WEALTH AND HEALTH EQUITY
INVESTING IN STRUCTURAL CHANGE

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ABOUT THE SPOTLIGHT

Despite the well-documented connection between health and wealth, investing in this intersection is still a new approach for many grantmakers. With the goal of inspiring increased philanthropic attention, exploration, and replication, this new spotlight elevates responsive philanthropic strategies that support both health and wealth and builds on the ideas presented in AFN’s 2017 brief, *The Health and Wealth Connection: Opportunities for Investment Across the Life Course*.

This report focuses on the adult stage of the life cycle (30-50 years) to build on the interest and demand from AFN members to serve individuals and families. From our research, this age segment has a moderate amount of health-wealth integration activity, often through interventions targeting individual behaviors or the circumstances in which people live to improve health and wealth outcomes. The goal is to inspire more philanthropic investment for individuals and families by highlighting research and examples, offering recommendations, and expanding on promising interventions through broader policy change and structural reforms.

COVID-19’s grossly disproportionate impact in communities of color is both revealing and exacerbating inequalities across racial and economic lines due to a long history of structural racism. Now, more than ever, we must collectively take radical steps to ensure that all young children and their families, regardless of their race or socioeconomic background, have the potential to survive the current pandemic and thrive in the future. This means supporting systemic changes that improve housing, economic stability, wealth building, and other social determinants of health, alongside investing in on-the-ground programs that achieve positive health and wealth outcomes. Philanthropy has an opportunity to be bold, lead with action, and leverage its influence.

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The intersections of health and wealth impact us throughout the life course, and both are prominent forces in adulthood for prosperity and well-being. Evidence of the connection between wealth and health for adults is overwhelming. Adults with greater wealth are healthier, and those who are in good health are able to build more wealth. Adults with access to good jobs and benefits, quality and affordable education, health care, housing, transportation, financial services, and a fair justice system — all free from discrimination and racism — are more able to build assets and be healthy, which in turn improves access to these essential components of a good life. Systemically, these elements are denied to most, especially communities of color. The socioeconomic and racial disparities in infection and fatality rates during the ongoing COVID-19 crisis have dramatically exposed the racialized connection between wealth and health.

Building on the Asset Funders Network’s the Health and Wealth Connection: Investment Opportunities Across the Life Course brief, this paper details:

- What we know about the health-wealth connection for adults.
- Why investment in integration is important.
- How philanthropy can contribute to improving health-wealth outcomes for adults.

The conditions in which we live, work, learn, and play significantly impact our health and economic well-being. In turn, our economic stability is a social determinant of health, and our health influences our financial bottom line. The reality is that much of what makes us healthy and financially secure is rooted in our community conditions and not individual behaviors, and the conditions across communities are not equitable.
THE HEALTH-WEALTH CONNECTION FOR ADULTS

While health and wealth during childhood has an enormous impact on the health and wealth of future adults, the health-wealth connection continues to affect adults as they progress through life. Adults who had negative health-wealth experiences as children, with the right resources and support, can overcome those experiences and build wealth and good health for their futures, and for future generations. But for this to happen, we as a society need to take steps to redress both past and ongoing injustices and inequities arising from structural racism and neoliberal economic policies.

SOCIAL DETERMINANTS OF HEALTH

The social determinants of health generally include a broad range of social, economic, political, structural, and environmental factors that affect individual and population health. In other words, our surrounding conditions shape our health and our wealth, which in turn shape each other. Black, Latinx, and low-income adults who more often directly experience negative consequences of social determinants have a better understanding of how living conditions such as income, housing, and education affect their well-being than White people and those with higher incomes.

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**SOURCE:** Kaiser Family Foundation, “Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity,” (May, 2018), [www.kff.org](http://www.kff.org)
WHAT IS WEALTH?

Wealth provides an overview of financial health; it represents our ability to deal with the economic consequences of illness, unemployment, and financial emergencies. Wealth also reflects our ability to invest in our own future and the future of our children.

— SELECTED RESEARCH FINDINGS ON THE HEALTH-WEALTH CONNECTION FOR ADULTS —

WEALTH IS A BETTER PREDICTOR OF HEALTH THAN INCOME. While income provides resources for the present, wealth generates income now and grows over time. Wealth begets wealth and can be passed across generations. The ongoing effect of wealth on health is reflected in racial health disparities. These disparities stem in part from enormous and growing racial wealth inequality, which arises more from the transfer of resources across generations than from income disparities. 3–6

Adults with higher wealth experience a range of positive health outcomes, as detailed below.

- Wealth buffers against financial stress more effectively than income. Adults from families with more assets are much less likely to experience depression. 7
- Adults who have more assets are more likely to rate themselves as healthy. 8
- Lifetime earnings, which are indicative of wealth, are correlated with life longevity. 9
- Adults without unsecured debt have lower rates of depression, stress, and anxiety, and are in better physical health as indicated by blood pressure, body mass, and inflammation levels. 10
- Families with wealth are able to help their children achieve better educational outcomes and buy homes. 11,12
- Adults who are HIV positive experience better health outcomes the more assets they have. 13
- Adults with more liquid assets, such as savings and stocks, have better self-rated health, fewer health conditions, less disability, and lower levels of distress. 14
- People who are wealthier live longer and delay becoming disabled in their later years, by up to nine years compared to those with lower wealth. 15

