

“Freedom to Think What Could Be Best for Our Family”: A Guaranteed Income Experiment in *CollegeBound* St. Paul/A Children’s Savings Account Program

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Abstract

The City of Saint Paul’s *CollegeBound Boost* (*Boost* for short) program is the first to test combining Children’s Savings Accounts (CSAs) with a monthly guaranteed income payment (\$500 per month) and targeted quarterly CSA deposits (\$250 per quarter) to families living at 300% of the poverty line or below. The goal of this study is to understand policy implications of focusing on meeting basic needs *today* versus security and growth needs for *tomorrow* in the lives of the poor. Semi-structured interviews with 32 *Boost* participants reveal that families characterize their financial situation as just “making it” through use of budgeting, welfare, family help, extra work, and borrowing. Congruent with a financial needs’ theory of saving, we find that across study groups participants, in part, spend and save according to a hierarchy of needs (first spending on survival such as food and bills, followed by saving for security, and lastly, saving for growth needs such as education and retirement), with findings supported by actual spending data. Further, this study design allows us to see that, consistent with financial needs theory (and contrary to conventional attitudes about irresponsible spending), after survival needs are met, participants receiving guaranteed income use a portion of the \$500 payment to save for their security and growth needs. A policy implication of this study is that programs like the prototype *Boost* which combines *present* income and *future* asset strategies such as CSAs together might be able to provide low-income families with an environment rich for pursuing security and growth needs (i.e., the freedom to think what could be best for their futures).

Keywords

Children's Savings Accounts, Financial Needs, Guaranteed Income, Baby Bonds

1. Introduction

The modern American welfare state was created with a strong sense of urgency for improving living conditions of the poor in reaction to the economic realities of the Great Depression. Under President Franklin Roosevelt, from 1933-1939 the architects of the New Deal created an assortment of programs cobbled together to form an economic safety net (the floor) for Americans. The goal of the safety net was to assure families would be able to consume a minimum amount of goods and services needed for survival. But President Franklin Roosevelt could sense that more was needed to reach the ideal captured in the United States Constitution and popularized in the American dream.

When talking to Congress about the New Deal, [Roosevelt & Rosenman \(1938\)](#) looked to the future and laid out a framework for social welfare policy that would be consistent with the ideal of the American dream. He said: "Liberty requires opportunity to make a living decent according to the standard of the time, a living that gives man not only enough to live by, but something to live for." In the title of this paper, the participant conveys a similar idea when they say the American dream is the "freedom to think what could be best for our family". Without the opportunity to have something to live for, Roosevelt continued, "life was no longer free; liberty no longer real; men could no longer follow the pursuit of happiness" (p. 233). However, for the most part, historically the American welfare system has leaned more toward providing families with just enough to make it through the day in times of emergency rather than promoting the ideal that every American should have something to live for.

For example, during President Lyndon Johnson's War on Poverty in the 1960s, he expanded the welfare system developed under Roosevelt. Nevertheless, even though the War on Poverty included investments in human capital opportunities at both ends of the formal education system attending to the growth needs of low-income families, the net effect was skewed more heavily in the direction of subsistence support. This legacy persists today, in a welfare system that does not seek to provide low-income families with transfer payments that provide them with a standard of living that gives them American dream to live for; but instead, gives them just enough to survive.

We suggest that a social welfare system designed to provide families with a standard of living that gives them something to live for is one that is focused on making sure families have enough income to save for their security and growth needs. However, having something to live for is about the future, the domain of assets. Therefore, it must also provide families access to institutions such as

CSAs that facilitate not only personal saving but also deposits from multiple streams of assets from third parties (e.g., city funded quarterly deposits). In this study, we seek to gain an understanding of how families of young children receiving income and asset-building interventions in a CSA program define the economic standard for having something to live for by telling us what the American dream means to them. That is, when participants in this study are asked about their perception of what the American dream means for them, we suggest that they give us a glance at what they perceive are their life chances for making a better future for themselves and their families given their personal, social, political, and economic circumstances. Dreams are largely about the future; on the balance sheet the future is the domain of assets.

1.1. Children's Savings Accounts: An Asset Building Policy

Children's Savings Account (CSA) programs are one policy tool for asset building that seek to increase the perceived and actual opportunities children have for creating a better future. In many CSA programs, including the one studied in this paper, a better future is limited to children's college going futures. However, [Sherraden \(1991\)](#) originally gave a more expanded definition to include an individual's future as a homeowner, a business owner, or retiree. The asset-building accounts that comprise the core of a CSA program are provided through financial institutions (i.e., banks, credit unions, and state 529 plans). CSAs include features that encourage saving and facilitate asset accumulation, such as initial seed deposits, financial incentives for attaining certain benchmarks, or matches for savings deposits. Some CSA programs also include financial education, materials and activities designed to cultivate identities aligned with postsecondary educational attainment, and other family and student engagement strategies. As of 2022, there were 128 CSA programs in existence in the United States, serving over 4.9 million children in 38 states ([Prosperity Now, 2023](#)).

CSAs are built on an institutional theory of saving ([Sherraden, 1991](#)). From an institutional perspective, saving and asset accumulation are mostly the outcome of institutional arrangements. Institutions provide much needed access and incentives, making saving and accumulating assets more likely ([Sherraden, 1991](#)). [Sherraden \(1991\)](#) states it this way, saving and asset accumulation are "not a matter of making superior choices. Instead, a priori choices are made by social policy, and individuals walk into the pattern that has been established" (p.127). Accordingly, acquisition of financial knowledge and resources is strongly influenced by structural failures related to social class and race. Structural failures make it difficult for low-income families to provide their children with the connections within and between financial institutions needed to save and accumulate assets. Therefore, whether families save or not has little to do with behavior, it is mostly an institutional phenomenon.

Moreover, institutional theorists posit that asset ownership is an important way that people are connected to financial institutions in a capitalistic society ([Sherraden, 1991](#)). So, in sum, institutional theory suggests that families who

have a legacy of being blocked from owning assets due to structural failings are less likely to have assets to begin with (Shapiro, 2004). In turn, they are less likely to have connections to financial institutions, which are designed to augment their ability to save and accumulate assets. Both the CSAs' account structure and quarterly deposits in this study may play an important role in overcoming obstacles to building wealth. One provides families with a connection to a wealth building institution (i.e., 529 or bank) capable of facilitating multiple streams of assets into the child's account, the other (i.e., ongoing quarterly deposits) augments what lower income families can accumulate in the account through personal savings alone.

1.2. Low-Income Families and Saving in Asset-Building Programs

In line with the postulates of institutional theory, research has shown that low-income families do save when given access to institutions for saving (Schreiner & Sherraden, 2007). In the American Dream Demonstration (ADD), which tested Individual Development Accounts (IDAs), an asset building account for low-income adults, average monthly net deposit was \$25.42 (within a range from \$16.37 to \$36.89) (Sherraden, Schreiner, & Beverly, 2003). Further, findings from the SEED (Saving for Education, Entrepreneurship, and Downpayment) demonstration indicate that, on average, families in CSA programs save approximately \$10 per month (Mason, Nam, Clancy, Loke, & Kim, 2009). Further, recent research shows that the average 14-year-old child in the SEED for Oklahoma Kids (SEED OK) experiment, which started at birth, has accumulated \$4373 in their account and the total is even higher among savers (\$14,045 on average) (Clancy, Beverly, Schreiner, Huang, & Sherraden, 2022).

Asset accumulation may be more important than personal savings for solving wealth inequality (Elliott, 2023). However, it must be noted that not all families in these programs save in their accounts, and in fact most do not. For example, SEED OK research finds that 19% of families open an account to save. This 19% of families who open an account to save combined with the fact that the average child in SEED OK has accumulated \$4373, or \$14,045 if they are a saver, indicates that CSAs play both a role in facilitating saving and in facilitating asset building. It would appear to date, except for a much smaller group of families, that CSAs have proven to be much more successful at facilitating asset building than they have been at facilitating personal savings. This is at least in part because pure institutionalism does not exist, despite many programs implementing automatic enrollment into CSA programs. In a pure institutional framework, the institution would perform the act of saving for families (e.g., mandatory direct deposits). Yet in practice, saving in a CSA still requires families to act to save; the money does not come directly out of their paycheck. Therefore, CSA programs must identify additional ways to increase personal savings if that is a goal of programs for their families. Another way to say this is, institutions like CSAs are necessary and important, but not sufficient regarding encouraging personal saving.

1.3. The Income Paradox for CSA Programs

Low-income families have little money left over after they pay for their basic needs, making the decision to save much more costly for them than it is for their higher-income counterparts. Acknowledging this does not devalue the important role institutions like CSAs play in saving. For example, while 19% of families in the SEED OK treatment group open an OK 529 account to save for college, only 4% of the control group does (Clancy et al., 2022). The increase from 4% to 19% is a substantial increase that any intervention would likely see as a success. Despite the importance of institutions and institutional theory for saving, there are still reasons why programs might want to explore additional ways to build the capacity of families to save. One reason, for example, is it is a source of wealth building within CSA programs (Clancy et al., 2022) and research shows that the education-promoting effects of CSAs might be stronger among families saving (Elliott, Kite, O'Brien, Lewis, & Palmer, 2018). Additional institutional arrangements to build assets in accounts beyond saving, including quarterly deposits, should also be explored. In the end, realizing the full potential of CSAs includes maximizing all the possible streams of assets into a CSA (Elliott, 2023).

