# How Supplemental Income Can Support Children and Caregivers

## Early Findings from the Place to Prosper Guaranteed Income Pilot

Violet Sulka/Hewes, Cole Campbell, Jorge González Hermoso, and Mary Bogle

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San Francisco has one of the highest costs of living in the country and a limited supply of affordable housing.[1] Although incomes in the city have risen overall, they have risen most for wealthier households, which has widened the income gap (Economy et al. 2024). A 2024 Terner Center for Housing Innovation report estimated that there are only 32 available affordable units for every 100 extremely low-income households in San Francisco, and that nearly half of renters are cost-burdened, defined as spending 30 percent or more of their incomes on rent (Economy et al. 2024). Economic insecurity forces households to regularly face tradeoffs between food, health care, transportation, and other essentials and to delay medical care, work multiple jobs, or reduce spending on food (SFHIP 2025). Over a quarter of families struggle to afford basic needs.[2]

HOPE SF, launched in 2009, is a community-development initiative managed by the San Francisco mayor's office that provides housing and other neighborhood amenities and services to four mixed-income housing developments in the southeastern part of San Francisco. The initiative aims to support racially inclusive neighborhoods, resident leadership, educational attainment, and community health. In line with these aims and to help address ongoing affordability challenges, the Place to Prosper Guaranteed Income Pilot provides 75 families across the four HOPE SF communities with $700 per month for two years (July 2024–July 2026). The pilot's goal is to help families with children under age 5 reduce financial stress, meet basic needs, and build pathways to long-term stability and well-being.

The pilot is funded by the San Francisco Foundation, implemented by poverty-alleviation nonprofit UpTogether, and supported by the City of San Francisco. The evaluation is led by Urban Institute researchers, the Jumuiya Research Institute (JRI), and a team of HOPE SF resident researchers and Resident Advisory Council (RAC) members who bring community knowledge to every stage of the process.

### First Year Insights

Findings from the first year of the pilot highlight how families are using the supplemental income to stabilize their finances and support their well-being. Drawing on survey data and interviews, this section explores changes in participants' ability to meet basic needs, care for their children, and manage ongoing economic challenges.

Urban Institute researchers have conducted three surveys to date: one before participants received the first pilot payment (prepilot survey), one about 6 months into the pilot (6-month survey), and one about 12 months into the pilot (12-month survey).[3] The evaluation sample is limited to the 75 families enrolled in the pilot, and response rates vary across survey waves and data-collection activities. The survey results are weighted to adjust for nonresponse and to be representative of all families in the pilot. As a result, unless otherwise noted, findings are descriptive and not statistically significant or generalizable beyond the pilot participants. Nevertheless, observed patterns are largely consistent with findings from the broader guaranteed income literature, including evidence from two randomized controlled trials referenced in the "Greater Job Flexibility" section, below.

HOPE SF resident researchers conducted 14 interviews with pilot participants, focusing on program experiences. Together, HOPE SF resident researchers, RAC members, JRI researchers, and Urban Institute researchers synthesized these interviews. Urban Institute researchers also conducted additional coding and identified seven participants to invite for follow-up interviews about detailed budget and spending. Future publications will focus more on this budget analysis. UpTogether provided outreach support for all research activities.

## Increased Ability to Afford Basic Needs

The extra monthly cash helps families afford essential expenses when their incomes would otherwise fall short. At 12 months, a higher share of families reported being able to cover essential expenses—only 13 percent felt able to cover basic needs before the first pilot payment versus 34 percent at 12 months.

