NATION SWELL

Cash-based levers for economic mobility

A curated collection of resources for Institutional Members

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The opportunity

What could more cash do for those living in poverty?

Additional income is not a cure-all for poverty; health, housing, food security, and many other factors also play critical roles in an individual's stability and well-being. However, the role of cash and savings is receiving growing attention and showing positive impact, as organizations test approaches like **guaranteed income programs**, **changes to tax credits**, and more. The Center on Budget and Policy Priorities **highlights** that increased access to cash not only helps families weather unexpected income losses and expenses, but also supports individuals in making choices in their own best interest – enhancing well-being, autonomy, and freedom.

In numbers:

In 2023, the official poverty rate was 11.1%, with 36.8 million people in poverty (**US Census Bureau**)

Only 46% of U.S. adults have enough emergency savings to cover three months of expenses. 24% have no emergency savings at all (**Bankrate, 2025**)

The end of COVID-19 relief packages caused a sharp rise in poverty. In 2021, the child poverty rate was a record low of 5.2% (**NYT**) and by 2023, the rate more than doubled to 13.7% (**US Census Bureau**)

As of 2025, the poverty threshold for a family of four is an income of about $32,150 per year (**US Department of Health and Human Services**)

About this resource

This resource provides **social impact leaders** with an overview of some of the levers available to **alleviate poverty in the U.S.**. It focuses on **cash-building and cash-based initiatives** and does not currently include resources on housing, healthcare, childcare or related factors that contribute to intergenerational poverty.

Many of these levers and programs are dependent on the U.S. government; however, the private and philanthropic sectors can play an important role related to wealth generation and financial well-being. We hope that this deck gives leaders a wider understanding of the policies and practices that inform their own work and the communities they serve.

This document is not exhaustive. To suggest an addition, email us at insights@nationswell.com

A few reminders

Drawn from NationSwell roundtables and insights

Place-based, localized programs are more common – and often more successful – than national programs. Local programs tend to outperform national programs because they're better equipped to address the unique needs of their communities, avoiding the pitfalls of one-size-fits-all solutions. While some of the levers outlined stem from federal examples, the most effective strategies often emerge from the ground up. Strategic initiatives are driving momentum by building political will, shifting narratives, and modeling a more just economy. These pilots galvanize support, strengthen cross-sector collaboration, and serve as proof points for broader policy change.

Nonprofit partners are essential to reach those in need. Trust in nonprofits **outweighs** government, philanthropies, business, and media. Nonprofits are critical to design and scale programs that are participant-centered. By centering those closest to the issues, they create more effective and resonant programs. Consequently, government agencies frequently rely on them to deliver cash-based assistance.

Employers have a role to play in promoting economic mobility and financial wellness. Corporate and philanthropic actors can push for change through many avenues: setting their own minimum wages above federal requirements, utilizing their data and technology for nonprofits working in the economic mobility space, funding pilot programs, public policy advocacy, and much more. Setting high standards for financial wellness is important within and outside of the organization, pushing both peers and policymakers in directions that can benefit wider communities.

Levers for building individual wealth

Universal Basic Income (UBI)

DEFINITION

Universal Basic Income is "a regular cash payment to all members of a community, without a work requirement or other conditions."

In its purest form, UBI is characterized by:

- **Periodic payments** (weekly, monthly, etc.), rather than one-off grants
- Payments in **unconditional cash**, so that recipients can use the money as they need
- **Universal distribution**, rather than targeted to a specific population
- Paid to **individuals**, rather than to entire households.

Pilot programs may alter some of these characteristics, such as giving payments to those in certain locations or employment sectors – see Guaranteed Income.

IN ACTION

- **Alaska Permanent Fund Dividend:** The Alaska Permanent Fund is managed by a state-owned corporation, the Alaska Permanent Fund Corporation (APFC). The fund is sourced from oil and mining revenues in the state; each year, full-time Alaska residents receive a dividend based on the Fund's value. One study of the Fund showed the dividend had no effect on employment and increased part-time work by 1.8%.
- **Eastern Band of Cherokee Indians Casino Dividend**: Members of the Eastern Band of the Cherokee Indians each receive a "per capita distribution" from the profits of Harrah's Cherokee Casino. Fifty percent of profits go to these dividends; checks are distributed biannually.