One strategy for improving saving opportunities and building assets among low-income participants is to increase the income of low-income families. This is a strategy that families participating in asset building programs have tried themselves. For instance, Sherraden & McBride (2010) find IDA participants report trying to increase their income as a strategy for increasing saving by working overtime, taking on odd jobs, or using their tax return as extra income for saving. Increasing income seems more desirable than asking families who already do not make enough to meet their basic needs to reduce their spending so that they can save. And, unfortunately, when we ask families who do not make enough to meet their basic needs to save, the only way they can save is to reduce spending: working alone does not allow them to have extra money. In line with this, Sherraden & McBride (2010) find that low-income families participating in asset building programs do use reducing spending as a strategy for increasing saving. The diversion of income to saving among low-income families can lead even would-be supporters of asset building strategies to question the wisdom of providing the poor with a CSA prior to taking care of their basic needs (Bernstein, 2005; Tannor, 2021). This leads some policy makers and researchers to say we should not focus on assets until we focus on income; it is an issue of “immediacy” (Bernstein, 2005: p. 354). Bernstein (2005) refers to assets for the poor as an “unthinkable luxury” (p. 354). A premise for testing additional income is in part rejecting the idea that income strategies such as guaranteed income must come before asset strategies.

1.4. Assets versus Income: A False Policy Trade-Off

Income and asset building policies tend to be treated as separate, and often in

isolation, despite research on assets' ability to enhance income. Shapiro, Me-schede, & Osoro (2014) find that a \$1 increase in income translates to a \$5 increase in wealth for White families but only a 70-cent increase for Black families, however, when Black families start off with similar levels of assets, they have a return of \$4.03. This work suggests that initial assets strengthen the power of income to generate additional assets. Elliott (2022) concludes that suggesting policy makers should first concern themselves with increasing income has never worked as a solution for ending poverty in America. This approach focuses on the symptoms of poverty but leaves the root cause of poverty (i.e., lack of opportunity for growth and development) for another day. Moreover, assets are needed for families to grow and develop. This also speaks to why programs like the targeted quarterly CSA deposits that are a part of *Boost* may be an important part of a social welfare policy designed to give families something to live for.

To give low-income families the strength to use their effort and ability to reach their full potential, we suggest that social policy must treat the symptoms which weaken low-income families. At the same time, it must also treat the root cause of poverty or low-income families will fall back into poverty when they experience the next economic shock. The opportunity *Boost* provides to save and build assets for security and growth needs through access to a CSA, increased income through a guaranteed income program, and city-funded quarterly deposits is an attempt to combine income and asset-building strategies together for the purpose of making something to live for tangible to families.

1.5. CSAs Help Children Develop Tangible Dreams

Research on CSAs has begun to examine the role they might play in helping to facilitate the development of actionable dreams (or identities) about a child's future self (e.g., college goer) (Oyserman, 2013). Elliott (2023) has called these tangible dreams because they have some grounds in the child's circumstances and are not merely wishful (i.e., groundless). However, although they are tangible, they are still the child's perception of their life circumstances. When a low-income child finds it hard to form tangible dreams of being a college goer, it is not unreasonable; this perception of what is possible for them is based, at least in part, on their economic circumstances (Oyserman, 2013).

Because CSAs help children build assets and the future is largely the domain of assets, Elliott (2023) has suggested that they have the potential to transform what might have been a mere wishful dream for a child (e.g., I aspire to go to college) into a tangible dream (e.g., I expect to go to college). Supporting this line of thought, research has shown that participating in a CSA program can strengthen parental educational expectations for their children (Kim, Sherraden, Huang, & Clancy, 2015), as well as children's educational expectations for themselves (Elliott, 2009; Elliott, Choi, Destin, & Kim, 2011). Assets combined with the CSA institutional structure provide children and their families with the power to purchase a piece of their child's future today. However, it is also likely true that the present, the domain of income, also influences the future even if

this is not its primary role. Given this, we suggest that income interventions combined with assets interventions might further strengthen an individual's perception that their college going future self, for example, is tangible.

This study is designed to provide some insight into whether participants perceive that CSAs make their futures feel more tangible when they are combined with policies designed to increase family income, which might influence a child's economic circumstances differently than built up wealth for their education. This question seems particularly relevant for lower income children who might be struggling to meet basic needs daily.

1.6. Using Financial Needs Theory to Understand Combining Income and Asset Programs Together

In this paper we use a financial needs theory of saving to interpret pertinent data because of its utility in explaining both how families will make meaning of and approach savings when they experience both increased income (guaranteed income) and asset building (CSA and quarterly deposits). [Xiao & Anderson \(1997\)](#) develop a financial needs theory of saving based on [Maslow's \(1954\)](#) hierarchy of needs, [Lancaster \(1966\)](#)'s new consumer demand theory, and [Kahneman & Tversky \(1979\)](#)'s prospect theory. Based on empirical evidence from [Xiao & Noring \(1994\)](#), [Xiao & Anderson \(1997\)](#) identify three hierarchical financial needs: survival needs, security needs, and growth needs. The theory has three main hypotheses:

- As a family's income increases, they may begin to be interested in saving for assets that offer higher returns and more risk (from Maslow's hierarchy of needs theory)
- Families as consumers are more concerned about characteristics of financial assets (i.e., are they useful for meeting their level of need. For example, liquid assets like checking accounts used to meet survival needs) than about the assets themselves (from Lancaster's new consumer demand theory)
- As a family's income increases (or as context changes), they will tend to act differently (from Kahneman & Tversky's prospect theory)

More simply put, according to [Xiao & Anderson \(1997\)](#) families will attempt to save for higher-level needs only after they have saved enough to meet lower-level needs. That is, when a family's income increases and they have enough assets to meet survival needs, family members will begin to act differently and start to save for their security needs. Financial needs, however, are not strictly hierarchical in nature. For example, when addressing the question of whether the poor can save, research in the asset building field has shown that when financial needs exist families can decide to save for security or growth needs, even though they have not yet fully met their survival needs ([Schreiner & Sherraden, 2007](#); [Sherraden & McBride, 2010](#)). As referenced earlier, research from the asset building field shows that when given access to an asset building program even very low-income families can and do save ([Schreiner & Sherraden, 2007](#)). This does

not mean that financial needs do not play a role in families' decisions to save, it is just not the only factor at work.

Xiao & Anderson (1997)'s financial needs theory is helpful for understanding how combining income interventions with CSAs or other asset building policies may create an environment more suitable for low-income families to be able to choose to save for their security and growth needs. Another way to think of this is that increasing income reduces the cost and, potentially, the stress related to saving for growth needs that low-income families experience as they attempt to make tradeoffs between spending money on their survival versus saving and building assets for future security or growth needs. Here, growth is synonymous with having the opportunity to build assets for the future (i.e., in this context, having something to live for). In line with Roosevelt, we posit that a social welfare system which does not include a way for low-income families to build assets, and specifically assets that support their future security and growth, is one that has stripped them of their liberty. Therefore, to make the American dream tangible for all, social welfare policies might need to combine income and asset policies (Elliott, 2022).

2. Program Description

The City of Saint Paul's *CollegeBound* program is a citywide CSA program which provides the context for this study. To our knowledge, *CollegeBound* is the only CSA program testing the impact of combining CSAs with guaranteed income and a targeted quarterly CSA deposit. This paper is part of a larger randomized control trial of these interventions called *CollegeBound Boost* (*Boost* for short). There are three groups in *Boost*: 1) The CSA only group; 2) The CSA and quarterly deposit group; 3) The CSA, guaranteed income, and quarterly deposit group. This paper focuses on combining CSAs with guaranteed income and comparing the focal group 3) with both groups 1) and 2). Including quarterly deposits is important because personal saving is not the only tool for building assets that CSA programs have third party deposits are another tool. Quarterly deposits in this study mimic Senator Bob Casey's large dollar CSA proposal¹ and Senator Cory Booker's Baby Bonds proposal.² The quarterly deposit intervention will be discussed in detail in future papers.

CollegeBound, spearheaded by Mayor Melvin Carter, grew out of the potential of this intervention to address two key areas of concern for the city: 1) financial insecurity and 2) inequality in educational attainment by race/ethnicity and income. *CollegeBound* is designed as a universal, opt-out program with automatic enrollment to encourage inclusive eligibility for children born on or after January 1, 2020, and are either a Saint Paul resident or move to Saint Paul before age six.

¹Find information on Senator Bob Casey's large dollar CSA proposal at <https://www.casey.senate.gov/fivefreedoms/freedom-to-be-economically-secure>.

²Find information on Senator Corey Booker's Baby Bond proposal at <https://www.crfb.org/blogs/cory-bookers-baby-bonds-plan>.

2.1. *CollegeBound* Program Elements

- **Program eligibility** Children are eligible for *CollegeBound* Saint Paul if they are born on or after January 1, 2020, and meet one of the following two criteria:
 - Are a Saint Paul resident at birth or become a Saint Paul resident before the age of six.
- **Enrollment**
 - *Automatic Enrollment:* Any child who meets the eligibility criteria and has public birth records will be automatically enrolled. The program receives birth records data from the Minnesota Department of Health.
 - A child who has a public birth record
 - A child who is not a Saint Paul resident at birth, such as a child who later moves to the city or is adopted later by a resident parent(s)
 - A child who is born out-of-state to Saint Paul resident parent(s)
 - *Opt-In Enrollment:* Any child who meets the eligibility criteria and does not have a public birth record is eligible to opt-in to the program (e.g., a child born to a single parent does not receive a public birth record in MN).
- **Account vehicle**
 - City of Saint Paul Master Custodial Savings Account held at Bremer Bank.
- **Initial deposit**
 - \$50 seed deposit provided at the time of account opening.
- **Bonuses and incentive deposits.** To help participants accumulate more savings for their future, program bonuses are provided for:
 - Engaging with the account and the program.
 - Reaching milestones.
 - Participating in financial health and child wellness programs and services.
- **Family Deposits**
 - Parents/guardians, caretakers, and others can make deposits to the account.
- **Allowable uses of CSA funds**
 - Account funds may be used for postsecondary education and related expenses. Postsecondary education includes colleges, universities, vocational schools, and any two or four-year degree programs from accredited institutions. Eligible postsecondary expenses include tuition, mandatory fees, books, supplies (including computer equipment), and any other costs necessary to attend school.