Analysis of data from 1.8 million banking records found large racial disparities in ownership of liquid assets. It also revealed account holders with more liquid assets were better able to maintain spending when faced with job loss, and more likely to save tax refunds. Disturbingly, the study found that people with lower liquid assets were more likely to have large health care expenditures after receiving a tax refund, suggesting they may be deferring treatment. 16,17

Wealth enables people to afford health-promoting goods and resources, to spend more time on health-promoting activities, and to feel less anxious and more in control of their lives. All of this has a direct impact on health. 14
Wealth inequality has been rising in the United States since the 1970s, with a corresponding exacerbation of health disparities. Despite overall economic growth over the past three decades, the wealth of the typical American family dropped by 3% between 1983 and 2016, while the wealth of the richest 0.1% rose by 133%. The share of wealth owned by the top 0.1% rose from less than 10% in 1980 to almost 20% in 2019. This rise in inequality resulted directly from a set of neoliberal economic policies put in place from the 1970s onwards, which deregulated markets, reduced union power, created a tax system that both demands less from and disproportionately rewards those with existing wealth, and promoted the idea that wealth comes from individual decisions and hard work, neglecting the structural conditions that shape what is possible for individuals.

Wealth inequality in the United States is heavily racialized, due to historical and ongoing structural racism. Early and mid-20th century policies, exemplified by the New Deal and the GI Bill, provided White families with a foundation of wealth through minimum-wage laws, Social Security, debt-free education, and government-guaranteed mortgages to create affordable home purchase. The advantages built on existing White land assets stolen from Indigenous people through expulsions and the mid-19th century Homestead Act, as well as de facto and de jure residential segregation. Black families — already dramatically disadvantaged across generations due to slavery, the systematic refusal to allow Blacks to accumulate wealth after the Civil War, and Jim Crow laws — were further excluded from most benefits and intentionally discriminated against through redlining, racial covenants, and other systematic mechanisms that prevented wealth accumulation.

Then, from the early 1980s through 2016, neoliberalism took hold, benefiting the wealthy and fueling racially biased mass incarceration. From the 1990s, predatory mortgage lenders targeted families of color, and the racial wealth gap between White and both Black and Latinx households increased further. Between 1983 and 2016, the wealth of a typical Black family decreased by more than 50%, while the wealth of a typical White family increased by 33%. While the wealth gap between White and Latinx families had shrunk between 1983 and 2007, Hispanic families were targeted in the latter stage of the subprime lending boom, and were particularly hard hit by the 2008 foreclosure crisis. Between 2004 and 2013, almost 25% of Latinx homeowners lost their homes to foreclosure, compared with 19% of Black, 11% of Asian, and 9% of non-Hispanic White people. Wealth of Native American families is also likely to have been reduced. While there is a troubling lack of data about Native American wealth, research shows that they have the highest poverty rate among minorities, pay higher mortgage rates than others, and have much less access to cash in case of an emergency. Asian American households overall hold equivalent wealth to White households, but this belies huge inter-group disparities. The wealthiest 10% of Asian Americans have nearly 175 times the wealth of the poorest 20%.
The homeownership gap between White and Black families is currently larger than it has been for more than 50 years, and only 1% smaller than it was in 1890. While Latinx homeownership has rebounded since the 2008 crisis, evidence suggests this may be related in part to high rates of deportation and self-expulsion among people without documents during that time, and a lower immigration rate. That is, Latinx families in the United States are more likely than in the past to be homeowners due to their status, rather than an increase in home purchase.

Only 34% of Black and 30% of Latinx families have a retirement account, compared to 60% of White families. Black families have only 10% the wealth of White families and Latinx households have only 12%. The gap increases significantly if durable assets (such as furniture or a car that cannot easily be converted into cash to manage an emergency) are excluded. The gap between White and Black families with children is even more dramatic. Black families have only 1 cent for every dollar of non-durable assets held by White families. Left unaddressed, White household wealth is predicted to continue growing, as Black and Latinx household wealth is forecasted to decline. Despite clear evidence of the racial wealth gap, the vast majority of Americans dramatically underestimate it.

As noted, racial wealth inequalities partially explain racial health disparities. However, in addition to the health effects of low wealth, people of color suffer from the direct health effects of interpersonal and structural racism. Experiencing everyday racism causes stress, trauma, and anxiety. For Black women, it causes a higher risk of preterm delivery. The health of people of color is also negatively impacted by direct racial bias in health care. Higher rates of incarceration, due to both racism and poverty, also result in worse health outcomes. There is enormous potential to improve health by reducing incarceration rates, tackling racism, improving access to housing, and increasing wealth, particularly for people of color who have had their efforts to build wealth systemically stymied for so long.

Most recently, racial wealth and health disparities have been tragically brought into focus by the disproportionate impact of the COVID-19 health crisis on Black, Latinx, Asian, and Native American people. This is due in part to existing health disparities arising from low wealth and racism, such as higher incidences of diabetes, heart disease, high blood pressure, and obesity, which are associated with more severe symptoms of COVID-19. People of color also are more exposed to the risks of infection from overcrowded or multi-generational living conditions, reliance on public transportation, and greater likelihood of working in low-wage, high-risk jobs, with limited access to paid sick or personal/family leave, or the ability to work from home. The ability to social distance is directly related to assets. Due to low wealth levels, people of color were also more likely to be financially vulnerable before the crisis, and are therefore more likely to be feeling nervous, anxious, or on edge as the crisis has unfolded.

