

The Delaware Healthy Women, Healthy Babies (HWHB) Initiative

GUARANTEED BASIC INCOME (GBI) DEMONSTRATION

is part of the Delaware Healthy Mother & Infant Consortium (DHMIC).

INTRODUCTION

- In Delaware, the overall infant mortality rate has been declining over the past two decades, from 9.3 deaths per 1,000 live births in 2000–2004 to 5.9 deaths, per 1000 live births in 2017–2021 (Delaware Health Statistics Center, 2024). However, these statistics mask a significant racial disparity. The Black infant mortality rate of 11 deaths per 1,000 live births is three times higher than the white rate of 3.4 (Delaware Health Statistics Center, 2024). The Black infant mortality rate for the city of Wilmington for the past three five-year reporting periods (2015–2019, 2016–2020, and 2017–2021) was 17.1, 17.2, and 14.9, respectively.
- More than eight years ago, in response to high infant mortality rates and racial disparities in these rates, the governor appointed the Delaware Healthy Mother & Infant Consortium (DHMIC), in collaboration with the Division of Public Health (DPH), to implement several initiatives to reduce the number of babies who die before their first birthday; address health disparities; and improve the health of women before, during, and between pregnancies.
- In January 2021, to expand the Healthy Women, Health Babies (HWHB) Initiative, the state of Delaware began implementation of a Guaranteed Basic Income (GBI) demonstration program for pregnant women. The demonstration was a state-funded and federally funded program created with input and support from DPH, DHMIC, and the DHMIC Social Determinants of Health Committee. Eligibility, enrollment, and case management were facilitated by community partners for this initiative, including the Rose Hill Community Center, the Delaware Coalition Against Domestic Violence, and Stand by Me — all of which provide services and support to the participants.

THE PROGRAM

What was provided:

- \$1,000 a month for two years, in the form of a debit card.
- Links and guidance for prenatal and postpartum care; financial coaching; and referrals for primary health care, mental health, and personal health and wellness.

To whom:

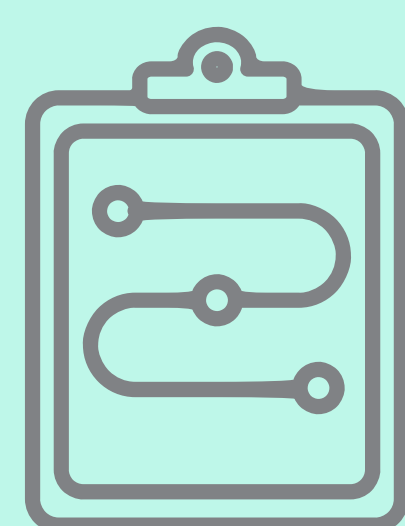
- 40 women in their first or second trimester of pregnancy (at enrollment), with incomes at or below 185% of the federal poverty level.

INTENDED RESULTS

- Reduce stress and improve physical and mental health of participants and their children.
- Improve maternal and infant birth outcomes.
- Reduce utilization of emergency departments and decrease hospitalizations.
- Improve financial, housing, and employment stability.

EVALUATION METHODS AND DATA

- Quarterly surveys with participants
- Two rounds of interviews with participants
- Analysis of data on spending of the stipend
- Analysis of cost and savings data to assess return on investment



RESULTS

OVERALL

- Decrease in overall stress.
- Improvements in physical and mental health.
- Participants can make ends meet and better provide for their children.
- Some women have found new jobs, bought homes, paid off debts, and improved credit scores.
- Positive return on investment.



SPENDING

Over the course of the first 18 months of the GBI demonstration, participants spent their stipend on basic necessities: food, household items, transportation, rent, internet and phone, clothing, utilities, insurance, childcare, and personal hygiene.