CollegeBound Saint Paul is administered out of the Office of Financial Empowerment by the City of Saint Paul.

2.2. Boost

Boost is an experimental intervention that provides families who have a *CollegeBound* CSA in Saint Paul and who are low-income (300% of the federal poverty guideline) with a guaranteed income payment along with a quarterly deposit (mimicking large dollar CSA proposals or Baby Bond type proposals). More

specifically, the experiment consists of the following groups:

- Group 1: No-treatment control condition (CSA Only Group)
- Group 2: Quarterly CSA deposits (\$250 per quarter for total of \$1000 per year) —CSA and Quarterly Deposits Group (QD group)
- Group 3: Guaranteed income payments (\$500 per month for 24 months) and quarterly CSA deposits—guaranteed income and quarterly deposits (GI group)

In the remainder of this paper, the control group will be referred to as the CSA Only Group. It is important for the reader to remember that all participants in this study have a CSA account. However, to conserve space for the remainder of this paper the CSA and quarterly deposits group will be referred to as the quarterly deposit group (QD) and the guaranteed income and quarterly deposit group will be referred to as the guaranteed income group (GI). Further, because the focus of this paper is on the combining of CSAs and guaranteed income, the QD group also serves as a comparison group as well as the CSA only group.

2.3. Research Questions

It is important to note that this study is preliminary. Many of the families have been in the program for around a year. However, the framework laid out in this paper will also be used in future qualitative and quantitative papers after participants have been in the program longer. This study addresses the following research questions:

- 1) How do participants in *Boost* define having “something to live for”?
- 2) How do participants in *Boost* characterize their current financial outlook? What strategies do they use to meet their survival needs?
- 3) What financial needs (survival, security, or growth) do participants in the CSA Only and quarterly deposits groups imagine meeting with an extra \$500 per month?
- 4) What financial needs (survival, security, or growth) do participants in the guaranteed income group meet with the extra \$500 per month?

The first research question uses data from participant response to a question that asks them what they think the American dream means. Responses to this question define what participants perceive as the current standard for having something to live for. In the second question we examine what types of needs low-income families experience beyond what employment and the current welfare system are providing them. We also examine what types of strategies they are employing to “make it.” Together, this provides information on whether employment coupled with welfare assistance lifts low-income families above a life focused on survival needs (i.e., only enough to live by) or whether something more is needed to allow them to focus on their security and growth needs (i.e., something to live for).

The third and fourth questions examine the perceptions of participants regarding whether receiving an extra \$500 per month could (i.e., CSA Only and

QD) or does (i.e., GI) affect their lives. The type of effect this paper focuses on, given the nature of the *Boost* intervention as a wealth building intervention, is how participants perceive that having a guaranteed income could and does change their capacity for wealth building. More specifically, using a financial needs theory to interpret the data, it is about whether participants discuss how receiving a monthly guaranteed payment could or does shift them from almost exclusively pursuing their survival needs to also pursuing their security and/or growth needs. It is worth pointing out, this goes beyond merely asking families if they like receiving GI (we assume most would say yes) and examines whether GI payments affect how low-income families in this study talk about their financial needs using a financial needs framework. The final question allows us to examine how GI participants are “spending” the extra \$500 per month (this data does not allow us to see whether they are saving only what they are spending money on).

3. Method

3.1. Procedure

Recruitment Process. Potential participants were randomly selected from the $N = 638$ available *Boost* enrollees as of February 19, 2023 (212 CSA Only; 214 QD; 212 GI).³ Within each group, each *Boost* participant was assigned a random number created through a random number generator in Excel. Each group was then sorted by the random number in ascending order. Participants were selected in the order they appeared. Beginning February 28, 2023, interview invitations were sent in batches, starting with a group of 10 for the CSA Only group and a group of 10 for the GI group about a week later. Decisions for subsequent invitations were based on the pace of enrollment and interview scheduling, as well as demographics of participants; supplementary invitations were made to randomly selected African American (AA) participants.

Invitations were delivered by email through the Qualtrics survey platform. Each email described the purpose of the study and a link to the full study consent form. After giving consent, participants completed a brief online survey to gather demographic information, financial security, employment status, and well-being. At that time participants were also able to schedule a time for an interview or request support (i.e., language, technology). Participants who completed the entire survey but failed to select an interview time and no-shows were contacted no more than three times by researchers. In total, nine participants that were no-shows to their interviews were unable to be rescheduled.

Interviews. One semi-structured interview (30 - 45 minutes) was conducted

³*Boost Study Recruitment.* Recruitment for *Boost* began October 2022 and continued through July 7, 2023. Enrollment in *Boost* was open to families of children born on or after January 1, 2020, in Saint Paul, Minnesota. Using contact information provided by the City of Saint Paul, families received an invitation to enroll in the *Boost* study. Email invitations were distributed on behalf of Pan Atlantic Research and the University of Michigan via an Airtable platform constructed by research partners at Summitlab. Recruitment was also supplemented through mailings and social media posts.

with each participating parent. Informed consent was gained from all parents. Participants were made aware that they had the right to decline to answer any question and that they could withdraw their participation at any time. All interviews took place over the Zoom teleconferencing platform and were video recorded. Pseudonyms assigned after the interview and used in subsequent transcription and throughout the analysis process.

The research team included three trained interviewers (two MSW students and one PhD student), a qualitative methodologist, a program manager, and the director of a university-based research center and professor of social work.

From March through June 2023, the trained interviewers and qualitative methodologist conducted 32 open-ended, semi-structured interviews with recruited parents. Interview protocols were developed for each group in the larger study. These included questions about a family's financial situation, *CollegeBound* Saint Paul (the CSA), additional deposits in CSAs, Guaranteed Income, and the American dream. Parent participants in all groups were asked questions on each topic; those participants not receiving the additional deposits or Guaranteed Income were asked what it would be like for them to receive these interventions. The semi-structured guide and regular debriefs with the interview team during the process of conducting the interviews ensured consistency and data quality.

3.2. Supplemental Quantitative Data Sources

Supporting quantitative data comes from three sources merged based on participant study ID: 1) Self-report information about family size, income, and receipt of benefits obtained through the *Boost* screening and consent process; 2) CSA program data from the city of Saint Paul, which included some demographic variables and information about savings behaviors and program engagement; 3) A pre-interview survey, described below.

Pre-Interview Survey. Invitations to complete an interview were delivered to current *Boost* enrollees via email. Each email included a link to a brief Qualtrics survey about basic demographics (relationship to the child, marital status, race/ethnicity, education, employment), as well as questions about household income, net worth, financial security, savings behaviors, and well-being (physical health, depression, overall life satisfaction).

Guaranteed Income Spending Data. Guaranteed income payments are delivered to participants through a pre-paid debit card that is loaded with guaranteed income payments monthly. Spending data is available only in the aggregate and is not linked to individual-level data sources. Categories represented in **Table 5** (Appendix) are created by the debit card's institution and represent the type of merchant and not necessarily the type of products purchased (VISA, 2023).

3.3. Qualitative Data Analysis

All interviews were initially transcribed using the Otter AI transcription plat-

form. The four interviewers, program manager, and qualitative methodologist then listened to the recordings and verified each transcript for accuracy in its entirety. We employed a thematic approach to qualitative data analysis. As interviews were transcribed, the qualitative methodologist, principal investigator, and program manager listened to recordings and read through the transcripts to develop familiarity with the data and apply index codes to segments of data corresponding to the interview protocol topics (Deterding & Waters, 2021). Initial index codes, which were then refined, included *Guaranteed Income—meaning*, *American Dream—meaning*, *finances*, among others. After the first stage of index coding, we reviewed the coded segments of data and developed additional thematic codes which included *finances-status making it*, *status thriving*, *status sinking*, *mental load/energy*, *Guaranteed Income use—kids*, *saving and wealth building*, *subsistence*, *emergency*, *stress reduction*, and *American Dream—attainability*, *changing*, *embracing*, *rejecting*, *diverse*, *financial*. We then coded the interviews a second time with the expanded codebook. We met throughout the process to review coded data and ensure reliability of coding across the team and minimize researcher bias. We finally grouped the coded data thematically and composed individual memos on each of the emerging findings around family financial situation, Guaranteed Income, and the American Dream.

3.4. Limitations

This study is exploratory in that it uses primarily qualitative data to answer research questions. The quantitative spending and saving data are only supplemental; we cannot yet know for sure if families are starting to save for their security and growth needs. The spending data shows us what families are spending the money on, but it does not show us if they are saving it in a non-program account or even hiding it under a mattress. Another limitation is that all interviewees are participants in a CSA program designed to help children pay for postsecondary education. Therefore, participants in the study might be prone to thinking about the American dream, for example, from an economic perspective. They might also be more prone to thinking about saving. However, this is part of what these programs are designed to do, to cue families to think more about saving for education and planning for postsecondary education. Further, this study's findings are specific to families in *CollegeBound*, a CSA program in Saint Paul, MN.