As the crisis has unfolded, wealth disparities have become starkly evident. The median wealth of Black and Latinx families is much lower than that of White families. Without durable goods, Black families have only 10% the wealth of White families, and Latinx households have only 12%. The gap increases significantly if durable assets (such as furniture or a car that cannot easily be converted into cash to manage an emergency) are excluded. The gap between White and Black families with children is even more dramatic. Black families have only 1 cent for every dollar of non-durable assets held by White families. Left unaddressed, White household wealth is predicted to continue growing, as Black and Latinx household wealth is forecasted to decline. Despite clear evidence of the racial wealth gap, the vast majority of Americans dramatically underestimate it.

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Debt reduces wealth. The more debt a person has compared to their assets, the less wealthy they are. The past four decades have witnessed a dramatic increase in household debt in the United States. Debt can be helpful if used for a productive investment such as buying a home or car, paying for an education, or managing temporary cash flow imbalances, and if it is affordable. However, low- and moderate-income people and people of color tend to pay more for these types of debts, given lower credit scores and racial bias in lending, and are more likely to struggle to repay.

A third of people in the United States with a credit report have an account in collections, rising to nearly half of all non-Whites. As people fall behind on payments, wages and accounts may be garnished. They risk losing their homes, vehicles and other assets, and their credit reports are damaged, limiting access to resources.

Many families, particularly families of color, are increasingly taking on debt simply to meet basic needs due to low incomes, higher costs of living, and little to no assets. They often take on high-cost, predatory debt from alternative financial services providers such as pawnshops, rent-to-own stores, auto-title lenders, and payday lenders. They incur non-loan debt such as medical debt, or arrears on rent, utility bills, taxes, child support, tickets, and legal fines and fees.

They acquire overdraft debt, which is disproportionately held by low-income people. They rely heavily on informal loans and transfers of goods and services between friends and family, burdening already strained networks and perpetuating exclusion from formal credit markets.

All of these debts intersect with volatile incomes to create an often-un manageable burden for low- and moderate-income households. Families with overwhelming debt risk food insecurity, utility disconnections, and evictions.

Burdensome debt not only undermines financial security, but it is also associated with serious negative mental and physical health issues. People who are not burdened by unaffordable debt:

- Live longer.
- Experience less depression, anxiety, and anger.
- Are less likely to be suicidal.
- Are less likely to have substance use problems.
- Are less likely to be obese.
- Report being in better general physical health.
- Have healthier blood pressure levels.

### STUDENT LOAN DEFAULT RATES IN BLACK-MAJORITY ZIP CODES DOUBLE THOSE IN WHITE-MAJORITY ZIP CODES

Borrowers in Default, 2019:Q3

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<th>WHITE MAJORITY</th>
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<th>LATINX MAJORITY</th>
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<tr>
<td>Borrowers in Default, 2019:Q3</td>
<td>8%</td>
<td>18%</td>
<td>20%</td>
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**Sources:** New York Fed Consumer Credit Panel / Equifax; Census Bureau.

**Note:** Borrowers are grouped by the racial majority in their zip code and represent area composition because individual information is not available (for example, in majority-white zip codes, 50 percent or more of the residents are white).
When it comes to debt, for example, a structural violence framework helps us understand how specific economic policies have resulted in over-indebtedness, and the associated negative health consequences, for specific populations.10,75

The debt that burdens families in the United States arises from a particular set of political-economic policies layered on a historical legal foundation of racialized economic inequality. Since the 1970s, neoliberal economic policies, alongside deindustrialization, technological change, and globalization, have resulted in cuts to government-provided benefits and supports, stagnant wages for all but the highest income earners, and insecure and unpredictable incomes for a growing number of households.91,92 Simultaneously, the cost of housing, health care, and education have exponentially increased.

Not all debts have equal health effects. Unsecured, non-mortgage debt is a particularly strong predictor of worse mental and physical health. Research on payday loans, for instance, finds that these high-cost, short-term loans, which are more likely to be held by Black and Latinx people, are associated with high blood pressure, obesity, inflammation, and self-reported negative physical health.10,75

The debt burden in the United States is heavily racialized, feeding into and building on racial discrimination and wealth inequality and its associated health disparities.76-78

For example, people of color are much more heavily burdened by student loan debt than others.79 They leave college with higher debt, experience greater financial difficulties in repaying their debt, and are more likely than others to be in default. Black people are particularly burdened. In 2016, 85% of Black graduates had student loan debt, compared to 69% of White students, 66% of Latinx students, and 45% of Asian students, and they owed more than others. Nearly half of Black and 36% of Latinx students default on their loans, compared to 21% of White students.49 Evidence abounds showing the negative health effects of student loan debt, particularly for people of color and people with lower wealth.82,83

"THE STRUCTURAL VIOLENCE FRAMEWORK EMPHASIZES THE PROCESS BY WHICH SOCIAL, ECONOMIC, AND POLITICAL SYSTEMS EXPOSE PARTICULAR POPULATIONS TO RISKS AND VULNERABILITIES LEADING TO UNEQUAL HEALTH OUTCOMES."89

BROADER CONTEXT

The debt that burdens families in the United States arises from a particular set of political-economic policies layered on a historical legal foundation of racialized economic inequality. Since the 1970s, neoliberal economic policies, alongside deindustrialization, technological change, and globalization, have resulted in cuts to government-provided benefits and supports, stagnant wages for all but the highest income earners, and insecure and unpredictable incomes for a growing number of households.91,92 Simultaneously, the cost of housing, health care, and education have exponentially increased.

