



**Guaranteed Income to Grow Ann Arbor**  
Pilot program to support your well-being, economic stability, or business

# Guaranteed Income to Grow Ann Arbor: Year 1 report

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## GIG A2 Research Team

Kristin Seefeldt, Principal Investigator  
William Lopez, co-Principal Investigator  
Rebecca Sokol, co-Principal Investigator  
Leonymae Aumentado, Project Manager  
Yinqi Chen, Graduate Student Research Assistant  
Amanda Nance, Graduate Student Research Assistant  
Lauren Slagter, Communications Director

# Overview

On June 5, 2023, the Ann Arbor City Council authorized Poverty Solutions at the University of Michigan to operate and evaluate a guaranteed income pilot program. One hundred Ann Arbor entrepreneurs, small-business owners, and gig workers with low and moderate incomes are receiving monthly guaranteed income payments of \$528 as part of the [Guaranteed Income to Grow Ann Arbor \(GIG A2\)](#) pilot program. Another 100 Ann Arbor entrepreneurs receive \$25 a month for their continued participation in the research component of the study, described further below.

This report presents preliminary findings from the first year of the GIG A2 study, as data collection is ongoing. Data include participant surveys conducted at the start of the pilot program and after one year of payments as well as qualitative interviews, which explore participants' circumstances and uses and impacts of guaranteed income.

## The GIG A2 Pilot

### Research Design

Applicants were eligible to participate if they met the following criteria:

- 1) Resided in Ann Arbor,
- 2) Had household income at or below 225% of the Federal Poverty Line, and
- 3) Engaged in gig work, informal business, or small business activities.

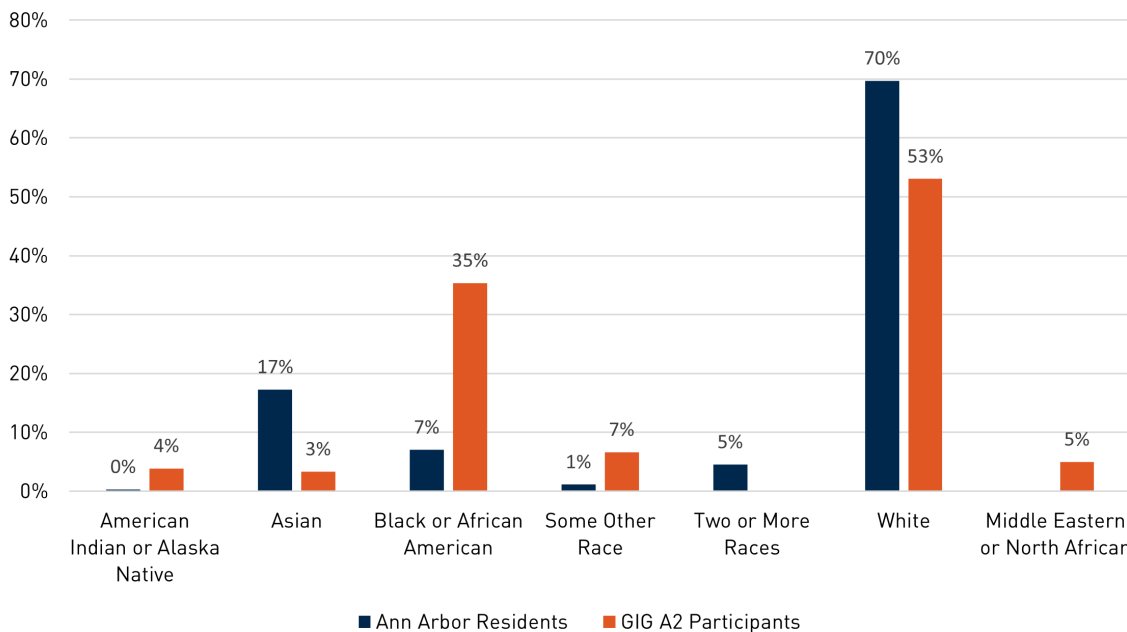
The study used a random selection process to maintain the diversity of applicants across demographics and work-related activities. Half of those selected were randomly assigned to receive \$528 a month. Those that did not receive the funds were paid \$25 a month for their continued participation. Money is distributed with no strings attached, so participants are free to spend the extra funds however they desire. In addition, waivers from the Michigan Department of Health and Human Services and the Ann Arbor Housing Commission ensure that the guaranteed income does not negatively affect eligibility for certain government benefits.