Guaranteed Income

DEFINITION

Guaranteed Income is similar to universal basic income; it is based on:

- **Periodic payments** (weekly, monthly, etc.)
- Payments in **unconditional cash**
- Payment to **individuals or households**

Recent studies show that guaranteed Income is effective at **reducing household spending and paying down debt.** Guaranteed income pilots are typically directed to groups based on race, age, parental status (e.g., single mothers), employment sector, etc. Many U.S.-based programs are conducted by local governments in conjunction with community organizations, but private philanthropy can also be involved through more specialized programs.

The Youth Homelessness Guaranteed Income Pilot Program Act was **introduced** to the House of Representatives in March, 2025. This legislation proposes establishing a program to provide financial and non-financial housing assistance to certain individuals.

IN ACTION

- **Stockton Basic Income**: Gave 125 people living in neighborhoods at or below Stockton's median household income $500/month for 24 months, **resulting in** greater full-time employment, increased health, and reduction of income volatility.
- **West Hollywood Pilot for Guaranteed Income**: Provided $1,000 monthly to 25 low-income residents over age 50 for 18 months, aiming to reduce financial stress, support aging in place, and prevent homelessness.
- In 2022, **Minneapolis** and **St. Paul** launched 18-month guaranteed income programs; St. Paul's resulted in improved financial and mental well-being.
- **The Monarch Foundation** x **The Bridge Project**: Supporting healthy development for babies during their first 1,000 days of life by providing their mothers with consistent, unconditional cash on a biweekly basis.
- **The Denver Basic Income Project**: Monthly cash payments to people experiencing homelessness; reported first-year improvements in housing stability, financial well-being, and reduced reliance on public services.

Increasing the minimum wage

DEFINITION

As of July 2025, the federal minimum wage is $7.25 per hour, a figure that has not increased since 2009. **State minimum wages vary**, with only **Washington**, **California**, **Massachusetts**, **Illinois**, **Connecticut**, **New York**, and **Washington D.C.** mandating over $15 per hour. Additionally, the federal minimum wage for a full-time, year-round worker ($15,080) is **under the poverty line** for any household size (minimum of $15,650 for 1 person household).

New minimum wage laws taking effect in July 2025 are raising pay for over 880,000 workers across several U.S. states and cities, including Washington, D.C., Alaska, Oregon, Chicago, and parts of California. These increases, aimed at combating inflation and affordability challenges, disproportionately benefit women and full-time workers, though advocates stress the need for further federal action.

IN ACTION

A number of corporations have set their own minimum wages higher than state standards, including:

- **Bank of America** ($25 per hour by 2025)
- **American Family Insurance Group** ($25 per hour)
- **Truist** ($22 per hour)
- **Costco** ($20 per hour)
- **Amalgamated Bank** ($20 per hour)

In NYC in April 2025, the **Department of Consumer and Worker Protection announced a $21.44** minimum wage for app-based delivery workers who were otherwise classified as gig workers and did not enjoy worker protections.

Baby bonds

DEFINITION

Baby Bonds are a policy solution designed to reduce the growing U.S. wealth gap by providing children from low-wealth families with publicly funded trust accounts they can access as adults to invest in wealth-building assets like education, homeownership, or starting a business. Backed by two decades of research and early pilot programs in cities like San Francisco and states like Connecticut, California, and D.C., these initiatives have shown that even modest early investments can significantly boost future financial outcomes.

While they vary in exact monetary values, baby bonds **generally work by**:

- Seeding an account with an initial payment when a child is born
- Allocating additional payments into the account each subsequent year until the child turns 18, with amounts depending on family income level

Because the value of the baby bond account is dependent on the recipient's family income, they **reduce inequities** by allocating more money to those with less generational wealth.

IN ACTION

- **CT Baby Bonds**: In 2021, Connecticut became the first U.S. state to pass a baby bonds initiative. CT Baby Bonds will set aside funds for each baby born in Connecticut whose birth was covered by HUSKY, the state's public healthcare program. The funds are held, managed, and invested by the Office of the Treasurer.
- **Washington, DC, and California**: As of February 2023, proposals for baby bonds in these locations were approved.
- The Trump Administration's newly enacted "**Trump Accounts**" or "baby bonds" provide a $1,000 federal deposit at birth and allow families to contribute up to $5,000 annually.

Individual Development Account (IDA)

DEFINITION

Individual Development Accounts (IDAs) are savings accounts designed for low-income adults to “build assets and achieve financial stability and long-term self-sufficiency.” People can only use these savings accounts to fund specific goals – typically, starting a business, paying for education, or buying a home.

