YALift!
Young Adult Louisville Income for Transformation

Participant Handbook

The YALift! pilot program is Kentucky’s first city-led guaranteed income initiative, a collaboration between the Office of Mayor Greg Fischer, Metro United Way, and Russell: A Place of Promise. YALift! aims to test a simple, yet innovative, solution to poverty and inequality. YALift! is born out of the simple belief that the best investments we can make are in our people. A hand-up, rather than a hand-out, YALift! seeks to financially empower 18–24-year-olds and to prove to supporters and skeptics alike that poverty results from a lack of cash, not character.

As a participant of YALift!, you have an important role in helping us study the impacts of a guaranteed income, as well as influencing future policy decisions. The money you receive will be unconditional -or no strings attached. We will not tell you how to spend your additional income, nor will we include requirements like employment. This income is yours to spend as you wish. We recognize that $500 a month won’t address all your needs immediately, just as guaranteed income cannot automatically fix all the issues linked to poverty in the United States. However, we believe our participants can take $500 and transform their lives.

While you receive the monthly guaranteed income, the YALift! team will be researching the effects of the money. Our independent evaluators from Abt Associates will be conducting surveys and check-ins with all participants to collect important information. Your participation in our research will remain confidential.

This handbook will provide you more information regarding a guaranteed income, your participation in YALift!, our research, and much more. As you move forward in the program, please refer to this handbook to answer your questions.

What is a guaranteed income?

A guaranteed income is a recurring cash payment provided monthly to residents of a specific location regardless of employment status. Millions of households in the United States experience financial instability. As many as 89% of Americans see their income fluctuate by more than 5% month to month and 60% see changes in spending greater than 30% from month to month. A guaranteed income is intended to help smooth the volatility that these households experience. By providing a minimum income each month, we believe households will be better able to plan, meet their basic needs, become self-sufficient, and achieve more of their potential. You understand the needs of your household best and we seek to empower you to make those decisions for yourself.

Though it has recently gained attention, guaranteed income is not a new idea. Variations of guaranteed income have surfaced throughout history from leaders and thinkers like Thomas Paine, Martin Luther King, Jr., and Richard Nixon. We also have a modern-day version of a guaranteed income: the state of Alaska distributes an annual dividend to every Alaskan. There have also been experiments in Canada, Uganda, Kenya, Namibia, and India. Louisville is in a unique position to contribute to the research on guaranteed income and influence the future of the social safety net in the U.S.

What does it mean to participate in YALift!?

YALift! is a guaranteed income experiment which will contribute to the literature on this innovative solution to poverty and income volatility. Your participation in YALift! will provide data on the effects of a guaranteed income on physical and psychological health, security, and agency over one’s future. More importantly, the data you provide will shape the debate around guaranteed income and potentially affect future policy decisions. In a way, your participation in YALift! will have an impact locally, nationally, and globally as policymakers around the world explore solutions to poverty.

The disbursement you receive comes with no strings attached, meaning you have complete autonomy over how you choose to spend your money. No one from the YALift! team will tell you how to spend your money, nor will we require that you report everything you purchase with your additional cash. As part of your participation, we ask that you help us in collecting data for our research through periodic surveys and interviews. Participation in research is completely voluntary and does not affect your eligibility to receive the monthly disbursements. However, we hope that you embrace your responsibility to contribute to the global debate and choose to contribute data.
What is my role in the research?

There are three different research activities that you can voluntarily participate in:

- Online Surveys
- In-Depth Interviews
- Spending Data

Online Surveys

You will be asked to participate in 3 online surveys. Each online survey will be sent via email every six months. You can take the survey on your computer, tablet, or mobile phone. Each survey will take no more than 45 – 60 minutes to complete. You will be compensated with $30 gift cards for each survey that you complete.

The surveys will ask you information about several factors of your life, such as:

- Your physical and mental health
- Your household’s size
- Your financial and housing situation
- How you use your time
- Your education
- Your parenting style (if applicable)
- Your social interactions

In-Depth Interviews.

You may be asked to meet with our researchers to talk about your experience in YALift!. These interviews will be one-on-one and should take no longer than an hour or so to complete. You will be compensated with $40 gift cards for each interview.

Spending Data.

If you agree, our disbursement partner, Steady, will monitor the way that this guaranteed income is spent. This spending data will never be connected to your name or any identifiable information and will only be reported in large categories such as “rent and utilities” and “food”.

** You can stop participating at any time without penalty. **

What will the next 12 months look like?

You will receive payments on or as close to the 30th of every month, beginning in April 2022. Every 6 months, you will be asked to participate in online surveys beginning October 2022. During the 12 months you are receiving payments, our researchers may ask you to participate in a one-on-one interview.

How do I make sure I am being safe and secure?

