

MAYOR BARAKA LAUNCHES GUARANTEED INCOME PILOT PROGRAM

Newark, NJ - May 10, 2021 - Mayor Ras J. Baraka today launched the Newark Movement for Economic Equity, a two-year research study that will give a guaranteed income, or unconditional cash payments, to Newark residents. The city will start with an initial cohort of 30 residents before scaling to 400 residents in Fall 2021. An early adopter of guaranteed income, Mayor Baraka first called for the policy in his 2019 State of the City Address. Now, Newark's pilot will be one of the nation's largest in collaboration with Mayors for a Guaranteed Income, a national network of mayors advocating for a guaranteed income to ensure that all Americans have an income floor.

The pilot program is one of many initiatives established by Mayor Baraka to address the economic insecurity faced by Newark's residents, and also serves as one component of his comprehensive equitable development strategy for Newark. In a city where about one in three residents live below the federal poverty line, the pilot program will be a much-needed source of financial relief, and allow residents to stave off falling into a deeper cycle of economic insecurity. The research study will be led by the Center for Guaranteed Income Research (CGIR), and will be conducted in conjunction with Mayors for a Guaranteed Income, a national organization advocating for and supporting pilots around the country.

“We must emerge from the COVID-19 pandemic with new purpose, new vision, and new ideas to transform our community and truly improve the quality of life of our residents,” said Mayor Baraka. ***“Here we have an opportunity to directly empower and strengthen hundreds of lives immediately, while also demonstrating how to do so to the entire nation.”***

One of the goals of this pilot is to layer guaranteed income over Mayor Baraka's existing equitable growth strategies and wraparound services provided by various nonprofit organizations. To recruit the first cohort of residents, the program worked closely with more than 30 nonprofits and municipal departments to identify residents who qualified for the program. To qualify, individuals must be at least 18 years of age, reside in Newark, and possess income levels at or below 200 percent of the federal poverty threshold. Outreach to approximately 1,400 Newark residents will continue through virtual informational sessions hosted in English, Spanish, French, and Portuguese, and a campaign including e-mails, phone

calls, and text messages. This engagement process will provide residents from all of Newark's five wards with the opportunity to participate in this program.

“Today’s launch of a guaranteed income pilot is a testament to the collective approach to governance that Mayor Baraka has spearheaded since he took office in 2014,” said Kevin Callaghan, Newark’s Philanthropic Liaison. ***“Together, we have built a model public-private partnership that establishes Newark as a national leader in innovative approaches to financial security, while keeping our residents at the center.”***

A unique feature of Newark’s program is the frequency at which individuals will receive disbursements. Participants will receive \$6,000 per year for two years, with 50 percent receiving the payments on a bi-weekly basis and 50 percent receiving the payments twice yearly. This examination of frequency, along with Newark’s focus on housing insecure individuals and unique approach to selecting recipients, will add significantly to the national body of research on how best to structure an unconditional cash policy on the state and federal level. The pilot will target a range of residents facing housing insecurity including the undocumented, newly housed and formerly homeless, formerly incarcerated individuals, and youth aging out of the foster care system.

“As a Newark native and resident, I understand how this intervention will go a long way,” said Hawwa Muhammad, Program Manager of The Newark Movement for Economic Equity. ***“In gearing up to launch this program, so many residents I have connected with are eager about a program that will help them get back on their feet and participate in the local economy.”***

The program has partnered with MoCaFi, a Harlem and Newark-based, African-American-owned fintech company as its financial disbursement partner. MoCaFi will provide financial banking, as well as optional credit building, and wealth coaching services to pilot participants.

“We are pleased to partner with the City of Newark at the vanguard of the movement to address the racial income gap through Guaranteed Income,” said Wole Coaxum, Founder of MoCaFi. ***“What was once considered an avant-garde concept is gradually being accepted and implemented across the nation as a way to ensure economic mobility among all Americans, especially in communities of color.”***

The Newark Movement for Economic Equity is a collaboration between the Office of Mayor Baraka, Mayors for a Guaranteed Income, MoCaFi, the philanthropic community, and Newark residents. The Newark Guaranteed Income Task Force and resulting report, Building Financial

Security: Newark's Roadmap Toward a Guaranteed Income, received significant support from the Jain Family Institute and the Economic Security Project. This collective approach has helped the City of Newark identify \$2.2 million in private funds to date, led by the Victoria Foundation, Mayors for a Guaranteed Income, and anonymous donors, and we continue to seek funding partners for this innovative program.

Interested donors can contact Mr. Callaghan at callaghank@ci.newark.nj.us for more information. Contributions will support the City's goals to pilot guaranteed income, uncover unique research insights that will be used to inform policy, and help residents become financially secure and resilient.

To learn more visit <https://newarkequity.org>

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