4. Results

4.1. Response Rates

Out of $N = 137$ email invitations, 32 participants completed interviews (23%). Response rates varied by group. For the CSA Only group, 30 randomly selected invitations plus a purposeful sample of five African American participants resulted in a response rate of 29% (10 completed interviews). A similar rate of 30% was achieved for the GI group (10 completed interviews out of 30 invitations).

The QD group, however, required a total of 72 invitations to achieve a response rate of 17% (12 completed interviews). It is unclear why this group was less likely to respond than the CSA Only group. Also, we only report comments from participants that are most representative of a theme to reduce the length of the results section (**Table 1**).

4.2. Sample Characteristics

Data in **Table 2** is drawn from the random assignment and consent process into *Boost*. Most of the population enrolled in *Boost* had become enrolled in *CollegeBound* Saint Paul through the “auto” process (CSA Only = 80%; QD = 67%; GI = 90%). All (100%) were non-savers at the start of the *Boost* study in September 2022. Most families report that they receive benefits (CSA Only = 70%; QD = 92%; GI = 90%).

Table 3 provides information on the interviewee sample demographics. This table also illustrates that the participants were mostly equally distributed across groups by demographic characteristics. However, there are some notable differences. The CSA Only group had the highest percent of biological mothers but the lowest percent of married mothers. While the GI group had the lowest percent of biological mothers but the highest number of married participants. Further, the QD group had the highest percent of Black and Hispanic participants. The CSA Only group had the highest percent of participants who had a high school degree or GED.

Table 4 gives the reader a look at the participants’ financial information by group. Again, regarding most indicators, the three study groups are similar. An exception appears to be regarding family income. According to **Table 4**, the CSA Only and the GI groups report having a higher percentage of families with annual incomes of \$55,001 or more when compared to the QD group (70% and 60% compared to 17%, respectively).

To participate in this study families had to be CSA account holders in the Saint Paul, MN, *CollegeBound* program and their annual earnings must be at or below 300% of the poverty level. The poverty level varies by number of people in the household. For example, for a family of two 300% of the poverty line would mean the family in 2022 had to make \$54,930 or less (or \$4578 per month), for a family of four \$83,250 or less (or \$6938 per month). Moreover, the average median household income for Saint Paul, MN, residents in 2021, the latest data available, was \$63,483 ([U.S. Census Bureau, 2022](#)).

The last row of **Table 4** provides data from the material hardship scale, derived from the sum of five items assessing perception of ability to afford the type of home, clothing, household furniture/equipment, food, and medical care needed ([Huang et al., 2016](#)). Higher scores indicated greater material hardship with a possible range from 0 to 15. Cronbach’s α for this scale is 0.87. On average, families rate their material hardship relatively low. Further, scores are similar across groups with CSA only having a slightly lower average score.

Table 1. Response rates.

	Invited	Completed	Response Rate
CSA Only*	35 (includes 5 AA)	10	29%
Quarterly Deposits**	72 (includes 3 AA)	12	17%
GI & Quarterly Deposits	30	10	30%
Total	137	32	23%

*Oversampled for AA = African American. **We did two large invites for the QD group because the first batch resulted in only two interviews. In addition, two smaller batches of invites were sent out specifically to African American (AA) participants (n = 5), as well as a final batch of 10 invites to meet our quota of 10 interviews per group, resulting in additional completed interviews.

Table 2. Interviewees sample characteristics at random assignment to *Boost* (N = 32).

	Completed		
	CSA Only (n = 10)	QD* (n = 12)	GI & QD* (n = 10)
Auto-enroll	80%	67%	90%
Non-Saver	100%	100%	100%
Total Account Assets			
mean	\$165	\$173	\$179
median	\$75	\$130	\$150
mode	\$75	\$75	\$75
min/max	\$50/\$515	\$75/\$565	\$75/\$515
Language (English)	90%	100%	100%
Self-Report Receive Benefits	70%	92%	90%
Income/Family Size**			
“Yes, Family of 2: earned less than \$4578 a month or \$54,930 a year”	10%		20%
“Yes, Family of 3: earned less than \$5758 a month or \$69,090 a year”	40%	25%	20%
“Yes, Family of 4: earned less than \$6938 a month or \$83,250 a year”	40%	50%	20%
“Yes, Family of 5: earned less than \$8118 a month or \$97,410 a year”		8%	30%
“Yes, Family of 6: earned less than \$9298 a month or \$111,570 a year”	10%	8%	10%
“Yes, Family of 7: earned less than \$10,478 a month or \$125,730 a year”		8%	

*QD = Quarterly Deposits; GI = Guaranteed Income. **The income/family size monthly and annual income amounts reflect being at 300% of the poverty level or below. No study participant selected family size of 10 or 13; 4 selected “No, my family earned more than the amount listed for my family size (not eligible for *CollegeBound Boost*)” but were still randomly assigned and included. None of these 4 were randomly invited for an interview. The last three categories for families of 5, 6, or 7 (?) were not endorsed by any respondents and are excluded from the table.

Table 3. Interviewee sample characteristics at time of interview (N = 32).

	CSA Only (n = 10)	QD* (n = 12)	GI & QD* (n = 10)
Biological Mother	100%	92%	60%
Average Age Mother	34 years	37 years	33 years
Average Age Father	36 years	36 years	34 years
Married	60%	50%	90%
Race/Ethnicity			
Hispanic	10%	25%	0%
White	60%	33%	40%
Black/AA	10%	33%	10%
Asian	40%	17%	50%
NH/PI	0%	0%	0%
AmerIn/AlasNat	0%	0%	0%
Other	10%	17%	0%
Highest Education			
HS, GED, Some high school	20%	16%	10%
Cert, Occupational Training	10%	8%	0%
Some college	10%	17%	20%
Associate's	0%	8%	30%
BA	40%	42%	30%
Some graduate school	10%	0%	0%
Master's	10%	8%	10%
Employment (check all that apply)			
Full-time	50%	33%	50%
Part-time	20%	17%	10%
Unemployed, looking	0%	25%	10%
Unemployed, not looking	10%	0%	10%
Unable to work (disabled)	10%	0%	0%
Homemaker	30%	25%	0%
Student	0%	8%	10%

*QD = Quarterly Deposits; GI = Guaranteed Income.

Table 4. Interviewee financials at time of interview (N = 32).

	CSA Only	QD	GI & QD
Aware have <i>CollegeBound</i> Account	100%	100%	100%
	N = 10	N = 11	N = 10
Checking Account	100%	92%	100%

Continued

Savings Account	80%	83%	100%
Household Income	N = 10	N = 12	N = 10
\$15,000 or less	20%	25%	10%
\$15,001 - \$35,000	10%	17%	
\$35,001 - \$55,000		42%	30%
\$55,001 - \$75,000	30%	17%	40%
\$75,001 - \$95,000	40%	0%	
\$95,001 - \$115,000		0%	20%
Net worth	N = 9	N = 12	N = 9
Less than \$0	22%	33%	33%
\$0	22%	8%	
\$1 - \$10,000	11%	17%	11%
\$10,001 - \$35,000		0%	11%
\$35,001 - \$55,000		8%	11%
\$55,001 - \$150,000	22%	25%	22%
\$150,001 or more	22%	8%	11%
Current Living Situation	N = 10	N = 12	N = 10
Own (pay mortgage)	50%	50%	70%
Rent	50%	50%	10%
Live with someone else			10%
Other			10%
Material Hardship Scale**	4.3	6.4	6.4

*QD = Quarterly Deposits; GI = Guaranteed Income. **Range 5 - 20; Material Hardship is created from the sum of five items asking about ability to afford home, clothing, furniture, food, and medical. Possible range 0 to 15 with higher scores indicating greater material hardship.

4.3. How Do Participants in Boost Define “Having Something to Live for?”

In this paper we ask participants about what the American dream means to them to examine what the current standard is for having something to live for. Participants in this study define the American dream from a social welfare policy perspective. This might be because all participants in this study are part of a CSA program designed to help families save for postsecondary education. Further, participants in two of the research groups receive either quarterly deposits into their account (\$250 per quarter), or quarterly deposits along with monthly guaranteed income payments (\$500 per month) in addition to their CSA account. Given the financial nature of the program, it is not surprising participants

think about the American dream from a social welfare perspective. For example, Derek (QD) hints to the fact that the context of the interview put the financial aspects of the American dream on the forefront of his mind, “Hm. The American dream. I mean, especially on the end of...this interview subject, I guess there’s just some level of financial security.” However, economic aspect of the American dream is the part we are most interested in learning more about in this study.

With this context in mind, most families in this study express the sentiment, even if they are falling behind on their bills and having to borrow from family each month, they have enough to survive. However, they also share that the American dream for them is more than eking a living out, even if it is not being rich or owning a large home with a white picket fence. In this section, we identify five themes about the opportunities that characterize a social welfare system that provides families with “something to live for”: 1) The opportunity to set goals; 2) The opportunity to earn enough at a job you enjoy; 3) The opportunity to build human capital; 4) The opportunity to own a home/build wealth; 5) The opportunity to live without financial stress.