This gap between income and expenses, layered on existing and growing asset poverty and inequality, has led to pervasive financial insecurity, and a growing need to borrow to fill the gap. Costly loans have always been a feature of low income, particularly majority Black neighborhoods, due to a racist financial system.93 Today, however, there are more high-cost loan products available than ever before, made possible through changing regulations of the financial services industry over the past five decades.94,95 These include the relaxation of usury laws, changing bankruptcy laws in favor of creditors, and lowered underwriting standards.93,96 This has caused deep debt inequality resulting from and exacerbating wealth inequality.49

The social determinants of health framework is extremely valuable in making the connection between the conditions in which people live and their health outcomes, but it does not necessarily explain how and why those conditions arise. What are the root causes of extreme and growing wealth inequality in the United States, and why is it that some groups are so much wealthier than others? The concepts of structural violence and structural vulnerability explicitly seek to understand how the conditions that produce health disparities arise, and how some groups are impacted more than others.85-88

When it comes to debt, for example, a structural violence framework helps us understand how specific economic policies have resulted in over-indebtedness, and the associated negative health consequences, for specific populations.90
Interventions have the potential to target individual behaviors or the circumstances in which people live to improve health and wealth outcomes. It is important to invest in local on-the-ground programs and pilot programs to learn what is possible and where the gaps are, and then expand promising interventions through broader policy change and structural reforms.

The two examples below demonstrate promise. Focused on behavior change, the first example shows the potential of combining health and financial services in one setting.

**INTEGRATING SERVICES: NORTHERN NEVADA HOPES MEDICAL-FINANCIAL PARTNERSHIP**

Northern Nevada HOPES is a nonprofit community health center in Reno, Nevada, that serves 10,000 low-income, medically underserved adults with integrated medical care and wellness services. Based on mounting evidence between the health-wealth connection, the community health center started offering Healthy Money Habits, focused on financial behavior change using a financial coaching and education approach in late 2017. The center’s client-centered approach gives clients access to a range of comprehensive services in one convenient location and reduces stressors and barriers to care and increases the likelihood of maintaining long-term health, well-being, and financial security.

The program design process began with a formal needs assessment of the center’s patient population, with approximately 1,500 respondents. The center learned that nearly 75% lacked savings; 50% had fixed or no incomes; 50% had unpaid medical bills; and 50% expressed concern about their financial situations. In response, the program coordinator developed a flexible approach to support financial behavior change, using:

- **Individual financial coaching**, with a heavy focus on budgeting and work on specific financial goals, while building savings, increasing income, and reducing debt.
- **Individual financial education boot camp** via modules, largely based on the Consumer Financial Protection Bureau’s “Your Money, Your Money Goals.” The boot camp is comprised of four one-hour sessions tailored to the client’s financial circumstances. The series starts with budgeting and understanding values related to money. From there, clients choose modules from a menu of available topics related to money management.
- **Group financial education** sessions that are more general to build money management skills and combine health and financial aspects (e.g., eating healthy on a budget) through interagency collaboration.
- **Monthly financial newsletter** with tips, resources, and issues that is circulated throughout the clinic and behavioral health service areas.

Clients who express financial concerns or questions are referred to the Healthy Money Habits program after visiting the medical clinic, behavioral health provider, case manager, or the Medical-Legal Partnership through the electronic medical records system for integrated financial health services. When available, the financial coach meets with the client that day; otherwise, the client is given an appointment or referral. While the clinic offers access to financial, medical, and mental health services under one roof, it has learned that co-location is not enough to integrate services. Building relationships via ongoing conversations with clients is paramount for engagement, scale, and impact. The financial coach helps clients leverage and navigate appropriate supports based on their needs.

Since late 2017, 321 patients participated in the Healthy Money Habits program—about two-thirds of whom took up internal services. As short-term measures of success, participants have reported high levels of satisfaction of available services, increased financial management skills, have learned to set goals, and are working toward behavior change to achieve their goals. The program’s coaching approach will support them in increasing their financial well-being over time.

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"**OUR GIVING CIRCLE FELT THAT FUNDING HEALTHY MONEY HABITS AT NORTHERN NEVADA HOPES WAS AN IMPORTANT COG IN THE WHEEL OF A HEALTHY COMMUNITY. The relationship between stress and health is well documented, and we were hoping to assist in the relief of financial stress for some women and families in our community.**"

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**CINDY CARANO**

NEVADA WOMEN’S FUND GIVING CIRCLE
The center is looking into how they can better connect their participants’ health and financial data. In the meantime, the Healthy Money Habits program is using ArcGIS, a mapping software to see where clients at or below the federal poverty line are living for targeted outreach in the future. The program aims to work more with ICD-10 diagnosis codes on medical charts to identify additional patients to offer Healthy Money Habits services. Diagnosis codes will identify difficulties with housing, economic hardship, and credit, or medication under-dosing due to financial struggles.