Individuals put money into the account via their employment earnings, and these funds are matched with money from their state’s **Temporary Assistance for Needy Families (TANF)** program or from special "demonstration project" funds, depending on the program sponsor.

IDAs have been used specifically with refugee populations in the U.S. **Program sponsors** are typically nonprofits or government agencies who partner with financial institutions. **Refugee participants must**: have a paying job, earn less than 200% of the federal poverty level, and not have more than $10,000 worth of assets, excluding one car and one home. The IDA program also provides other benefits to participating savers, including **financial literacy training**.

IN ACTION

- The **International Rescue Committee in Salt Lake City** offers a 1:1 matched savings IDA program, providing up to $4,000 in matching funds, for eligible low-income refugees within five years of U.S. arrival.
- The **Affinity Credit Union of New Jersey** launched its own IDA program through the Affinity Foundation due to restricted funding availability from the state; its program partners with Elijah’s Promise Culinary School to strengthen the program’s ties to employment and small business entrepreneurship.
- United Way's Southeast Louisiana chapter runs an **Individual Development Account Project**, launched in 2006 and supported by partners like Entergy, Capital One, and OnPath Credit Union, offering participants a 4:1 match on savings to promote economic mobility.

Financial reparations

DEFINITION

Broadly, **reparations are** "a system of redress for egregious injustices." The U.S. has given out some form of reparations to certain groups in the past – for example, the $1.5 billion paid to Japanese Americans who were interned during World War II – but have not paid them to Black Americans despite the history of state-sanctioned racial discrimination.

The **United Nations' principles** state that reparations must include restitution, compensation, rehabilitation, and satisfaction; for Black Americans, reparations, per **the NAACP**, would include "a national apology, rights to the cannabis industry, financial payment, social service benefits, and land grants to every descendant of an enslaved African American and Black person a descendant of those living in the United States including during American slavery until the Jim Crow era."

IN ACTION

- **Evanston, Illinois**: In 2021, Evanston became the first U.S. city to make reparations available to its Black residents. The **first phase of the plan** involves the distribution of $400,000 to eligible black households, each receiving $25,000 for home repairs or down payments on property. The city has pledged to distribute **$10 million over 10 years**.

- **The California Reparations Task Force**: In summer 2023, this task force handed state lawmakers an extensive report and recommendations for compensation to eligible Black people of California for the harms of slavery. In April 2025, California lawmakers advanced a **reparations housing bill** that would allocate homebuyer assistance funds to descendants of enslaved people.

COLLECTIVE WEALTH

Inequality is holding all of us back. Despite gains in some areas, centuries of exclusion and underinvestment mean that too many families still lack access to the tools of long-term prosperity— homeownership, health, education, and opportunity.

NationSwell's Collective Wealth Collaborative brings together cross-sector leaders to address wealth gaps and advance systemic, equity-centered solutions that help families build lasting wealth across generations.

Learn more and join us here.

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Organizations to know

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ADDITIONAL ORGANIZATIONS

Economic mobility & poverty organizations

Coalitions and advocates

- Counties for a Guaranteed Income
- Economic Security Project
- Fund for Guaranteed Income
- Income Movement
- Mayors for a Guaranteed Income
- End Poverty in California (EPIC)

Philanthropies

- Bank of America Charitable Foundation
- Bill and Melinda Gates Foundation
- Citi Foundation
- Kresge Foundation
- Mastercard Impact Fund
- Omidyar Network
- Truist Foundation

Research organizations

- Columbia University's Center on Poverty & Social Policy
- JPMorgan Policy Center
- J-PAL Poverty Action Lab
- Opportunity Insights
- Stanford's Basic Income Lab
- UPenn's Center for Guaranteed Income Research
- Urban Institute
- UW Madison's Institute for Research on Poverty

More reading

NationSwell

1. Datasets for economic mobility | NS Insights
2. Corporate engagement with HBCUs | NS Insights
3. How the Bush Foundation's $100 million community trust funds are decolonizing philanthropy | NS Insights
4. Collaboratives on building community wealth, child care, and uplifting the unhoused | NS Studio

External research

5. Stuck on the ladder: Intragenerational wealth mobility in the United States | The Brookings Institution
6. A brighter future with baby bonds | Institute on Race, Power, and Political Economy
7. A policy framework for guaranteed income and the safety net | University of Pennsylvania
8. Guaranteed income: An unconditional investment in children and families | RWJF
9. The Guarantee: Inside the Fight for America's Next Economy | Natalie Foster