Across the first year of the pilot, participants consistently prioritized spending on their children's needs above all else. At both 6 and 12 months into the program, 70 to 80 percent of families reported spending either "a lot" or "all or almost all" of the $700 on children's essentials. One participant spoke of the relief she felt at being able to provide essential items like clothes and diapers for her young children. Spending on children's essentials far outpaced other consistent top categories like food (40 percent at the 6-month survey and 50 percent at the 12-month survey) and transportation (40 percent at both the 6-month and 12-month surveys). Conversely, a higher share of people reported spending either "a lot" or "all or almost all" of the $700 on housing at the 12-month mark (40 percent) than at 6 months (30 percent). These data suggest that while children's needs, food, and transportation remain important, people's needs change over time. The money from the guaranteed income pilot can help fill gaps in whatever is urgent during a particular month.

Families describe greater peace of mind, less difficulty paying bills, and more confidence meeting their children's needs after receiving the guaranteed income. The stability from monthly payments has also allowed some to save modest amounts or prepare for emergencies.

> **"I don't have to rob Peter to pay Paul anymore. The money gives me breathing room."**
>
> *—Pilot participant interviewee*

Over the first year of the pilot, participants reported growing confidence in their ability to meet household needs. The share of respondents who agreed that they can currently meet their own and their household's basic needs increased by 21 percent between the prepilot survey and the 12-month survey ($p = 0.03$); the share of respondents who felt they could afford many of the things they and their household want increased by 13 percent. These results suggest that the guaranteed income helped families feel more financially secure.

## Improved Food Security

Food security and meal quality have improved since the pilot began. The share of adults reporting "inability to afford balanced meals often" decreased from 21 percent at the prepilot survey to 9 percent at the 12-month survey. That said, the share of participants reporting that "food often didn't last" stayed stable (23 percent at both the prepilot and 12-month surveys). These patterns, combined with qualitative reports of purchasing groceries for children first, suggest the cash payments at least helped families cover essential nutrition consistently.

For one participant, the ability to purchase healthier foods more often with the cash she received has made a big difference for her son. Because of his food allergies, she needs to cook with particular organic foods, which she was often unable to buy before she started the program. Since she has been able to use the ingredients she needs, her son's eczema has flared up far less often, which has improved his sleep quality and thus his ability to focus in school.

> **"We have food through the whole month now. I don't have to worry about running out."**
>
> *—Pilot participant interviewee*

### Improved Health and Belonging

Over the first year of the pilot, participants reported improvements in their health. The share of adults rating their physical health as "poor" fell from 26 percent at prepilot to 5 percent at 12 months ($p = 0.02$), while the share reporting "good" physical health rose from 38 percent to 60 percent ($p=.06$). Mental health trends were less pronounced: the share reporting "good" mental health increased slightly from prepilot to 12 months (38 to 42 percent), and poor mental health declined modestly (36 to 29 percent).

### Increased Sense of Belonging for Children

Participants reported that their children received regular child care and reported a greater sense of belonging in school and social settings. Most children received scheduled child care four to five days per week, with slight increases over the course of the pilot. Engagement in children's early education activities remained high, with weekly involvement reported at 90 percent at prepilot and 81 percent at 12 months. However, challenges with accessing unplanned child care remained a consistent concern, with 39 percent reporting affordability as a barrier at prepilot and at 12 months.

Initial interviews suggest that the guaranteed income has enabled parents to nurture their children's participation and sense of belonging in school and community activities. Parents describe being able to afford items—school supplies, clothes, extracurricular fees—that may help their children thrive socially and emotionally. Some also report that they themselves feel more at home in these community settings.

### Longer-Term Financial Stability

Participants reported greater financial health, especially decreased overall debt, but they also reported more complex borrowing. The findings highlight that while families are using the cash to pay down existing debt and build a financial cushion, they are still balancing multiple challenging financial obligations.

Between prepilot and 12 months, the share of families reporting any resources of value that could be converted into cash (e.g., a car) rose from 26 percent to 71 percent ($p < 0.001$). At the 6-month survey, 50 percent of respondents reported using either "a lot" or "all or almost all" of the $700 to pay off debt. However, the category dropped to 30 percent by the 12-month survey. In the 12-month survey, 48 percent of families reported having less debt than 6 months prior, up from 19 percent at prepilot ($p = 0.02$), suggesting that the guaranteed income allowed families to pay down some debts and reduce financial stress.

