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# CHICAGO FUTURE FUND

AN INTERVENTION INTO SYSTEMIC INEQUALITIES



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EQUITY AND TRANSFORMATION

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# EXECUTIVE SUMMARY

The Chicago Future Fund (CFF) exemplifies the imperative need for redress for individuals living with records in Illinois. Throughout its journey, both the CFF participants and our organization encountered substantial barriers, highlighting the inherent obstacles impeding racial equity in Chicago.

As an organization led by individuals with records, we shared similar experiences with program participants. Banks conducted background checks on our leadership team, often resulting in additional fees or outright rejection upon learning about the demographic we aimed to serve. These denials underscore that employment alone cannot adequately address the pervasive impacts of permanent punishments, which act as formidable barriers to societal reintegration. This reality is not isolated, affecting approximately 3.3 million adults arrested or convicted of a crime since 1979. The CFF Evaluation Report sheds light on the daily trauma faced by people with records and their unwavering determination to succeed against all odds.

Despite improbable odds, we forged a partnership with the Fund for Guaranteed Income (F4GI), an organization aligned with our mission and the CFF. F4GI took on the responsibility of disbursing the payments to participants while also providing invaluable support in fundraising and thought partnership. Shortly after, we launched the inaugural round of the Chicago Future Fund.

The program's core objective is to alleviate the burdens associated with life after incarceration and enhance outcomes for formerly incarcerated individuals.

Results from the CFF pilot program, benefiting 30 residents of West Garfield Park, showcase substantial progress towards these objectives. Recipients witnessed improvements in their housing situations and a reduction in the financial stress linked to daily expenses. Participants reported an optimistic outlook on the future, alongside enhancements in their overall living standards.

While challenges endure, particularly in securing stable employment, the majority of recipients remain actively engaged in the labor market. They persist in seeking and accepting job opportunities, dispelling the misconception that cash assistance leads to reduced work participation.

The CFF pilot program underscores the potential of Guaranteed Income initiatives as vital stabilizing forces in individuals' lives. Although not an exhaustive solution to all the challenges participants face, it plays a crucial role in addressing economic hardships. The outcomes of the CFF program offer invaluable insights that contribute to discussions on the impact of compensation as a form of redress and reintegration.



Richard Wallace  
Founder & Executive Director



# THE CHICAGO FUTURE FUND

In 2021, Equity and Transformation (EAT) established the Chicago Future Fund (CFF), a Guaranteed Income program providing \$500 each month for 18 months to 30 system-impacted residents of Chicago's West Garfield Park neighborhood. To qualify for the program, participants had to be 18-35 years old, earn less than \$12,000 per year, and be formerly incarcerated. The initial cash disbursement was November 15, 2021 and the final disbursement was April 2023.

System-impacted individuals confront significant, ongoing obstacles in their everyday lives, including exclusions from employment, housing, and education. The tangle of obstacles they face can lead to extreme poverty and, too often, to additional periods of incarceration. The Chicago Future Fund is an intervention into these systemic inequalities and the vicious cycle of poverty and recidivism they produce. By providing a Guaranteed Income of \$500 per month without work requirements or restrictions on how the money can be spent, the CFF places an income floor under participants while ensuring that recipients can use the money whenever, and however, they need it.

The Chicago Future Fund is one of more than 100 Guaranteed Income programs that have been implemented across the United States and one of the first to explicitly target formerly incarcerated individuals. Designed as a time-limited demonstration project, the CFF offers an opportunity to assess the effects of a Guaranteed Income program on system-impacted individuals and to document lessons that can inform the development of Guaranteed Income programs and policies. This report presents a final review of the CFF with a focus on lessons for public policy and program implementation.

# WHAT WE LEARNED

## RECRUITMENT & ELIGIBILITY

EAT solicited CFF applications through door-to-door canvassing of the neighborhood, social media posts, and distributing information at community meetings. Thirty applicants who met the eligibility criteria (residents of West Garfield Park, 18-35 years old, earning less than \$12,000 per year, and having been incarcerated) were then randomly selected and enrolled into the program, with efforts made to ensure some balance between men (19) and women (11). One participant was incarcerated at the start of the program and remained in prison throughout the program's duration. Evaluation data was collected through self-administered monthly surveys as well as in-person and telephone interviews of participants.

In the terminology of antipoverty policy, the cohort of CFF participants is a population that faces multiple barriers to employment. Each has an annual income of less than \$12,000. Each must contend with the mark of a felony record and all that it entails in terms of restricting job opportunities. And many face other obstacles, such as poor health and insecure housing. Considering these difficulties, there is evidence that CFF participants made notable achievements, though for most, challenges remain.