CATEGORY	PERCENTAGE OF SPENDING
Restaurants, Groceries	27%–30%
Household	8%–11%
Gas, Automotive, Transportation	9%
Rent (including cash/money transfers)	7%
Internet, phone	9%
Clothing	6%
Utilities	3%
Insurance	2%
Childcare	2%
Personal Hygiene	2%
Entertainment	2%
Unclassified	9%

Source: GBI administrative data, Delaware, 2022–2023

HEALTH AND STRESS

- Participants’ physical and mental health improved throughout their participation in the demonstration.
- The number of self-reported days when participants’ physical health was not good went down from 1.4 days at pretest to 1.1 days after being in the program for nine months, as did the number of days of poor mental health (from 5.6 days to 4.8).
- The number of days that poor health prevented participants from engaging in their daily activities also went down (from 4.0 days to 3.0).
- Utilization of the emergency department and hospitalizations over the prior 12 months also fell substantially.
 - Self-reported ED visits: 1.75 at pretest to 0.61 after being in the program for nine months
 - Self-reported hospital stays: 1.17 at pretest to 0.59 after being in the program for nine months
- Levels of perceived stress (measured using an adaptation of the perceived stress scale) also dropped, from 3.07 at pretest to 2.79 after being in the program for nine months (lower scores reflect lower stress). While this change is not statistically significant, likely due to the low sample size, it is a promising trend.

OTHER SELF-REPORTED OUTCOMES AND FEEDBACK FROM PARTICIPANTS

ACCESSING AND USING THE FUNDS

The majority of participants said it was easy to access their funds twice a month. However, some participants reported experiencing issues such as late payments and not being able to use the card for rent. Some participants who pay their rent via cash or check initially were not able to withdraw cash from the program’s card to fit their landlord’s requirements (cash, check, Venmo, etc.). When asked about the impact late payments had on them, one participant stated: *“When you are depending on it, yes, you might need it early in the morning for transportation. It might not come till 12 or 2. Sitting there banking on the money, you might find yourself borrowing. When you’re depending on it, yeah, it kinda hinders you. For some of us, it’s all we get. It’s all we have.”*



FINANCIAL COACHING

Participants reported either being in regular contact with their financial coach and benefiting from it or having trouble staying in contact with their financial coach. A few participants spoke very honestly about their hesitation to speak to a stranger on the phone about their personal finances. Most participants reported that their financial coach was very helpful with topics such as improving their credit score and creating a budget and savings plan. Participants spoke about learning new financial skills. With help from a financial coach, one participant was able to purchase a house. Financial coaches connected participants to the following resources: electric, water, the Delaware Housing Assistance Program, Toys for Tots, and more.

CASE MANAGEMENT

All participants reported being in contact with their case managers. Most spoke about their positive, close relationship with their case manager, who are often available nearly 24/7 via text and phone to talk about anything. While not all participants have a close relationship with their case manager, they all were in contact with them and received referrals to resources. Such resources include WIC, food assistance, rental assistance, child support information, DEHAP, food banks, career information, breastfeeding classes, giveaways, the Low-Income Home Energy Assistance Program (LIHEAP), daycare information, English classes, and Head Start. One participant commented, *“My case manager will send me different resources and help with the baby, like different programs and everything. We will talk like once a month, and I will update her on everything that’s been going on. She’s been helping me save. I’ve saved so much money now that I started back working, so I am really thankful for her.”*

OTHER POSITIVE IMPACTS

Participants spoke about the different ways the program has positively impacted their physical, mental, and financial health and well-being. Many participants are not able to work or are working significantly less (if pregnant or caring for an infant). Many participants do not have maternity leave. The program’s funding allows them to take time off and rest before and after giving birth. Some participants have high-risk pregnancies, so the ability to take time off is critical. Participants spoke about having lower stress levels because they can count on the money to cover their basic needs. Participants described the program as giving them “peace of mind” and “taking a weight off my shoulders.” One noted, *“It’s been great for my mental health. When it comes to finances, it can be very stressful. So I just say it’s been my mental health that has been much clearer and sustainable.”* Participants also said they are better able to provide for their children. Participants spoke about being able to send their older children on field trips, take the family out to eat when they do well in school, buy clothing for their children, and prepare items for their new baby. Participants described feeling like they are better providers for all their children by having additional funds.