### Participants

GIG A2 participants' demographic characteristics (as reported in 2023) are similar to those of entrepreneurs and micro business owners nationwide, with higher representation of women (60%) and people of color (47%) than the general population. The median age in 2023 was 33, and participants ranged in age from 18 to 61. Given eligibility restrictions for GIG A2, participants' household income was notably lower than Ann Arbor as a whole. The city's median household income is \$78,546, while 85% of people enrolled in the study reported earning under \$48,000.

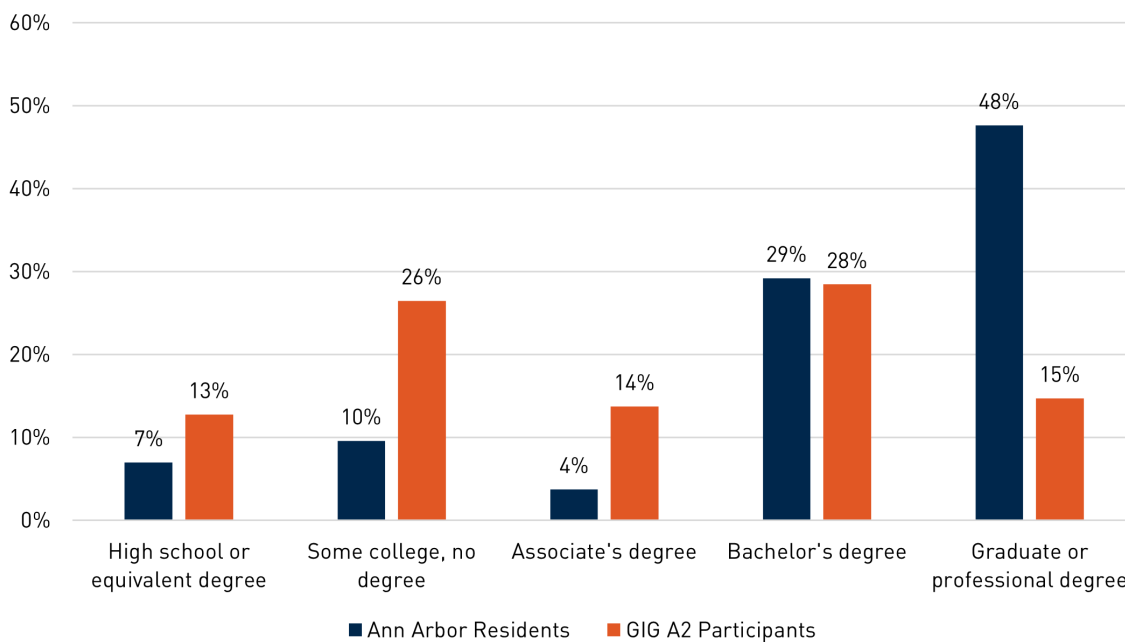
Participants reported varying levels of education: 13% completed high school or less, 26% some college, 14% an associate degree, 28% a bachelor’s degree, and 15% a graduate or professional degree. Compared to other pilots operating around the country, GIG A2 participants have higher levels of education, perhaps not surprising given that Ann Arbor is the most educated city in the U.S.<sup>1</sup>

Figure 1: Race of GIG A2 Participants and Ann Arbor Residents



Note: GIG A2 participants were asked to check all race/ethnicities that apply. Middle Eastern or North African origin is not asked in Census.

Figure 2: Educational Attainment of GIG A2 Participants and Ann Arbor Residents



Note: The data include GIG A2 participants who are 25 and older in order to match how the Census reports the educational attainment of all Ann Arbor residents.

GIG A2 participants engage in a wide range of entrepreneurial activities. These include providing personal care services (45%), performing maintenance work (37%), working in the arts (30%), and providing food service (25%). Other types of work that participants do include selling or reselling items (23%), participating in research studies (22%), and working through an online platform (18%).