Ability to Set Goals. “Derek’s (QD) comments on the meaning of the American dream illustrate that an aspect of I something to live for the participants in this study are about having enough resources to be able to plan, “The American dream...*an outlook about life out in front of you* that there are opportunities. There are options, you know...there are different paths that you can take. And with those, like, a certain amount of financial security will be attainable.”

Opportunity to Earn Enough at a Job You Enjoy. In talking about what the meaning of the American dream means, Blanca (QD) shares:

I always hear, especially with my family immigrating here when I was two, the white picket fence, the 2.5 kids, car in the garage. Right, that is not a dream most Americans want, and *the land of opportunity is slowly slipping away*...But the dream would be for people to be able to afford furthering their education. Or even just getting jobs that pay the bills...It seems pointless if the cost of living is out of reach always. So, a dream would be *make that stuff a reality*.

Natalia (QD) also talks about being able to do what she loves while being able to earn enough to live comfortably,

When I think of the American dream for myself, I think of being able to do what I love to do every single day. You know, I think that each and every one of us has a special talent that we have to offer to the world, to our communities, and to our children. *And when we are living the American dream’ we’re able to offer those things without having to struggle to try to offer them...*

Natalia discusses her work in a community nonprofit as meaningful to her, but that she does not make “*the income that I need to have my own survival*

move into a place of thriving. So, when I think of the American dream, *I think of having all the resources that I'll be able to do what I do* to contribute to my community and build my community.” **Opportunity to Build Human Capital.** Maria (CSA Only), who immigrated to the United States, her comments are representative of those participants who see the American dream as having the opportunity to attend school:

For me, it was to go to school here...I wanted to go to school and they said that I couldn't because I was over the age of 18. *But the American dream is that there are opportunities for school*, there are big colleges and if you can just find what it is you're interested in, you can attain that.

Opportunity to Own a Home/Build Wealth. Even though there are some participants who don't say that owning a home is part of the American dream, many more do. Natalia (QD) in describing the meaning of the American dream put it simply as, “Homeownership, resources, and support to do the things that they want to do.” Xue (GI) shares,

I guess [the American dream has] been diluted so much that it's changed from 20 years ago to 10 years ago to today. It's a little bit different. But, you know, right now it's for my wife and I, *it's just, you know, having a nice safe place where we can have and raise our kids. To me that's part of the American dream. And then the other part is just having a nice stable job where you can afford that place.* Just, you know, I suppose for both of us, just uh...just home, so to speak, and place for us to work so that we can prepare ourselves for our kids and then hopefully for a decent enough 401 k where we don't have to rely on our kids to take care of us when we are old.

Opportunity to Live without Financial Stress. Most all participants in some form or another include not having financial worries as part of what the American dream means. Chariya (QD) states it this way, “...you have your own house, your own car. You have a good job, a career...Yeah, that's the American dream for me. That *you're just not struggling, you know?*” However, Vanessa's (QD) comments might be the most succinct:

“Living and *living comfortably*, where I don't have to stress. So, that's why I budget is for the simple fact that I don't want to live a life of stress. So, that's my American dream and *being in a career that I love* and being in a career that I'm passionate about.”

Discussion: In discussing the meaning of the American dream, participants mention specifics like earning enough to live comfortably, having the opportunity to attend some form of postsecondary education, the ability to own a home, build wealth, work at a job they enjoy, and have no financial worries. A policy implication is that there is a level of economic security that is required to feel as though an individual is part of society. This has implications for our ability to sustain this thing called America, for citizens to buy into it, and to continue to

support it. When people do not feel as though they have something to live for, they can begin to feel alienated, excluded from the American way of life. In the next section we will discuss how it is not enough to dream, dreams must be of a certain type to be actionable: they must be tangible.

4.4. How Do Participants in Boost Characterize Their Current Financial Outlook?

How participants define having something to live for, and how they are living might be two very distinct things. Given this, in this section we examine how participants characterize their current financial outlook. Across all groups most participants considered their financial outlook as “we make it work” or “getting by” with some difficulty at times, some tradeoffs to be made, and they make it. This is a very different outlook than having something to live for. Airi (CSA Only) described making it as not “going hungry,” it’s “manageable,” and we have our “feet on the ground.” Airi attributed her situation to having chosen their “passion work” for a career that doesn’t pay as much as other jobs.

Participants who were in the GI group also described themselves as making it work which might be characterized as surviving from paycheck to paycheck. Mima (GI) mentioned struggling but being okay compared to other people who they knew were struggling more. Diana (GI) described her families’ situation in general as “rocky, real rocky.” She went on to say, “So like I said, you know, we get SSI, we get a kinship program financed and then yeah, so yeah, but we make it. We do and I’m grateful for what we do have.” Ava (GI) shared that “making it work” is a matter of paying the bills but went as far as saying it is also a “mindset”: “I think my husband and I have always kind of had this mindset where it’s like, we’re gonna make it work. It’s always been fine. We got to make it work.”

4.4.1. How Do Families Make It Work? Budgeting, Welfare, Family Help, Extra Work, Borrowing

Here we examine the strategies families use to make it work. They discuss budgeting, welfare programs, family help, taking on extra work, and borrowing money as strategies that help them make it from paycheck to paycheck.

Budgeting: Vanessa (QD) discusses how budgeting plays a role in her family being able to make it in the following statement:

I have a budgeting book right here. Everything that’s in my savings and all my bills and everything that I have, I put in my book. *So, I can know the exact dollar, but I spend that dollar to the T.* Everything is to the exact dollar so I can know what I have every pay period... making sure that I have enough to make ends meet for the two weeks and still have like, you know, a little bit of extra change to take my kids out and let them enjoy weekends and stuff too. *I keep my budget book with me everywhere I go. It’s like my Bible.*

However, inconsistent earnings can complicate attempts at budgeting. Shayla (CSA Only) has a monthly budget, but shares:

“Our money is totally inconsistent, which can be stressful...meager savings, credit card debt. I have student loan debt. And then we can just kind of, you know, it’s kind of like an arbitrary budget...I’m not really good at managing it, but we’re okay.”

Welfare and City Resources: Families mention participating in the following social welfare programs: WIC, Medical Assistance, Affordable Housing, SNAP, Free Pre-K, Excel (i.e., Energy Assistance), and SSI. Dara (QD) attributed her families’ ability to “make it” to having access to other resources provided by the city. She also discussed how welfare and city resources help her to manage her budget (i.e., help her family make it). When asked, “How do you manage your budget?” Dara said, “I have some, like, savings and I use only like 20% towards my food and other stuff, diapers, milk, and stuff like that. And we have like, I have WIC, so it helps a lot for my kids.” Airi (CSA Only) did not realize her family was relying on community resources to meet their nutritional needs until COVID disrupted those supports:

We had a lot of community events around here that I felt like... not like, I went to events to have a free meal, but like, they were, like, food sharing that way, you know? And then like, that really, like, became none and *I didn’t realize I was kind of relying and counting all those things*, you know?

Several families talk about the importance of medical assistance as crucial support in their ability to make it. For example, Theo (GI) stated, “Medical assistance has pretty much erased all medical debt for the past year since [our son] was born, which is what’s incredibly helpful.”

Kimberly (CSA Only) also talks about the importance of other supports for being able to survive:

It can be difficult at times. But living in St. Paul, there’s a lot of resources, whether it’s food banks, there’s a thing called diaper banks where they can get help with diapers and wipes. There’s a few, like pregnancy resource centers that help from being pregnant up until birth that help out with like clothes and just regular baby necessities that you need. *So financially, it can sometimes be a little challenging. But with there being so many resources, it’s real minimal struggle.*

Help from Family: Extended families play a key role in families being able to make it. Helen (GI) and her family are making it with the help of their parents, “Financially, our parents help us...We just want to kind of be independent, that’s why we’re working so hard right now. But we’re hanging in there still.” While not all families have parents who can help, those who do recognize their parents as part of their social safety net. Teresa states this clearly (GI), “[I]t helps that I have parents who are very supportive and also very financially stable so that if we did come to a situation where we were like, deciding whether to pay

the mortgage or pay a hospital bill, you know, they would be able to lend us money.”

Extra Work: When it comes to their kids, parents who are “making it work”—what we call surviving share that it might entail tradeoffs between working extra hours and spending time with their child. For example, Shayla (CSA Only) tells us:

So, I want to get a lot of work so I can have money, but then the more work I have, the less I can spend time with [my daughter]. So, there’s kind of like a sweet spot maybe at like 20 hours a week. I guess I’d prefer if I could get paid more at 15 hours a week. That would be my ideal, I guess...Yeah, but it’d be nice to spend more time with her and work less but then I’m also thinking like “I need to work, I need to work” so any chance I get I hop on the computer and try to do that and seems okay for now. I just feel bad as a mom.

Borrowing: Taking out credit card debt or other debt is another way families “make it”. Shayla (CSA Only) sees going into debt to make ends meet as a necessary evil, “It’s just one of these things. It’s like, well, it seems like everyone has a lot of debt. But also, everyone’s able to feed themselves somehow. So, it just seems like I’m totally average.” It is worth highlighting in Shayla’s statement that many of our participants who define themselves as making it do not seem to do so because they look at their financial outlook as being good. Instead, they talk about knowing people who are worse off than them or because they see most people they know as being in the same position. Therefore, it is almost inappropriate for them to say their financial outlook is bad.