COST BENEFIT AND RETURN ON INVESTMENT ANALYSIS FINDINGS

The ROI component of the GBI study used data and information from the following sources: a literature search; gathering up-to-date information about a range of government programs in health care and social services; broad-ranging quarterly surveys of program participants throughout the duration of the program; and information provided by the GBI staff.

This ROI shows the dollar value of benefits to the participants and the community for each dollar invested in the initiative.

- Direct benefits of the GBI program start with \$1,000 a month in guaranteed income (total benefits of \$480,000 to the 40 GBI participants over the course of one year).
- Estimated increase in aggregate employment earnings are \$441,349 over a period of one year.
- Estimated aggregate value of newly secured SNAP benefits is \$51,000, and the aggregate value of WIC benefits is \$22,680.
- The GBI staff helped connect eight pregnant women and new mothers with safe and affordable housing, which included Section 8 rental subsidies. The aggregate value of this support is \$66,048 for one year of the demonstration.
- The aggregate annual value of the Earned Income Tax Credit (EITC) for women who gained EITC benefits as a result of participation is \$20,186.
- Aggregate value across all 25 participants who gained TANF benefits is \$97,380.
- Annual benefits for the 40 mothers and their babies, including the direct GBI payments and the indirect benefits from the programs detailed above, total \$1,178,642.**
- Total emergency department savings are \$21,600, and inpatient savings are \$229,520. The sum is \$251,120.
- The total benefits to the state/federal government, via Medicaid savings, and to the locality (in the form of the multiplier effect, explained below) equals \$1,311,898.**
- The grand total of annual benefits is \$2,490,541.**

RIPPLE EFFECTS — THE “MULTIPLIER”

In addition to all the benefits to the participants explained above, there will also be favorable ripple effects as participants begin to spend a large portion of their newly available GBI as well as their earnings, earnings supplements, and SNAP and TANF benefits. This ripple effect is called the “multiplier effect,” which is the overall change in spending that flows into the economy.

Researchers at California State University Northridge (CSUN) developed a “community multiplier” by first estimating separate multipliers for categories of spending, such as food, rent, utilities, etc., and then weighting each industry multiplier by the percentage of service recipients’ income spent in these sectors of the local economy. This weighted average was calculated to be 1.9.¹

For this reason, we used a multiplier of 1.9. It was calculated for poverty-reduction efforts in low-income neighborhoods and therefore is more applicable to the research for this project than a more general, theoretical multiplier.

¹Daniel Blake and Julie Covey, California State University Northridge, Family Source Network: Impact Study Results Year 6

PROGRAM COSTS

The major cost of the GBI program is the value of the debit card benefits: \$480,000 annually. The total staff cost to administer the program is \$107,947 annually. **Thus, the total cost of the program on an annual basis is \$587,947.**



COST-BENEFIT RATIO

The ratio of total benefits to total cost is 4.24 to 1. Thus, the grand total of benefits from the GBI program is more than four times the total cost of the GBI program. An ROI of 324% means that for each dollar invested in the GBI program, more than three dollars were returned. The ROI represents how much the benefits grew from the initial investment.

DISCUSSION

Delaware’s GBI program is a smart investment with a very sizable, positive return for participants, the state, and the local economy. This program, which combines monthly cash grants of \$1,000 in the form of a debit card with a cluster of important wrap-around services, improves the health of pregnant women, new mothers, and their babies. It also connects the women with important social and economic benefits, including employment, food security, and a safe and affordable home. GBI is also helping them achieve financial self-sufficiency and reduce stress and anxiety. The GBI program merits scaling up and replicating.