

RESOLUTION OF THE CITY COUNCIL

No. 300

Approved July 21, 2021

WHEREAS, The COVID-19 pandemic has plunged the United States of America into a public health crisis that has claimed hundreds of thousands of lives, is resulting in historic job loss, and has impacted the life of every single American, all while exposing pre-existing structural issues in local, state, and federal economic systems; and

WHEREAS, Prior to the pandemic, nearly 40% of Americans could not afford a single \$400 emergency event, and rising income inequality is compounded by an ever-growing racial wealth divide; and

WHEREAS, Research has exposed a growing racial wealth gap in the United States, with the median white worker making 28% more on average than a Black worker, and 35% more than the median Latinx worker in the last quarter of 2019. Moreover, the median wealth of white families is more than \$100,000, while the median wealth of black families is approximately \$10,000; and

WHEREAS, The COVID-19 pandemic has dramatically exacerbated these wealth gaps across race and gender, disproportionately affecting Black, Indigenous, People of Color (BIPOC); and

WHEREAS, As the elected representatives of the people of Providence, the Providence City Council and Mayor Elorza are committed to addressing these racial and economic inequalities, and have identified guaranteed income programs as one opportunity to do so; and

WHEREAS, A guaranteed income (GI) is a monthly cash payment given directly to individuals, with no conditions attached and no work requirements; and

WHEREAS, These regular payments have shown to be more effective than unemployment benefits for families of color. Indeed, the data shows that another direct payment would increase Native American, Latinx/Hispanic, and Black family income by 4.1%, 3.9%, and 3.6% respectively, as well as 2% of household income for white families; and

WHEREAS, In the Stockton Economic Empowerment Demonstration (SEED), guaranteed income was found to significantly improve recipients' physical and mental health, significantly decrease recipients' income volatility; and

WHEREAS, SEED recipients were 12 percentage points more likely to be employed full time at the end of the year than at the beginning of the year, compared to a 5 percentage point increase in the control group; and

WHEREAS, A guaranteed income will protect the people and families of Providence, supplement the existing social safety net, and grant them essential protection and agency in controlling their own finances; and

WHEREAS, Mayor Elorza has joined Mayors for a Guaranteed Income, a nation-wide coalition of mayors advocating for and piloting guaranteed income programs in their cities; and

WHEREAS, The City has established a working group focused on guaranteed income with internal and external stakeholders, including the African American Ambassadors Group, Alliance to Mobilize Our Resistance (AMOR), Direct Action for Rights and Equality (DARE), United Way of Rhode Island, Rhode Island Kids Count, the State Department of Human Services, the Economic Progress Institute, Providence Housing Authority, Providence Youth Student Movement, Rhode Island Foundation, and One Neighborhood Builders; and

WHEREAS, The City aims to launch a guaranteed income pilot in the spring of 2021, funded entirely through philanthropic donations; and

WHEREAS, Ongoing direct cash payments will put real money in the pockets of residents and have the dual effect of stabilizing families and stimulating the local economy.

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Providence does hereby support a monthly, cashed-based guaranteed income program funded entirely through philanthropic donations.

BE IT FURTHER RESOLVED, That the City Council hereby requests that the Center for Guaranteed Income Research provide a report to the City Council detailing the outcomes of the Providence Guaranteed Income pilot program.

BE IT FURTHER RESOLVED, That, upon passage, copies of this resolution be sent to the elected Rhode Island House and Senate representatives of the City of Providence.

IN CITY COUNCIL

JUL 15 2021
READ AND PASSED



JOHN J. IGLIOZZI, PRESIDENT


Tina L. Mastroianni
ACTING CLERK

I HEREBY APPROVE.



Mayor
Date:  7/21/21