### ELIGIBILITY

- 18-35 years old
- Formerly incarcerated
- Resident of West Garfield Park
- Income of under \$12,000 per year



## HOUSING & LIVING EXPENSES

**Housing can be stabilized.** For most CFF participants, housing costs represent the single largest recurring expenditure, and most recipients indicated that they used the monthly stipend to cover rent and other housing-related expenses. Nine of 30 CFF participants (30%) reported living in insecure housing—including residing in an emergency shelter, living in a budget hotel, or staying with family or friends—at some point between December 2021 and April 2023. Of these, seven experienced severe housing insecurity and had to move repeatedly and/or rely on emergency shelters for extended periods. In the latter stages of their CFF participation, however, only one experienced housing instability (though one other participant was incarcerated). In the other cases, moves into stable accommodations occurred and were sustained. This suggests that Guaranteed Income programs can help to improve and stabilize recipients' housing.

**Childcare and other expenses related to caring for children.** For participants with children, childcare costs were a major expense. CFF funds were used to cover some of these childcare costs as well as to pay for children's clothing and school supplies.



**Funds used for regular living expenses.** In interviews, several participants indicated that they used their monthly stipend to cover utility bills and other regular expenses. That said, throughout their participation in the program, most CFF participants had difficulty covering all their monthly expenses. Between December 2021 and October 2022, 25 participants reported being late paying some of their bills. By the end of this period, six of these participants reported being caught up on their bills, while 19 still paid some bills late, at least in most months. In the period November 2022 to April 2023, 18 participants regularly paid their bills late and six other participants had at least one month during the period where bills were paid late. It is clear that for most CFF participants, monthly expenses exceed monthly income, even in cases where living expenses are shared between household members.

**Household debt can be reduced.** In addition to housing costs, most CFF participants reported using the monthly stipend to cover other recurring living expenses, including transportation to and from work. In cases where participants were out of work, the stipend enabled them to cover essential costs, such as groceries, without slipping deeper into debt.

**Evidence of income-sharing.** In interviews, several participants indicated that they had been sharing their CFF monthly stipend with parents or siblings, usually in cases where they share accommodations. In other cases, income-sharing occurred between partners living in the same home. This suggests that Guaranteed Income can have household-wide benefits, thereby helping lower-income households cover living expenses.





**Barriers to employment remain.** The 30 CFF recipients can be divided into three groups based on their recent employment experiences. Eight participants (27%) were steadily employed since the inception of the program in December 2021, holding full-time, part-time, or temporary jobs (the latter mainly through temporary staffing agencies) throughout the CFF funding period. An additional 14 participants (47%) were employed irregularly during the period, holding mainly part-time or temporary positions. The remaining eight participants (27%) were unemployed throughout the entire period (one of whom was incarcerated).

Most CFF recipients were unemployed at the start of the program (five held full-time, part-time, or temporary jobs at the time of the first cash disbursement). Of those experiencing unemployment, 56% secured employment at some point during the period January to October 2022, though among these participants, intermittent employment was the norm. By the end of the program, 64% of participants who were unemployed at the start of the program had secured employment for at least some portion of the program period. In total, 70% of all participants held employment at some point during the program.

Overall, most of the positions CFF participants held were part-time, gig-work, or temporary jobs. This is a telling description of the labor market encountered by most formerly incarcerated individuals; such positions are associated with chronic economic uncertainty and income instability. Nevertheless, we find no evidence that Guaranteed Income has discouraged recipients from seeking and maintaining employment, even in lower-paying, short-term positions.

Participants had not been voluntarily quitting their jobs. Rather, most of the positions they held were either time-limited or the companies eliminated the positions because business volumes declined. In addition, we did not see much evidence of temporary assignments leading to more stable full- or part-time positions.

Of those consistently experiencing unemployment throughout the 18-month program period, all but one indicated that they regularly applied for jobs (this individual was in jail and then prison throughout the reporting period). In addition to the unemployed, many of those participants who were employed on a part-time or temporary basis also applied for other positions. Overall, in months in which participants were out of work, 52% of jobseekers applied, on average, for fewer than six jobs each month; 20% applied, on average, for 6 to 10 jobs each month; and 28% applied, on average, for more than 10 jobs each month. In other words, despite facing difficulties in the job market, very few became “discouraged workers” who suspended their job searches. While some participants may have decided not to apply for jobs in a given month, only three had spells in which they did not apply for employment over a several-month period. Therefore, we do not find evidence that Guaranteed Income has undermined the willingness of recipients to search for work, even those who face significant barriers to employment.

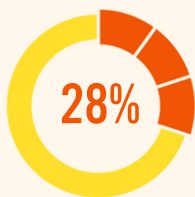
### CFF Recipients Seeking Employment



**52%** of jobseekers applied for < 6 jobs per month.



**20%** of jobseekers applied for 6-10 jobs per month.



**28%** of jobseekers applied for >10 jobs per month.

Among the barriers to employment faced by participants, the scarcity of job opportunities was the most cited. The lack of opportunities has several causes, including inadequate job availability in the areas where participants live and obstacles that persist due to prior felony convictions. It is clear that employers continue to use jobseekers' prior convictions to disqualify them from a wide range of jobs. Participants also cited barriers including difficulties finding reliable childcare, transportation challenges, and limited skills and spotty work histories. Regarding this latter barrier, reliance on temporary positions appears to do little to improve participants' long-term employability. It is likely that employment outcomes could be improved if Guaranteed Income initiatives like the CFF were linked to workforce development programs that could bolster participants' job searches. Effective job placement services would expand the number of job vacancies they are aware of while also assisting them in moving beyond temporary jobs that have provided little in terms of job security or upward mobility.