Discussion: In this section participants reported being stuck working jobs that provide no prospects of being able to work their way out of a survival-level existence. Not surprisingly then, when talking about their financial outlook, most participants in this study characterize their situation as simply “making it”. Their wages do not provide them with enough money to pay all their bills, buy enough food, or to be able to take their kids on an occasional vacation. Instead, they share having to make difficult tradeoffs between surviving today and the need for positioning them and their children for a better tomorrow. Having to decide on these tradeoffs raises the cost of saving for security and growth needs. And while muted in the GI group, these feelings still exist. A policy implication is that more than \$500 per month might be needed for some families to be able to move out of a survival mode altogether, allowing them to focus on their security and growth needs.

4.4.2. What Financial Needs (Survival, Security, or Growth) Do Participants in the CSA Only and Quarterly Deposits Groups Imagine Meeting with an Extra \$500 Per Month?

In this section we explore how study participants who are receiving CSA Only or CSA with additional deposits (QD group) would use an extra \$500 per month. Families discuss how they would use additional income to meet basic expenses,

bills, and mortgage payments; to pay down debt; to save to create a financial safety net and make bigger purchases; and to provide additional experiences or opportunities for their children and family (e.g., vacations, extracurricular activities, healthy foods). Saving will not be discussed in this section. The stories that participants share about how they would use this money specifically speaks to the ability of GI payments to help low-income families pursue financial security and growth needs. This will be discussed below in the section titled “The Potential Effect of Guaranteed Income.”

Across all the ways participants imagined using additional income was the theme that it would bring a feeling of stress relief, taking a weight off their shoulders. For example, Natalia (QD) shares that she was aware that some families in the study were selected to receive the guaranteed income payments and imagined that if she were selected it would cut down on financial stress she experienced:

I was hoping that I got picked for that \$500 a month. And I didn't. I was still, you know, super grateful for, you know, just the contribution to my son's college because again, that's like, super important to me. ***But if I had an extra \$500 a month income, it would like make things that much easier for me because I could definitely get, you know, my necessary bills taken care of, which would be less of a worry for me and give me you know, more energy and mind space to focus on the things that needs to be handled that are just as important.*** So yeah, it will be somewhat of a stress relief. Money is, it's essential to survival.

Covering Bills/Basic Needs: Many parents not receiving the guaranteed income intervention said they would cover their existing bills and needs such as electricity, payments on their mortgage, and credit cards used for purchases for their children, like milk or formula and diapers. For example, Daniela (QD) mentioned, “regular milk, wipes, clothes”. Similarly, Maria (CSA Only) imagined using the money to help pay bills, “***Wow, yeah, that would be a huge help, because it would help cover bills.*** Like our electric bill, even water.” Annie (QD) simply said, “Um, that would help with bills. Yeah, that would help with bills a lot. Because right now I'm working more hours to kind of make up for everything to make sure like everything is paid on time and stuff.” Lisa (QD) shares how it would reduce the need to choose which bills would get paid and when, “***Oh goodness, that would be bills being paid on time...versus kind of like picking and choosing which card is going to get the minimum payment and which card is gonna get a little bit more payment.***”

Paying Down Debt: Parents imagined using the extra \$500 per month for their car or mortgage payments, opening possibilities for them to save. It is also worth highlighting that participants often connect paying down their debt with having the liberty to start saving. For example, Chariya (QD) talked about how she would use the funds to make car payments and after making those payments, she would save, “Um, so we are still paying off our car. ***So, every year we put...***”

a lot of money aside just to cover for the car, so I think that if we were to have the extra, then that would be considered like a month's worth...*And then I think with that then either you can save, we can save, a little bit more than usual...*"

Taking Time Away for a Vacation: For some parents, particularly those who are more financially comfortable, they imagine less second-guessing about experiences they'd like to have as a family but currently tend to forgo, like taking a vacation. For example, Eleanor (CSA Only) shares that the needs in their family are met, but imagined an extra \$500 a month would reduce trade-offs in thinking about expenses beyond what they currently can afford:

It might mean, probably spending more money, like putting it more towards like healthy food choices, which we try to make the best we can with what we have... It might mean, like, *putting some money aside* for repairs or things in our house that don't have to happen, but could happen. *It might mean less hesitation in planning in terms of, do we want to go somewhere for a weekend and bring our kids? Like, we don't really do a lot of that right now. So, it could mean something like that, like more opportunities in that way.*

4.4.3. What Financial Needs (Survival, Security, or Growth) Do Participants in the Guaranteed Income Group Meet with the Extra \$500 Per Month?

Here we examine what families in the guaranteed income group talk about using their money for. Every month spending data for the total participants in the guaranteed income group (i.e., all 333 families receiving guaranteed income) was collected from the prepaid debit card to determine how participants have been spending the extra \$500. Those data were categorized into merchant category codes (MCC) that corresponded to the transaction type (see **Table 5**).

Consistently, the largest spending category each month was food, followed by sales/merchandise, which were likely also food purchases at wholesale clubs and larger stores like Walmart and Target. Other leading categories each month were utilities and auto care or transportation. **Table 5** in the appendix shows the percentages of tracked disbursements in each spending category, starting with the first disbursement in February 2019 and ending one year later. By far, what families are spending their money on the most is food. What families in the guaranteed income group talk about spending their money on are very similar to those things' families in the CSA Only and QD groups talked about (e.g., paying bills, meeting basic needs, paying down debt, and saving). Furthermore, while a main theme in the CSA Only and QD groups was how stressful their financial outlook made their lives, the GI group spoke about how having the extra \$500 helps to reduce stress in their lives.

Reduces Financial Stress: As was the case with the CSA Only and QD groups, financial stress is again a consistent theme among the GI group. Importantly then, in the case of the GI group they discuss how receiving the monthly

Table 5. Top 5 categories of monthly guaranteed income spending from November 2022 - March 2023*.

Row Labels	Sum of Transaction Count	Sum of Transaction Amount	Average Ticket	Monthly Trans-actions	Monthly Spend
2022—11	39	2592.61	\$66.48		
DISCOUNT STORES	14	992.96	\$70.93	18.18%	26.89%
FOOD & GROCERY	9	578.2	\$64.24	11.69%	15.66%
APPAREL & ACCESSORIES	5	413.03	\$82.61	6.49%	11.19%
TELECOM/UTILITIES	2	304.81	\$152.41	2.60%	8.25%
RESTAURANTS	9	303.61	\$33.73	11.69%	8.22%
2022—12	162	7105.74	\$43.86		
FOOD & GROCERY	70	3541.42	\$50.59	25.09%	31.25%
DISCOUNT STORES	18	1089.48	\$60.53	6.45%	9.61%
QSR (Quick Service Restaurant)	54	925.16	\$17.13	19.35%	8.16%
WHOLESALE CLUBS	11	816.18	\$74.20	3.94%	7.20%
TELECOM/UTILITIES	9	733.5	\$81.50	3.23%	6.47%
2023—01	307	10645.17	\$34.67		
FOOD & GROCERY	115	4797.87	\$41.72	23.19%	25.29%
QSR (Quick Service Restaurant)	125	1652.52	\$13.22	25.20%	8.71%
TELECOM/UTILITIES	16	1413.21	\$88.33	3.23%	7.45%
DISCOUNT STORES	33	1391.35	\$42.16	6.65%	7.33%
PROFESSIONAL SERVICES	18	1390.22	\$77.23	3.63%	7.33%
2023—02	358	15071.6	\$42.10		
FOOD & GROCERY	136	7279.55	\$53.53	23.05%	30.28%
DISCOUNT STORES	48	2572.91	\$53.60	8.14%	10.70%
RESTAURANTS	53	2168.41	\$40.91	8.98%	9.02%
QSR (Quick Service Restaurant)	104	1705.84	\$16.40	17.63%	7.10%
WHOLESALE CLUBS	17	1344.89	\$79.11	2.88%	5.60%
2023—03	455	18885.96	\$41.51		
FOOD & GROCERY	169	7954.5	\$47.07	20.63%	23.57%
PROFESSIONAL SERVICES	52	3902.73	\$75.05	6.35%	11.57%
DISCOUNT STORES	75	2830.94	\$37.75	9.16%	8.39%
QSR (Quick Service Restaurant)	133	2172.66	\$16.34	16.24%	6.44%
TELECOM/UTILITIES	26	2025.13	\$77.89	3.17%	6.00%

*The researchers cannot get individual spending data. Therefore, these data are for all respondents in the GI & QD group (N = 333), and not just for those interviewed for this qualitative study.

payments reduces the amount of financial stress they are experiencing. For example, Theo (GI) succinctly said, “I think we’re just simply able to have a *little bit less stress on us financially*”. Xue said it brings, “peace of mind. Having to not worry *as much* as we did before...Especially when it comes—to when it comes to our kids.” Teresa (GI) said it gave her, “Relief...It took like a *little weight* off of me.” It is important to note here that families in the GI group are consistent in referencing how the payments help to reduce stress, but it is also clear that it does not eliminate the financial stress they are experiencing.

CSA only and QD group participants who imagined spending an extra \$500 per month, and GI participants receiving \$500, both share that they would or are spending it in similar ways: paying bills, reducing debt, reducing the number of hours they must work, participating in extracurricular activities (including vacations), and starting saving. However, saving will not be discussed here because it also has implications for the section below on “The Potential Effect of Guaranteed Income.” Therefore, it will be discussed there to save space and avoid duplication of information.