Although families are using the payments to make progress on financial goals, they are also navigating ongoing financial pressures and obligations. The average number of debt types increased from 1.6 at prepilot to 3.3 at 12 months ($p = 0.02$), reflecting both the complexity of household finances and evolving borrowing needs. Among specific debts, only the shares of participants with car loans and private bank loans had statistically significant increases between prepilot and 12 months ($p = .01$ and $p=.04$, respectively).

### Greater Job Flexibility

Guaranteed income allowed families greater flexibility to take jobs or work hours that fit their family schedules. At 12 months, families continue to use the guaranteed income to fill gaps between income and expenses. Although some participants increased their work hours or transitioned to new jobs, others reduced hours to care for children or manage health challenges.

The share of respondents who agreed that they had enough support to leave a job temporarily to search for better work and had resources to maintain housing amid any unexpected changes increased from 5 percent at the prepilot survey to 19 percent at the 12-month surveys ($p = .07$). One interviewee reported that the secure source of cash gave her the confidence to start working, knowing that she would not end up worse financially due to cut benefits. These trends are consistent with findings from previous studies of randomized controlled trials on the impacts of guaranteed income on employment (Vivalt et al. 2024).[4] They suggest that the cash may provide not only immediate relief for essential expenses but also a sense of stability that can support longer-term planning and resilience.

> **"The $700 helps, but it's still a hustle. It covers what my job or CalWORKs doesn't."**
>
> *—Pilot participant interviewee*

## What's Next

These early findings suggest that guaranteed income supports improvements in participants' physical health, food security, and ability to meet basic needs, all while helping families consistently care for and engage with their young children. The findings also indicate that monthly cash can reduce stress and provide stability that benefits both caregivers and children.

At the one-year mark, families are both hopeful and anxious about what comes next.

> **"I hope to not need services like this and to be economically self-sufficient …. I think the program brought me closer to achieving those goals."**
>
> *—Pilot participant interviewee*

Many are saving small amounts, paying off debts, or planning to pursue training or education.

> **"I'm trying to save $100 from each payment for when it ends."**
>
> *—Pilot participant interviewee*

Others still struggle heavily with high levels of debt and expensive necessities.

> **"It's a blessing, but I'm nervous—when it stops, how will I keep up?"**
>
> *—Pilot participant interviewee*

Amid a climate of increasing living costs and a shortage of affordable housing, many participants have described the stabilizing effect that the program's payments have had on their lives. The benefits of the money vary among participants and include lower debt and improved health. Our findings consistently indicate that the guaranteed income has offered a foothold for households to begin lifting themselves out of precarious circumstances, including into better jobs.

As the pilot program draws to a close, the evaluation will continue to explore the ways that sustained income affects families' stability, employment, health, and children's development and what supports might help families the most.

## Notes

[1] MacColl, Margaux (2026), "New Report Confirms that San Francisco Is Expensive — but San Jose Is Worse," The San Francisco Standard. https://sfstandard.com/2026/01/30/san-francisco-cost-of-living-2026.

[2] Blake Case, "New United Way Study Finds 27% of Bay Area Households Struggling to Meet Basic Needs," United Way Bay Area, April 29, 2005, https://uwba.org/blog/bay-area-households-basic-needs-study/.

[3] A fourth and final survey at about 18 months into the pilot will be explored in a future publication.

[4] GiveDirectly (2023), "Early Findings From the World's Largest UBI Study," https://www.givedirectly.org/2023-ubi-results.

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## About the Authors

**Violet Sulka/Hewes** is a research analyst in the Housing and Communities Division at the Urban Institute.

**Cole Campbell** is a research analyst in the Housing and Communities Division.

**Jorge González-Hermoso** is a senior research associate in the Housing and Communities Division.

**Mary Bogle** is a principal research associate in the Housing and Communities Division.

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