Figure 3: GIG A2 Participants' Entrepreneurship Activity, by Type

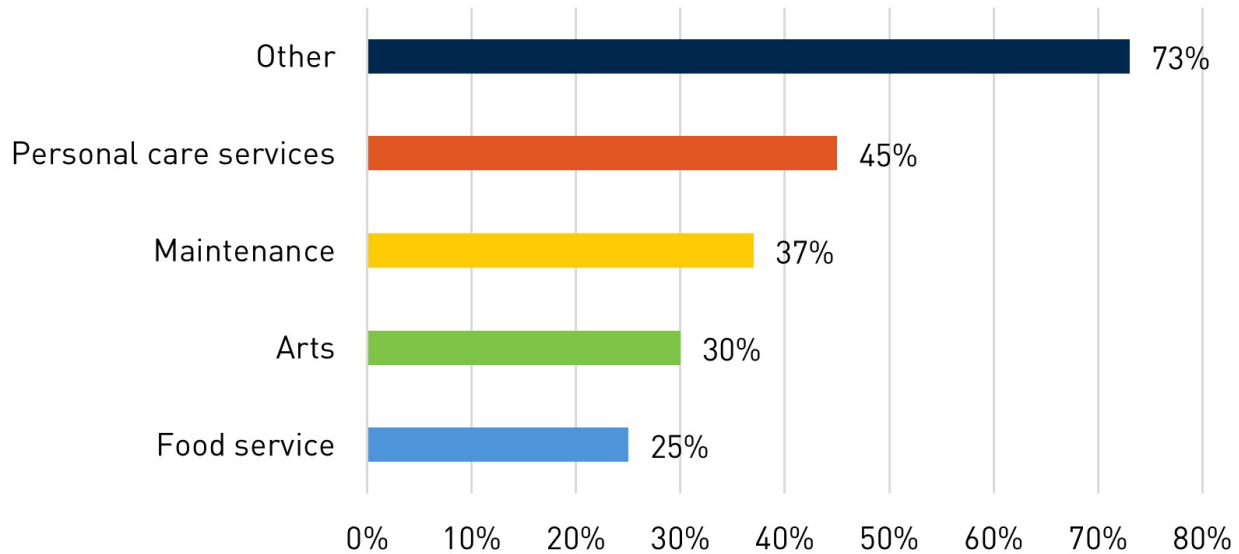