We at YALift! have taken measures to ensure your information remains private and secure and encourage you to take similar precautions. For security and anonymity reasons, we highly encourage you to keep your participation in the program confidential. Only tell those who need to know about your extra cash – yes, this means not telling all your neighbors. We recommend that you refrain from posting anything regarding your participation on social media or from speaking to the media. Keep your prepaid debit card information private.

What should I do if media approaches me?

It is not required that you speak to any media regarding your participation in YALift!. In fact, we strongly discourage you from speaking to media as that may compromise your own safety and security. Your participation in YALift! is confidential and anonymous from the research
What if I want to speak with the media?

Let us know! We are seeking a handful of participants that would be willing to and are excited at the thought of doing interviews, blog posts and having their story covered throughout the demonstration. You will be asked about this when you call us back to set up the orientation appointment.

Will my taxes and benefits be affected?

YALift! disbursements are a gift from the YALift! program to you, and they do not need to be reported as taxable income on your tax return. With that said, if you are receiving public benefits, it is important to let us know, and we can provide time to discuss during the orientation session so that you are fully informed of any issues.

Why is the disbursement a gift?

The Internal Revenue Code (IRC) has a broad definition of “income”, but it also includes a number of exceptions to this general rule. One of these exceptions is for gifts. Gifts are not taxable if they fall under the annual “exclusion” amount. For 2022, the exclusion is $16,000. This means that unless an individual receives more than $16,000 from a single source, that individual does not need to disclose the gift on their tax returns.

YALift! has been structured to fit as closely as possible within this definition of a “gift.” First, the payments are made from a sense of “detached and disinterested generosity.” YALift! is not expecting anything in return for the payments. To make that as clear as possible, YALift! participants are not required to participate in the research study, and if they do, they will receive compensation for their time that is unrelated to their monthly YALift! disbursement. Further, the consent forms that the recipients will sign before they join the program state explicitly that “YALift! disbursements are a gift from the YALift! program to you.”

However, it is important to understand that Guaranteed Income is a new idea, and the IRS has not weighed in on whether they consider payments like this a gift or as income. That means that there is a possibility that the IRS might decide that some of this stipend is taxable.

How does the ‘gift’ status impact my benefits?

Because the $500/month is considered a gift, it should not impact eligibility for certain benefits; other benefits, however, do include gifts as a part of the calculation to determine eligibility. If you receive benefits, you can be connected to a benefits counselor. Ultimately, our aim is to provide you with as much information as possible and empower you to make the best decision for yourself and your family with regards to your participation. We have a team of trained professionals ready to discuss the impact on benefits and are happy to connect you with them - just let us know.

How will I receive my payments?

You will be receiving your monthly disbursements beginning late April 2022 via direct deposit into your personal banking account through our trusted partner, Steady. Steady is a finance app, co-founded by Shaquille O’Neal, that will seamlessly transfer your guaranteed income funds to you once a month after you have created an account and linked it to your bank account. Steady utilizes the same technology as Venmo, PayPal, and all other major money-sending platforms. Your information is never saved by Steady nor seen by their staff, but if you agree your spending data will be tracked by Abt Associates as discussed in the above section, “Spending Data”.

Because of the greater level of safety and security, YALift! recommends getting your funds through direct deposit. No-fee ATM withdrawals can be made through ATMs associated with your bank or credit union, are part of interbank networks, and ones which have the STAR logo or another ATM network logo that includes your bank or credit union. If you do not have an account, YALift! can help connect you with a Bank On Louisville network partner who can help you establish a safe and affordable account.

If you choose not to use a traditional deposit account, Steady will provide a reloadable debit card that can be used anywhere debit cards are accepted, including ATMs that accept Mastercard (fees may apply). If you choose this option, additional information will be available from Steady with regards to additional questions you may have, for example what to do if your card is lost or stolen.
Steady will notify each participant of the incoming funds on a monthly basis. If there is an issue with payment, Steady will reach out via email, push notification, text or phone to the respective participant to instruct the individual how to receive their funds.

How to sign up for Steady is included in your packet. Please also watch the 10-minute orientation video which includes information on how to sign up! You are welcome to sign up for Steady prior to meeting for orientation or you can wait and take care of it then.

**Your Next Steps**

1. Read through this onboarding packet
2. Think about how you want to receive your funds via Steady
3. Meet for your one-hour orientation meeting
4. Meet with a benefits counselor (if applicable)
5. Sign the consent form after orientation and benefits counseling (if applicable)

**What do I need to bring to the Orientation?**

You need to bring a photo ID. If you do not have a photo ID, please let us know at the time we are setting your appointment. When you enroll, you will sign a consent form attesting that you are the intended recipient of these funds and that you were 18-24 years old and living in the California, Russell, or Smoketown neighborhoods at the time of application. If you plan to enroll in Steady during your appointment, you should bring your banking information so that step can be completed successfully. If you do not have a bank account, we can help you set one up or you can choose to have your funds provided on a reloadable debit card.