began pursuing the idea of a basic income program as part of a plan to lift 100,000 Philadelphians out of poverty by 2024; and

WHEREAS, Councilmembers Maria Quiñones Sánchez and Allan Domb spearheaded this plan, the Poverty Action Plan, which included the Philadelphia Basic Income program as a central component. This was a direct cash transfer program intended to provide stability and economic independence to households experiencing poverty. The Plan directly cited national studies demonstrating that \$1.00 in basic income yields up to \$8.00 in economic return through increased earning potential and decreased reliance on subsidies; and

WHEREAS, Aspects of the Poverty Action Plan, including The Promise and the Neighborhood Preservation Initiative, have made critical steps forward to address Philadelphia poverty. However, the Basic Income

program never fully manifested; and

WHEREAS, Instead, Philadelphia has since launched 7 targeted guaranteed income pilot programs which are currently active. These programs are seven of over 100 guaranteed income pilots active across the United States; and

WHEREAS, These pilot programs include PHL Housing+, Penn Health is Wealth, Guaranteed Income for Victims of Violence, GIFTT, GROW, the Philly Joy Bank, and unconditional cash transfers for preterm neonates; and

WHEREAS, Each pilot program is ongoing and, when completed, will provide invaluable information about the effectiveness of direct cash assistance to each of their target populations; and

WHEREAS, The City of Philadelphia is committed to using its resources most effectively to eliminate poverty. We have an opportunity to not only expand our ongoing work, but to lead the nation in developing new and bold guaranteed income programs that are efficient, data-informed, and give direct support to the working families who are most in need; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That City Council's Committee on Global Opportunities and the Creative/Innovative Economy is hereby authorized to hold public hearings to explore Philadelphia's existing guaranteed income programs and the potential for their expansion.