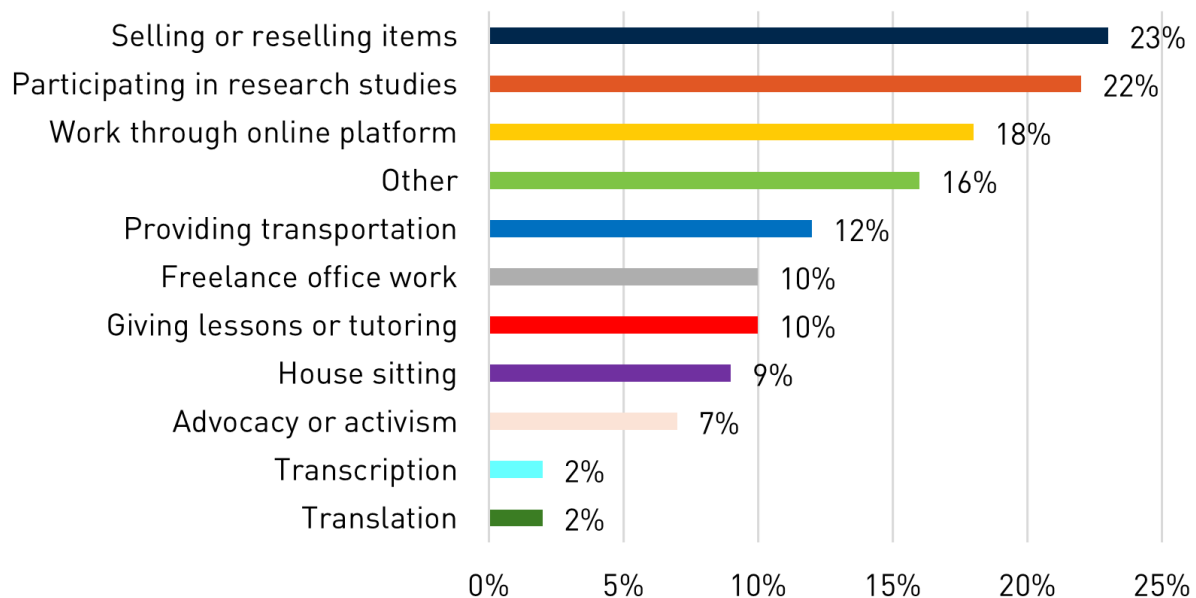
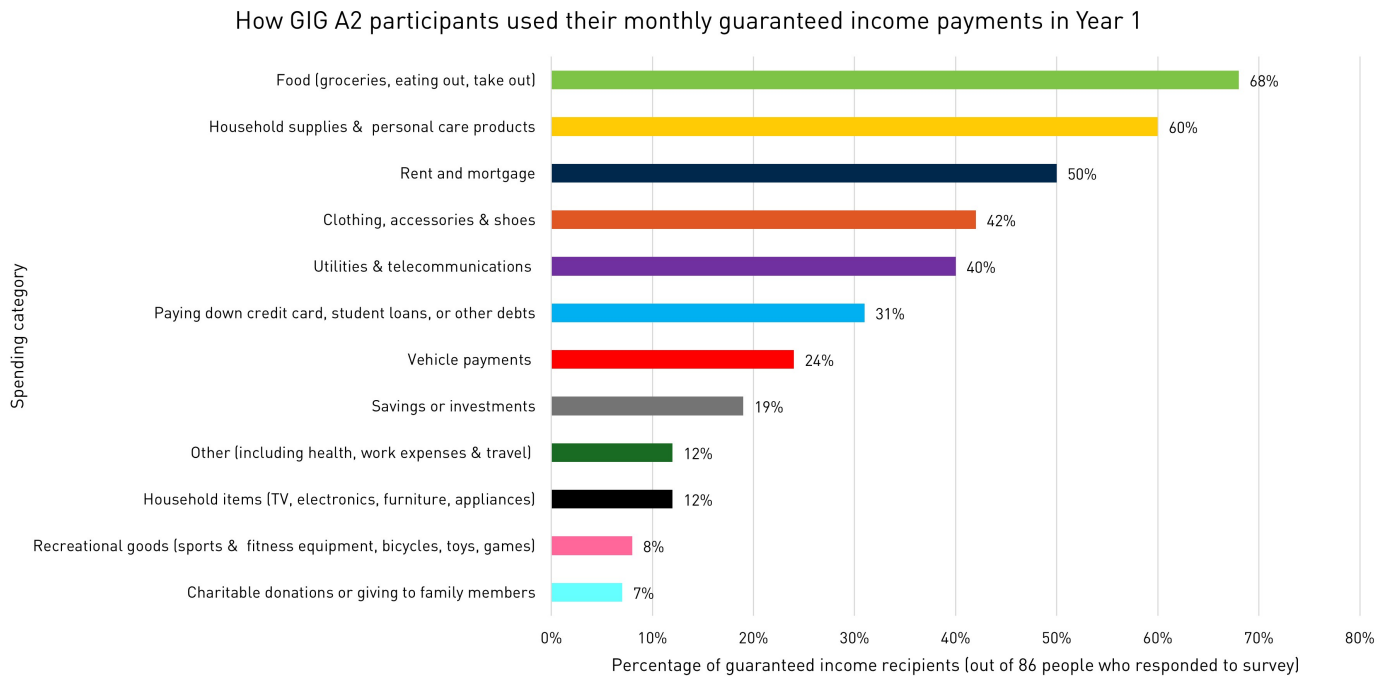