Charles Schwab Bank started conversations in 2017 with Northern Nevada HOPES about the health-wealth connection and a potential pilot program. Since then, Charles Schwab Bank provided the social capital, technical assistance, and grant funding needed to launch Healthy Money Habits. Early on, Charles Schwab Bank brought in the Women's Giving Circle that emerged out of the Nevada Women's Fund to assist women and children in the early 2000s. The Giving Circle funds helped increase the center’s impact and sustainability and provided seed funds for the effort. The Nevada Women's Fund also committed three years of seed funding to build the program. The Giving Circle also provided a microloan program for women as a payday loan alternative. Last year, Nevada HOPES took over the microloan program. To date, they have made 12 low-rate loans, averaging $1,500 to $1,800. The Healthy Money Habits program now includes grant support from Bank of America, Wells Fargo, the Community Foundation of Western Nevada, and the AHEAD program from the Federal Home Loan Bank of San Francisco.

While coaching can help to reduce financial stress and increase financial stability, it is limited in terms of fostering economic mobility. To reverse a legacy of structural racism and inequality, direct resources and structural reforms that use an equity lens are needed.

The second example moves beyond behavior change, tackling the circumstances in which people live through simply giving people more income. A proven strategy, guaranteed income has the ability to smooth income volatility, increase financial stability, and improve health outcomes.

IMPROVING HEALTH AND FINANCIAL STABILITY BY GUARANTEEING INCOME: STOCKTON ECONOMIC EMPOWERMENT DEMONSTRATION

The Stockton Economic Empowerment Demonstration is the nation’s first mayor-led guaranteed income initiative in collaboration with the Reinvent Stockton Foundation, the Economic Security Project, and the residents of Stockton, California. The aim of the demonstration is to understand how a steady influx of cash changes lives — impacting recipients’ financial well-being, psychological distress, and physical functioning.

Starting in February 2019, SEED gave 125 randomly selected Stockton residents a guaranteed income of $500 per month for 18 months. Many residents in Stockton live paycheck to paycheck, struggling to stay afloat. SEED offers a direct solution to increase residents’ financial stability. To qualify for SEED, recipients had to be at least 18 years old, reside in Stockton, and live in a neighborhood with a median income at or below the city’s median household income. The median age of recipients is 42.5. To match banking behaviors in Stockton, SEED’s disbursement is administered through a prepaid debit card provided by a nonprofit organization, Community Financial Resources.

The cash is unconditional, meaning there are no work requirements or restrictions on how the money can be spent. Flexible, reliable cash gives people the freedom to respond to their needs as they arise and make effective and efficient decisions. As of October 2019, data showed that 40% of funds were being spent on food; 25% on sales and merchandise; and the rest on transportation and utilities. Recipients reported that the income has alleviated stress and helped them meet needs. Anecdotal evidence indicates that recipients can “breathe again,” with less stress and anxiety and more time with family.

SEED is rooted in empirical evidence of the guaranteed income’s efficacy, the lived experiences of program staff, the belief that the best investments are in people, and the aspiration to be responsive to the rising income inequality and volatility that undermine financial security. The current economic social safety net largely fails to provide financial secu-
Through the design and implementation process, SEED has learned a few key lessons:

- **INTENTIONAL COMMUNITY ENGAGEMENT TAKES TIME AND EFFORT.** Despite outside pressure from some stakeholders, the design process took nine months to build trust. SEED got to know the unique needs of Stockton residents — when and how they need money — and built a responsive program.

- **A SIGNIFICANT AMOUNT OF TRUST-BUILDING WITH THE COMMUNITY WAS NEEDED,** especially when public trust is so low. SEED built relationships with the community over time. Many residents thought the program was a scam at first. Trust was built through ongoing communication and presence. Staff members were broadly available for texts, calls, and emails.

- **COMMUNICATION AND TRANSPARENCY WERE PARAMOUNT.** SEED developed a purposeful communication strategy related to who was selected and why, the importance of guaranteed income, and the demonstration’s values.

As the economy moves into a recession SEED would like to extend the demonstration for another six months and is working on raising the funds needed to do so. In the meantime, SEED is involved in advocacy efforts statewide and nationally to expand guaranteed income programs as direct and effective ways to increase financial stability. Building off SEED, Stockton Mayor Michael D. Tubbs and the Economic Security Project founded an advocacy network, Mayors for a Guaranteed Income, in June 2020.

Guaranteed income is a powerful tool for financial stability that builds upon self-determination and dignity for families and should be more broadly expanded. However, it alone cannot guarantee economic mobility or reverse centuries of structural racism. Additional structural reforms centering the needs of low- and moderate-income families and eliminating or correcting the effects of racism and sexism need to support the redistribution of wealth-building capital and resources.
NEEDED POLICY AND SYSTEMS-LEVEL CHANGES

For more adults to have financial security and be able to flourish, philanthropy and government need to support efforts to address wealth and health injustice at the structural level. Interventions that target individual behaviors or circumstances will continue to create incremental changes for some adults and can be useful to identify what broader changes are needed. However,

For significant societal-level changes, philanthropy-funded advocacy, pilots programs, and research can inform and drive the public policy change that is needed to reinvent the environments in which people live and grow to have health and wealth.

The dramatic policy responses to COVID-19 show us that rapid change, even if short term, is possible. The growing demands to rethink policing and public safety in response to the long history of racist police brutality may indicate that we have reached a tipping point where the status quo will no longer be accepted.19,21 To foster equitable health and wealth results at scale, structural change is needed.