Covering Bills, Basic Needs, and Healthier Food: Teresa (GI) shared that buying healthy food was her use of the guaranteed income, “We spent it all on food. It’s helped us be able to maintain a healthy lifestyle nutrition wise, because we can buy all the fruits and vegetables we want.” In Diana’s (GI) case, the food assistance she receives is not enough for her family, so she also talks about buying food, “*Our food support is only like \$281 a month. So, that extra \$500 helps...*So, like that helps as far as okay, I can afford [my daughter] another gallon of milk or two. I can get her some more juice. We can buy eggs...So, it definitely helps.” Diana’s energy assistance is also not enough, so she also shares how it helps with her energy bills:

“We’re on a program that’s called Energy CENTS... because, again, I couldn’t really afford...to pay the bill all the time every month. You know, I would, you know, ‘rob Peter to pay Paul,’ as my grandmother and my mom used to say....that extra \$500 is coming in, that’s helping me with that.”

Although Theo shares that he “leaned a little bit more conservative politically” and acknowledged some “irony...hmm, I’m not sure this is something that I would necessarily want to support on paper...” However, the experience of receiving the additional income has shifted his thinking because it has reduced the amount of financial stress they experience, “We’re just seeing the need first of all, because it’s just getting harder and harder, the way [my wife and I] were kind of swapping back and forth with [caring for our son].”

Reducing the Need for Debt: Diana (GI) talked about how the extra \$500 per month allows them to buy basic needs and reduces the need to borrow as much,

So, with this, I don’t have to borrow. I mean, you know, you’re gonna have to borrow here and there but it’s not as much, you know, so I can say, okay, if I get a check at the first of the month, I know by the 15th I’ll

have another check. So, it definitely helps. It, you know, it's not as bad as it was beforehand.

Reducing Number of Work Hours: When Kanal's (GI) wife had their son, she left her job, and so the guaranteed income is replacing some of her lost earnings,

\$500, that's helping us, you know, this time especially. Before we don't have that much of a problem *because my wife used to work*...we had a baby and then my wife, like later she quit and then she didn't get anything from work [like] a parental leave...*the \$500 is covering both baby expenses for like clothing and then diapers and even for food.*

Like Diana, Kanal's families are using the \$500 to meet their survival needs.

Extracurricular Activities and Vacations: For Diana (GI), the flexibility of the guaranteed income means that she can think about taking her daughter out for a date, "Like I said, that more for you to probably take your kid out somewhere, you know, like a dinner date. You know, a mommy daughter day or something or, you know..." Other parents spoke about child-related expenses that they've been able to pursue that they otherwise would not. For instance, Eliza shares how the extra money is giving her family something extra to live for,

I would say *it gives us the opportunities* to allow our kids to pursue, you know, [our daughter] to pursue other things like, you know, I've used some of it for, like community programs for her to be in gymnastics and, you know, to go into swimming and things like that. So that she's able to, you know, participate and she was a COVID baby, so she didn't get a lot of interaction with people for the first few years of her life. And so, I think that that's important to be able to *use that money to help with the things that we would like for her to do.*

Discussion: When participants in the CSA only group and the QD group were asked to imagine receiving an extra \$500 per month, they shared how it would help them meet their basic needs (e.g., pay bills, buy food, etc.), pay down debt, save to create a safety net for emergencies, and pay for additional experiences or opportunities for their children. It is important to note that the kinds of things these participants referred to when describing their financial outlook were the same types of things, when they imagined how they would spend an extra \$500. That is, participants did not imagine buying new fancy outfits, eating expensive meals, or buying a new fancier car. This is counter to narratives that suggest if low-income families were given more money, they would use it unwisely (Schulte, 2022). A policy implication is that low-income families who are given access to a guaranteed income program such as in *Boost*, by and large can be expected to use the money to improve their life circumstances.

The overarching theme in how participants were imagining receiving an extra \$500 per month was its potential to reduce the amount of stress in their lives. Consistent with previous data (Bennett, 2023), it is clear from the participants

that living a subsistence lifestyle is riddled with stress derived from having to make difficult, costly decisions about the tradeoff of surviving today versus the need for positioning them and their children for a better tomorrow. Further, research from past research on guaranteed income programs has shown that receiving cash payments is associated with lower levels of financial stress (West et al., 2021). At a time when mental health is at the front of America's national consciousness, a clear policy implication is that programs that can reduce financial stress are likely to make a significant difference in mental health over all (West, Baker, & Doraiswamy, 2023).

4.5. How *Boost* Facilitates Pursuing Security and Growth Needs

Tangible dreams are grounded in the here and now, even though they are about what is possible in the future. For a dream to be tangible there must be grounds in a person's life for believing the dream is possible. That is, dreams come with a sense of attainability. As such, these dreams become more like goals, something to act on. The opposite is also true. If the environment provides cues that the American dream is not tangible, action starts to look futile. From this perspective, the kinds of dreams people can imagine for themselves and whether they are actionable depend, at least in part, on the environment they live in.

For example, Airi (CSA Only) only sees one American dream and it is reserved for white wealthy families who have different life chances (i.e., opportunities).

American dream? I don't know. I never thought about it. I think it's unequally distributed. Some people get it, some people don't get it. I think almost like a draw of luck or something. ***And I think draw of luck is determined by class that you were born.*** So, I never thought about the American dream. I guess it's a lot to do with money. But I mean, yeah, ***I'm sure it's not luck. I think it's more to do with are you white? Are you coming from wealthy family that you had all the opportunity to actually even... get to dream?***

Lisa (QD) illustrates how the American dream can instill a sense of hopelessness among families for whom it does not seem tangible:

You know, it's so I hate the American dream. [Chuckling] It kind of gives this this false hope like I...at this point when I was looking for housing, ***I had saved up enough for almost half of a deposit on a home, had about \$10,000 in the bank.*** And I went to a lending bank and mortgage and was looking for homes and stuff and because I was, like, well if I can't find anything to rent, I might as well. Let me find something to buy, bet it would be cheaper anyways. ***I got turned down by three different banks, because my monthly income was not enough. And that was such a hard blow that I went and splurged.*** I was like well, this \$10,000 sitting here I can do so much other stuff with it. I'm gonna go do this. Me and my kids are gon-

na go on a vacation. ***And we did. We went on vacation and so when I look at the American dream or when I think about the American dream, I have to remember that it's not for everybody.***

Even though Lisa had saved a lot for a person in her financial position to help buy a home, her environment told her was that buying a home was not a tangible dream for her. The reality of this was so strong after she was turned down by the banks, that she rejected the idea of buying a home altogether.

Emily (QD) refers to the American dream as a joke.

It's...unattainable for a lot of people. And I think that that is a very large part in due to the way that our society is structured. And the way that it values or doesn't value people and institutions and goals. I think that the way that, like the economy is right now. Like inflation, cost of living, underpaying a lot of different professions. I mean, you know, the debt that so many people have, I mean, a lot of my peers can't even buy a house, probably will never be able to. And that's literally part of the American dream. ***So, I mean, I think a lot of people see it as like a joke now. And to be honest, it kind of is.***

Calling something a joke might be one of the strongest ways that a person can express how far removed something feels from being tangible.

Helen (GI) also does not see the American dream as being tangible for her:

But when I was, you know, first came, I think the American dream was that we are financially stable. That's, I think that's what everybody think about, like have a house, have a good house to stay in and have a happy family and just like, no conflicts and the kid go to college, you know, the parents have good job. ***So that was what I used to think but now I feel like, life is too stressful for us, and specifically our generations.*** And there are just so many things going on right now.

However, in as much as the notion of the American dream is based on a person's reality, it would also be reasonable for these dreams to change as a person's realities change. For Eliza, her first thought for how she would use the monthly guaranteed income payments was to save it for her daughter's education:

I was just recently laid off from my job in the beginning of February. I've been in the industry for 21 years and at that specific job for 15. So that's been a little bit of a struggle...It was nice to have that additional to be able to use it and, you know, ***we initially had planned to like, save that for, you know, the education and things like that.*** You know, now with the financials changing in the house, we're still happy that we have that opportunity to receive that additional income as my, you know, income has substantially changed. So, we can, you know, use that for any, you know, paying any of the bills or food or gas or anything like that, that we need to. So, it does help, it's helpful.

However, Eliza's story shines light on when financial outlooks change, which financial needs an individual is focused on can also change, they are not fixed. While she wanted to save for her growth needs initially, when she was unexpectedly laid off, her focus changed to her family's survival needs.

This might be one of the strengths of an intervention like *Boost*. Emily (QD) shares the idea that programs like *CollegeBound* can change what people are capable of dreaming, by changing their environments:

I don't think that our society in the United States is set up in a way to facilitate that [a broader notion of the American dream]...*I'd like to see it change. I think programs like CollegeBound...are doing that. I think it's a big start.* I think it's fantastic. And more people should know about them, and they should fund them. *Because I think that's the only way that we help people actually achieve, like, the American dream...* Otherwise, you have like 1% of people achieving, achieving the American dream.

In the next section we will examine participants' perceptions of how combining guaranteed income with a CSA program has potential to change their capacity to focus on building wealth.

4.6. The Potential Effect of Guaranteed Income: Do Participants Imagine or Use an Extra \$500 Per Month on Meeting Security and Growth Needs?

Here we examine the perceptions of participants' understanding on how receiving an extra \$500 per month could (CSA Only and QD) or does (GI) affect their understanding of their financial needs. That is, do participants talk about using the extra \$500 almost exclusively on meeting their survival needs or do they also discuss how it would allow them (CSA Only and QD) or is allowing them (GI group) to start saving for their security and/or growth needs. While families also talk about how the extra \$500 allows them to meet their survival needs as discussed above. Another theme that arises is how it has allowed participants to start planning to save for their security and growth needs. For some participants, all they need is extra money in order to save and build wealth, their survival needs were already being met. Others needed a portion of the \$500 to meet their survival needs, and so they felt that only part of it could go toward security and growth needs.