***Continued reliance on the informal economy.*** As research by Equity and Transformation has shown, formerly incarcerated Chicagoans are heavily reliant on incomes from the informal economy.<sup>1</sup> The multiple employment barriers they face—employer exclusions based on the unwillingness to hire jobseekers with felony records, racial discrimination, “address discrimination” (whereby employers screen out applicants based on where they live), and sporadic work histories—have left many with few options for gainful employment. Although temporary jobs, usually at minimum wage, may be available through staffing agencies, these do not provide the stability workers need. Many jobseekers find themselves pushed into the informal economy where they work as house cleaners, street vendors, recyclers, movers, and in other “off-the-books” employment.

Among CFF participants, 60% were regularly engaged in informal economic activities, most often house cleaning, working as a handyman, and selling loose cigarettes. Involvement in the informal economy is the result of the inadequate employment opportunities available to CFF participants and the difficulties they

<sup>1</sup> Theodore, Nik (2021) *Survival Economies: Black Informality in Chicago*. Chicago: Equity and Transformation.

face making sustainable transitions into regular employment. Among those who engaged in informal activities, 44% reported declining involvement throughout the program period, though month-by-month fluctuations were the norm.

## INTERACTIONS WITH POLICE

In interviews, participants repeatedly expressed their desire to steer clear of situations that might lead to encounters with the police, something that was further enabled by the CFF's recurring monthly stipends. A common refrain among program participants was that CFF stipends enabled them to avoid engaging in shoplifting, drug sales, and other illegal activities to support themselves. Nevertheless, two participants were detained by the criminal legal system for most or all of the program period, even though one ultimately was found not guilty of the charges. Two others were arrested and incarcerated during their time in the program. On the whole, CFF participants reported few encounters with law enforcement authorities.

## HEALTH AND WELL-BEING

Participants reported a number of positive outcomes from the CFF, including reduced levels of stress, a more positive outlook on life, generally better physical and mental health, more motivation, and greater ability to spend quality time with their children. In addition, many reported a greater sense of empowerment when charting future plans and making key life decisions. So too, many spoke of improved relationships with family members as financial stresses lessened and access to basic necessities was improved.

# CONCLUSION

It has been well documented that mass incarceration has numerous collateral consequences on system-impacted individuals, negatively affecting their employment, housing, education, and health. The Chicago Future Fund, a Guaranteed Income program established by Equity and Transformation, has been explicitly designed to help alleviate some of the burdens faced by formerly incarcerated individuals in order to improve employment outcomes, help stabilize housing, and enhance well-being. Results from the CFF pilot program benefiting 30 residents of West Garfield Park suggest that this reimagined safety net achieved many of its objectives. Overall, recipients saw their housing situation improve and the stresses associated with covering everyday living expenses reduced. Participants reported a positive outlook on the future, and most saw improvements in their living standards. This does not mean, however, that recipients' day-to-day challenges were entirely resolved. A substantial number were unable to find steady employment, and they subsisted through a combination of part-time or temporary jobs, long spells without work, and reliance on incomes from the informal economy. That said, it is notable that the results from the CFF pilot program find no support for the main criticism of guaranteed income programs—that giving people cash will cause them to work less. Most CFF participants reported continued involvement in the labor market, having either continued to accept full-time jobs or short-term positions when they were available or having remained active in applying for job vacancies.

Although the challenges facing Chicago Future Fund participants cannot be fully resolved simply by guaranteeing relatively small sums of money for a set period of time, Guaranteed Income programs like the CFF can be an important stabilizing force in people's lives. It is hoped that the outcomes of this pilot program can contribute to a rejuvenated discussion about the types of antipoverty programs that are needed to address economic hardships in Chicago and other cities across the country.

# ACKNOWLEDGMENTS

EAT wishes to express our profound gratitude to our partners and donors whose unwavering commitment has been pivotal to the success of the Chicago Future Fund. This initiative is more than a guaranteed income pilot. It is an acknowledgment of past harms, an investment in Black joy, and an opportunity to remedy the absence of actionable alternatives to police and prisons in the United States. Thank you to all who helped make the Chicago Future Fund a reality!



# CONNECT WITH US!

Equity and Transformation (EAT) is a non-profit, community-led organization founded by and for post-incarcerated people. EAT was established in 2018 with the mission to uplift the voices and power of Black Chicagoans engaged in the informal economy: the diversified set of economic activities, jobs, and workers that are not regulated or protected by the state.

To learn more about Equity and Transformation, visit [www.eatchicago.org](http://www.eatchicago.org).



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