“THERE ARE NO ACTIONS THAT BLACK AMERICANS CAN TAKE UNILATERALLY THAT WILL HAVE MUCH OF AN EFFECT ON REDUCING THE RACIAL WEALTH GAP. For the gap to be closed, America must undergo a vast social transformation produced by the adoption of bold national policies, policies that will forge a way forward by addressing, finally, the long-standing consequences of slavery, the Jim Crow years that followed, and ongoing racism and discrimination that exist in our society today.”3

“SOLUTIONS TO ADDRESS RACIAL WEALTH INEQUALITY have often focused on behavioral changes and individual choices, minimizing efforts to dismantle structural barriers to wealth accumulation.”102

“INTERVENTIONS THAT FOCUS PRIMARILY ON INDIVIDUAL BEHAVIOR, SUCH AS DIET, PHYSICAL ACTIVITY, OR ALCOHOL CONSUMPTION, have shown little progress in reducing health disparities, in part because members of health disparity populations often live in environments that are not conducive to maintaining behavioral changes.”101
To ensure that everyone’s circumstances allows them to be healthy and financially secure, our systems need to be reimagined by investing in research, advocacy, organizing, and civic engagement. The box below lists measures that could lead us towards the change we need. Not all measures listed will be necessary, as some overlap and have shared goals, and some are still very much in the idea stage, with work to be done to develop and test those ideas, but it is time to take bold steps to test the options and put change into practice.