It is important to point out that for some participants, the extra \$500 was not enough to put them in the position of having their survival needs met. They shared that they had used all of the \$500 to meet survival needs. For example, Diana (GI) used the extra \$500 to meet survival needs, "So, with this, I don't have to borrow. I mean, you know, you're gonna have to borrow here and there but it's not as much, you know, so I can say, okay, if I get a check at the first of the month, I know by the 15th I'll have another check. So, it definitely helps. It, you know, it's not as bad as it was beforehand." However, most participants could only imagine how the \$500 per month would allow them to begin pur-

suing some portion of their security or growth needs. Only the GI group could actually speak to how the \$500 is facilitating their pursuit of some portion of their security or growth needs.

4.6.1. How the CSA Only and QD Groups Imagine Receiving an Extra \$500 Per Month Would Affect Which Financial Needs They Would Pursue

We know from prior work that many families report they do not have three months expenses saved and that it would be difficult to fully cover an emergency expense of \$400 (Board of Governors of the Federal Reserve System, 2023). When talking to the CSA only and the QD groups they similarly report on not being able to save as they struggle to meet their survival needs. However, when asked to imagine receiving an extra \$500, they imagined this money helping them to start to save. Specifically, some participants imagined using the extra \$500 for building emergency savings (i.e., security needs), while others talked about using it for things like their child's college education (i.e., growth needs). And one participant even talked about how having the extra \$500 could be used to protect their existing savings. The important point is they imagine the extra \$500 would allow them to shift from spending most of their energy on survival and begin to focus on security and growth needs.

When asked to imagine what it would mean to receive an extra \$500, Kayla (CSA Only) says, "I think that would be huge. I think we don't have ... a lot of like expendable income right now. *And so, it feels like if anything comes up like we had, I don't know like, a vet bill or like anything that can come up unexpectedly. We don't have like a nest egg or anything.*"

Other parents talked about how they imagined using the extra \$500 per month to save explicitly for their growth needs, such as their children's education. As an immigrant to the United States, Kara (QD) grew up in a turbulent situation and is a self-professed saver who will "stash" money away. She imagined using the extra money to save for her son's future education:

So, when I come into some money, my first thing is we're gonna stash some of it away. We're gonna pretend we're not getting \$500...When [my son] was born, I have this background. We're going to open up a college savings account for this little fella...And so, we did and, you know, we're putting money away, we're putting money away. And then when [my daughter] was born, I said, 'Hey, we're gonna open up an account for her and we're gonna put money away money away, right?'"

Perhaps Blanca's (QD) comments most clearly illustrate Xiao & Anderson (1997)'s financial needs theory of saving,

I mean, it would help but...when I say there's nothing to spend it on... it would just go into savings because we have food. We have gas. Our bills are paid. It would just be a matter of putting it into savings, emergency fund... We want or need for nothing.

Even though their annual income is relatively modest (between \$55,001 and \$75,000) her family's survival needs are being met. Therefore, she feels free to dream of saving the \$500 to build an emergency fund.

4.6.2. How Receiving an Extra \$500 Per Month Effects Which Financial Needs the GI Group Pursues

For Ava (GI), because both she and her husband have jobs that do not provide retirement benefits, they have been able to use the guaranteed income to start saving for retirement for the first time:

*We have zero retirement...that money, like I haven't even touched it. It's in, you know, it's in an account that I feel like it's safe and my goal is to be able to at the end of the, you know, at the end of this term, **like actually be able to put that money into like a Roth IRA** so that we have some sort, some sort of like retirement cushion...**maybe we'll have to use it for something else and it will be a big deep breath that the money is there to pay that bill or something like that.***

Ava became emotional thinking about being able to realize this retirement savings. Getting choked up, she shared the feeling was “financially we don't have to grind...like if we were to be putting money away in a Roth IRA, it would be taken away from something else, you know that, like, I mean, right now, we can't afford to do that.” However, sees this saving as also meeting their security need if an emergency pops up.

Upon learning she would be receiving guaranteed income, Ally (GI) immediately thought about saving for the home they hoped to purchase in the next couple of years:

It was like, awesome. I was like, I have so much hope into like, having—planning for my future...***The most valuable thing is, like, keeping it, keeping that \$500 in our saving account,*** so that, you know, we don't touch it. It's gonna add up, little by little, like every month and then somehow, hopefully, it can, like, add some interest to it. ***Then when we think about purchasing a house, it's going to be really helpful to us.*** So, when we didn't have it, I was thinking about, like, I'm gonna need to look into a part time job, like doing in the evening. ***Right now, I also do a part time job like three hours a day. But that is just like to cover like, for diapers for other expenses [for their son]. Other stuff, not like saving up. We can't really use that money, my part time job, for saving up, it just like to other small stuff,*** to purchase, but then that \$500, after receiving that \$500, we are like, really—***It really helps us to, to move forward.*** I also use my husband income, to pay off my student loan. And I think we don't really have that extra thing to spend, like not about spending but also save enough. ***We don't have any extra saved but then since we got the \$500 income, it help us to really put that into saving.***

Participants' statements on saving align with Xiao & Anderson (1997)'s finan-

cial needs theory. That is, they provide evidence that when families can adequately meet a certain level of their basic needs, they start thinking about how to affect their futures (i.e., become future time oriented). Moreover, importantly, these participants identify saving and building wealth as a step they can take now that is connected to changing their futures.

Guaranteed Income Helps Create an Environment Rich for Dreaming (Thinking about the Future)

Participants in the combined GI group discuss how receiving the monthly guaranteed income payments has helped them to dream about a different future. For example, Theo (GI) shares,

Well, yeah, I think we're just simply able to have a little bit less stress on us financially, we're able to save up more...***like our spending hasn't changed, but we now can think a little bit more about, like, what could this money be used for in the future?*** We're kind of seeing it as like our food money. But I mean, at the end of the day, that means that we're not changing how much money we're spending on food, ***so we're just saving our money in the long run and allowing it to kind of build up.*** So, it's just kind of allowing us to have a ***little more freedom to think what could be best for our family right now.***

This is important because it suggests that adding the guaranteed income component to CSA programs can change participants' environments in such a way that they feel even more strongly that they have an opportunity to think about the future (i.e., environment rich for dreaming). He also suggests when he says, "we're not changing how much money we're spending on food" that the cost for his family to save is now less and thus saving feels more realistic.

When asked about what being selected in the guaranteed income condition meant, Ally (GI) states, "It was like, awesome. I was like, ***I have so much hope into like, having—planning for my future*** like okay, that money I'm not gonna touch it and we're gonna, you know, it's gonna be something that helped me...like get a house...***I'm gonna save, saving up.***" What is suggested is that participants understand that assets are about their futures. Teresa (GI) makes this link clear when she says, "That and also—but I would also put that with being able to save money for my daughter's future." That is, participants do not talk about spending for the future, they talk about saving for the future.

Discussion: In line with financial needs theory (Xiao & Anderson, 1997), all three groups in this study share a common theme of how an extra \$500 could or does provide them with the opportunity to save for their security and growth needs. Similarly, West et al. found that participants in a guaranteed income program they studied reported shifting from immediacy toward goal setting (West et al., 2021). In addition to discussing saving for emergencies, study subjects talk about saving for retirement, buying a home, and planning for their children's futures.

A policy implication is that, at least for families in this study who are at 300% of the poverty line or less, receiving a guaranteed income payment of \$500 per month appears to be enough to at least shift their thinking from thinking about survival needs to thinking about their security and growth needs. This seems important when trying to figure out what the amount of a guaranteed income should be (i.e., is \$500 the right amount). However, not for all. Future research may also want to examine different levels of poverty (e.g., families at 100% of the poverty line) and different amounts (e.g., \$1000 GI payments) to determine for which groups \$500 is enough and who might need more.

Further, findings suggest that institutions and the environment can play a role in which level of needs people are oriented toward (survival or higher needs). A policy implication is that programs like *Boost* that combine income and CSA strategies together might be able to play a vital role in providing low-income families with an environment rich for pursuing their security and growth needs. And to the degree social welfare policy's purpose is to assure families have something to live on, and not just that they can survive, programs like *Boost* might be a step in the right direction.

5. Conclusion

A hurdle to low-income families being able to build assets for early human capital investments such as education is simply that they do not have enough money left over after they pay for their basic needs. Programs like guaranteed income can play an important role in assuring that low-income families have enough income to save for these needed early investments. However, how we think about what the right amount of guaranteed income is, for example, would need to go beyond current models which attempt to figure out what amount of money is needed for survival. Instead, they would also have to consider what amount of money is needed for families to be able to build assets for the purpose of growth and development, giving them something to live for. Similarly, Michael Sherraden (1991), in *Assets and the Poor* states,

In this light, welfare expenditures would not be viewed as unproductive drains on available resources, but as essential investments in the future. To put this another way, policy would move away from support and toward growth, away from entitlement and toward empowerment. This is not to abandon the concepts of need and charity, but to recognize that full development of the poor is in the best interests of both the poor and the nation as a whole. (p. 190)

The notion that low-income people should be assured only a life of subsistence ignores the American ideal written into the U.S. Constitution that every person has an inalienable right to liberty. Combining income and asset strategies might be an important weapon for waging war on lack of opportunity in America, one that has a chance to make the American dream tangible to all.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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