### OPPORTUNITIES FOR CHANGE

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<th>OPPORTUNITIES</th>
<th>IDEAS TO DEVELOP AND BUILD POLITICAL WILL</th>
<th>PROGRAMS TO TEST FOR EFFECTIVENESS AND REFINE TO ADDRESS UNINTENDED CONSEQUENCES</th>
<th>POLICIES READY TO IMPLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY AND REDISTRIBUTION</strong></td>
<td>Racial, ethnic, and class inequities that are deeply rooted in history and legal classifications will persist, unless we take action to rebalance the distribution of wealth, so that everyone has the same foundation on which to build a dignified, healthy life.</td>
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<tr>
<td><strong>REISTRIBUTING WEALTH</strong></td>
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<tr>
<td>Tax reform redistributing wealth from the already super-wealthy to low-wealth households. 103,104</td>
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<tr>
<td>Baby bonds, providing every child born with a trust account of up to $60,000, distributed progressively so that low-wealth children receive more. 105,106</td>
<td></td>
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<tr>
<td>Reparations for Black descendants of slavery in the U.S. 107 that also address historical and ongoing injustice against Native Americans.</td>
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<td>Home purchase support through down payment assistance and loan guarantee funds targeting renters living in areas previously redlined, ensuring by design that homes are purchased by people with prior low-wealth, primarily people of color. 108</td>
<td></td>
<td></td>
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<tr>
<td>Reform of the criminal justice system through disinvestment, changing the culture of law enforcement, and meaningful reentry programs. 109</td>
<td></td>
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<tr>
<td><strong>ADDRESSING INEQUITABLE DEBT</strong></td>
<td>Cancellation of unmanageable debt such as student loan debt, medical debt, and other debt accrued as a result of COVID-19. 105,110</td>
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<tr>
<td>Reform of debt regulation at the national and state levels, including eliminating default judgments, capping interest rates, establishing generous asset and wage protections, and retiring previously written-off zombie debt. 105</td>
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<tr>
<td>Reform of criminal, immigration incarceration, and municipal fines and fees, which currently strip income and wealth from low-income people and people of color disproportionately. 111</td>
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<tr>
<td>Free or deeply affordable public and private higher education though federal subsidies to ensure that everyone can build the knowledge and skills they need. 112,113</td>
<td></td>
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<td>X</td>
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<tr>
<td>Goals</td>
<td>Opportunities</td>
<td>Ideas to Develop and Build Political Will</td>
<td>Programs to Test for Effectiveness and Refine to Address Unintended Consequences</td>
<td>Policies Ready to Implement</td>
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<tr>
<td><strong>Increased Economic Security (Reducing Housing, Food, and Income Insecurity)</strong></td>
<td>It is time for bold, transformative policy reform that insists on guaranteed support for all and a floor below which no one can fall. That way, despite potential misfortunes and economic downturns, everyone has the chance to regain financial stability, build wealth and sustain good health.</td>
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<td><strong>Guaranteeing Income, Food and Housing Security through a Combination of Some of the Below</strong></td>
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<td>A guaranteed income for all through either wage subsidies or direct payments, with supplements for those unable to work, that addresses all unintended consequences such as tax liabilities and effects on SNAP, health care, and other income supports.</td>
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<td>Unemployment benefits that guarantee an income of at least 90% of minimum wage and not less than 70% of the person’s earnings, are publicly funded nationally, and that continue to be linked to economic indicators, such that the benefits continue automatically in case of extended recession conditions. Such unemployment continues to cover the self-employed and gig economy as demonstrated under the CARES Act.</td>
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<td>Increased Social Security and Supplemental Security Income disability and retirement benefit amounts, with asset limits raised or removed, supplemented by a guaranteed retirement account (GRA – simple, low-cost, portable retirement accounts). Protection of traditional defined benefit pension plans so that no one needs to worry about struggling financially when they are older.</td>
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<td>Expanded SNAP to 100% of need, with easier enrollment and less frequent re determinations (i.e., not more frequently than every six months) to accommodate and smooth out volatile incomes and reduce unsustainable growing dependence on food pantries/eliminate food insecurity.</td>
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<td>Expanded access to housing vouchers to ensure that anyone below 185% of the poverty level or 60% of area median income need not pay more than 1/3 of their income on rent. This should be coupled with increased efforts to enforce laws prohibiting housing discrimination.</td>
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<td>Guaranteed relief from rent/mortgage obligations and extension of loan duration (adding suspended months to the end of the loan period) in case of unemployment, with support provided as necessary to landlords with few units.</td>
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<td>GOALS</td>
<td>OPPORTUNITIES</td>
<td>IDEAS TO DEVELOP AND BUILD POLITICAL WILL</td>
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<td>EMPLOYMENT AND SMALL BUSINESS</td>
<td>While guaranteed supports are needed to ensure that everyone, whatever their circumstances, can live a life with dignity that enables them to stay healthy, most people will sustain themselves through employment or business income. Policies must ensure that all who can work have the opportunity to do so, and that work income is adequate to enable people to build wealth and maintain good health.</td>
<td><strong>PROMOTING LIVABLE WAGED EMPLOYMENT AND SUPPORTING SELF-EMPLOYMENT</strong></td>
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<td>Higher wages through regulated minimum wages, and/or use of guaranteed universal income and federal job guarantees to set minimum-wage standards and ensure reliable income security.117,118</td>
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<td>National uniform regulations to ensure more predictable hours and greater job security.119</td>
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<td>A federal job guarantee, including jobs in the public, nonprofit, and private sectors, building on lessons learned from the ARRA stimulus and depression-era programs, with a focus on building a green economy, which would also serve the function of setting minimum wage standards.120</td>
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<td>Support for unionizing efforts to provide workers with collective bargaining power around wages, benefits, and working conditions.121</td>
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<td>Targeted provision of affordable capital for small business start-up and expansion, particularly for Black, Latinx, Native American, and women entrepreneurs, to redress past and existing inequities.122</td>
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<td>Job training and entrepreneurial training and investment for those returning to the community after incarceration to ensure they can build economic security, and measures to ensure they are welcomed by employers and the broader community.123</td>
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<td>HEALTH AND RESILIENCE AS A COMMUNITY ASSET</td>
<td>Families need to live in healthy environments, have access to free or deeply affordable health care, and be able to take time off work to recover or care for sick family members, to enable them to be as healthy as possible.</td>
<td><strong>PROVIDING HEALTHY HOMES AND NEIGHBORHOODS</strong></td>
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<td>Funds for remediation of lead, airborne toxins, and other unhealthy housing conditions, including the environmental hazards associated with formerly redlined communities and public and affordable housing in many areas.124</td>
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<td>Investment (by philanthropy and at all levels of government engaged in economic development or public health) in walkable neighborhoods with safe, green spaces for leisure and exercise, and clean, pollution-free air.</td>
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<td><strong>PROVIDING GUARANTEED HEALTH CARE</strong></td>
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<td>Universal free or deeply affordable high-quality health care that is not tied to employment (and therefore is not subject to interruptions in continuity of care or pre-existing conditions), requiring employers to apply the savings into wage increases.125</td>
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<td><strong>SUPPORTING THE WORK-LIFE BALANCE OF INDIVIDUALS AND FAMILIES</strong></td>
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<td>Universal, free or affordable, high-quality child development care and elder care (not funded through employers or a tax credit system).126</td>
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<td>Adequate paid sick and family leave that includes six months of paid family leave, parental, caregiving, and medical leave for all workers, including gig and care economy workers, plus job protections, anti-retaliation policies, and full wage replacement for the lowest-paid workers.127</td>
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<tr>
<td>GOALS</td>
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<td>IDEAS TO DEVELOP AND BUILD POLITICAL WILL</td>
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<tr>
<td>FINANCIAL TOOLS</td>
<td>High-quality, affordable financial tools are essential to enable people to manage their finances and to store and build wealth. Currently, people with low incomes and low wealth end up paying more than others for financial tools and services that do not serve them well. We need a financial services marketplace that works for everyone.</td>
<td>ENSURING A FINANCIAL SERVICES MARKETPLACE FOR EVERYONE</td>
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<td></td>
<td>Guaranteed access for all to basic, free financial services, for example through providing everyone with a free, digital &quot;Fed Account.&quot;</td>
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<td>Within the existing financial services landscape, all banks, CDFIs that provide accounts, and credit unions should be required to offer an account that meets the National Bank On Standards.</td>
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<td>Innovative basic transaction and savings tools that suit uncertain and unpredictable incomes and expenses, making it easy for people to save when they can, and withdraw when needed, as automatically as possible and without incurring unmanageable fees.</td>
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<td>Incentivized savings to help low-wealth individuals accumulate additional assets or weather financial shocks.</td>
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</table>
Lead with a racial equity lens
So that everyone has the opportunity to flourish, strategies need to address long-standing and legacy effects of racial health and economic inequities. Funders can use an equity framework to inform investments that will help reduce health and wealth disparities. Elements of the framework include:

- Intentionally focusing on Black, Native American, Latinx, and Asian communities, and prioritizing funding of organizations led by people from and serving those communities. This reflects a key principle that communities affected by the structural effects that create health and wealth disparities lead in solution-making and implementation.

- Funding organizations to use tools such as the Racial Equity Impact Assessment or the Race Wealth Audit to understand the impact and potential unintended consequences of their work, including legislation and programs addressing racial wealth and health inequality.

- Funding organizations to collect racial and ethnic data to track wealth and assets of client populations, ensuring disaggregated data. The National Asset Scorecard for Communities of Color (NASCC) survey provides a leading model.

Support existing policy recommendations and reform movements
Investments in the development and promotion of public policy proposals through research, advocacy, community organizing, and civic engagement are needed to change the systems that perpetuate inequities. Funders can use their voice and influence to promote policy change in collaboration with other funders, decision-makers, the public, nonprofits, and public officials, using the equity lens to ensure policies will help to build a healthy and prosperous future for all.

Fund pilot initiatives that can be taken to scale, track outcomes, and follow up with advocacy
Alongside investments in system-level changes, philanthropy must continue to fund work on the ground, including pilot programs and their evaluations, tracking health and wealth outcomes in all cases. Learning from pilot programs and sharing the information and lessons learned with other funders, and as many city and state public officials as possible, can inform and influence expansion and policy change efforts. Promising pilot programs to fund could include:

- Sustainable homeownership programs that include a package of services with substantial down payment assistance, quality inventory, access to safe and affordable mortgage products (via design, underwriting, and servicing), and education/preparation from a trusted and objective adviser targeting people of color and historically redlined areas.

- Student loan debt forgiveness initiatives (universal outright, employer-based, and public service).

- Projects eliminating or dramatically reducing municipal and criminal justice fines and fees.

- Programs documenting the value of guaranteed income payments.

- Provision of capital for minority-owned small businesses, using grants and loan guarantee funds and other mechanisms to ensure affordability.

Set examples
Philanthropy has another opportunity to take a stance, actively promote transformation, and use political power as individuals and organizations to inform and influence others to advance social change that improves living conditions and health and wealth outcomes. For example:

- Funders associated with private employers should ensure that those companies support unionization of their employees; pay livable wages; provide no- or low-cost access to health care, generous family and sick leave, and retirement options that guarantee a dignified retirement; and report publicly on their actions. They should also ensure that those companies hire and promote more people of color and have more people of color represented in senior leadership and on boards, eliminate processes that prevent the
hiring of people with criminal justice histories (something that JPMorgan Chase has done in the past year), and report publicly on their progress.

- Funders who are associated with private employers that purchase high volumes of products and services should uphold supplier diversity, using their buying power to impact the health and wealth of local communities. Aligned with philanthropic goals, such procurement strategies (as enacted by Kaiser Permanente nationally) create community wealth, generate good jobs and work opportunities, support small business and economic development, and in turn, create better health outcomes in the communities served.

- Funders associated with financial institutions should ensure that those institutions offer cash management, savings, and credit products to meet the needs of low-income customers; offer and widely market BankOn-approved transactional accounts; offer capital in the form of grants and affordable loans to minority-owned small businesses; and report publicly on customer uptake of products by race.

CONCLUSION

COVID-19's illumination of stark health and wealth inequalities offers a unique moment for bold ideas to become reality. There is broad-based support for radical change— to reimagine systems, policies, programs, and care that promote health and financial resilience for all. Now is the time for philanthropy to act — to advocate, to set examples, and to invest in innovative pilot programs, research, advocacy, and organizing — with their partners to create living conditions that support the health and economic well-being for all of us.
# APPENDIX

## THE RELATIONSHIP BETWEEN HEALTH AND WEALTH OVER THE LIFE COURSE

As first presented in *The Health and Wealth Connection: Opportunities for Investment Across the Life Course*, this graphic depicts various health/wealth connections across a life course continuum from prenatal and early childhood through older adulthood, and highlights investment opportunities for funders throughout each life stage.

### HEALTH-WEALTH CONNECTIONS

- **IN UTERO - TODDLER**
  - Prenatal care and mother’s health impact child’s health and future medical costs
  - Parent’s socio-economic status influences health of child
  - Child’s health influences future school performance

- **CHILDHOOD - ADOLESCENCE**
  - A healthy child has more opportunity to stay in school and benefit from education
  - A child with financial savings is more likely to attend and graduate from college

- **YOUNG ADULTHOOD**
  - College educated and employed young adults have higher incomes/net worth and better overall health
  - Young adults who accumulate higher amounts of debt incurred from loans report higher levels of depressive symptoms

- **MIDDLE ADULTHOOD**
  - Higher socio-economic status is associated with lower rates of chronic illness, which allows for longer participation in the labor force
  - Higher wealth households can better weather economic shocks that either lead to poor health or are caused by poor health

- **OLDER ADULTHOOD**
  - Health problems often lead to permanent disability and early retirement, which can result in a loss of financial stability
  - Health care is one the biggest expenses in retirement, and sufficient assets enable seniors to “age in place” versus in institutions

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*20 assetfunders.org*
ENDNOTES


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The Asset Funders Network (AFN) is a membership organization of national, regional, and community-based foundations and grantmakers strategic about using philanthropy to promote economic opportunity and financial security for low- and moderate-income Americans.

AFN works to increase the capacity of its members to effectively promote economic security by supporting efforts that help low-to moderate-income individuals and families build and protect assets.

Through knowledge sharing, AFN empowers foundations and grantmakers to leverage their resources to make more effective and strategic funding decisions, allowing each dollar invested to have greater impact.