Figure 4: Other Types of Entrepreneurship



# Findings from the First Year of the Pilot Program

When asked how they typically used the \$528 monthly payments, most participants reported it went toward meeting basic needs. This includes buying food (68%) or household supplies and personal care products (60%), paying rent or mortgage (50%), purchasing clothing (42%), and paying utilities and telecommunications bills (40%).



The GIG A2 evaluation is also measuring the effect of the payments on a number of outcomes, including food insecurity and housing instability<sup>2</sup>. Participants were asked if in the past 12 months the electric, gas, oil, or water company threatened to shut off services in their home.

After one year of monthly payments, the study found no statistically significant differences in experiences of food, housing, and utility security between the groups who did and did not receive \$528 a month. Both groups, though, have very high rates of food insecurity (58-61%); nationally about 37% of lower income households experience food insecurity, which is defined as sometimes or often worrying their food would run out or having their food run out and not being able to get more. We see similarly high rates of housing instability (53-61%), which includes people who currently do not have a stable place to live and those who are worried they won't have a stable place to live in the future. Between 19% and 26% of all participants reported a utility shutoff in the previous year.

Ann Arbor is an expensive city, and \$528 a month may not be enough to change people's economic situations, particularly if people were using the money to meet multiple needs. A family of four living in Ann Arbor is estimated to need \$90,096 to cover basic expenses, and the GIG A2 stipend provided about 7% of that value at \$6,336 annually.<sup>3</sup>

Additionally, inflation may play a role in potentially muting the effects of the guaranteed income payment. According to the U.S. Department of Agriculture, food prices increased more than the overall inflation rate between August 2024 and August 2025<sup>4</sup>. One participant described their experience dealing with high food prices as “some days I would starve. I really just won’t eat.” The high cost of housing is well-known in the community. More than two-thirds of renters in Ann Arbor spend more than 30% of their income on housing, which is considered a housing cost burden<sup>5</sup>.

Despite these hardships, participants highlighted in research interviews the various ways that the guaranteed income helped them and subjectively improved their well-being.

## Feeling Relief

While survey data did not reveal significant differences in some outcomes between those who did and did not receive \$528 a month, interviews with participants receiving \$528 a month indicated other ways in which the payments mattered to their lives. Interviewed participants frequently described decreased stress and increased breathing room, even if their day-to-day financial circumstances looked quite similar. One participant endorsed “a feeling of relief ... I can be a little more hopeful about my financial future, which is a big deal.” Another person highlighted how having this breathing room was beneficial to their entrepreneurial efforts, stating “it’s hard to be inspired or to think creatively or to be a change maker when you’re constantly just hustling.” Even if participants’ overall financial circumstances did not change dramatically, the payments were able to provide greater emotional bandwidth for at least some.

## The Benefits Cliff

People receiving the guaranteed income expressed relief from not having to “devalue” themselves or “be in a box” due to rules in public assistance programs that some people believed forced them to keep their income below a certain threshold to stay eligible. The fear of losing Medicaid and Supplemental Nutrition Assistance Program benefits also kept some from pursuing their business to their fullest.

The sudden loss or significant reduction of benefits at a certain income level is often referred to as the “benefits cliff.” That is, a relatively small increase in income can sometimes render an individual or household ineligible for assistance that may provide even larger financial benefits. This “benefits cliff” created stress for many participants, including one who “had just crossed the threshold where they were going to kick me off of the Medicaid, and I had a [serious health diagnosis] that happened at exactly the same time, and it was going to be in the hundreds of thousands of dollars.” Fortunately, the participant was able to remain on Medicaid, but the guaranteed income reportedly relieved some of her stress during that time period.

GIG A2 also offered flexibility beyond the basic necessities, which allowed for participants to create positive memories with their children and even begin payments toward a car. Participants emphasized the sense of dignity the program provided, noting that they were not shamed for struggling or seen as not working hard enough. With the unpredictability of the gig economy, the payments also offered relief during weeks with fewer shifts or when unexpected life events required time away from work.

# Planning for the Future

Nineteen percent of participants saved a portion of their guaranteed income, and some saved their entire check each month. They shared plans — ranging from preparing for an initial business investment to setting aside a “little bit of cushion for emergencies” — that the survey data may not yet capture. Entrepreneurs in the study noted difficulty securing loans to launch new businesses and efforts to gain credibility with banks. Findings surrounding savings suggest that participants often made short-term sacrifices that positioned them better for long-term goals.

Participants received their first checks during the 2024 presidential campaigns, and we collected the data for this report in the immediate aftermath of the election. Just as the City of Ann Arbor set up a \$1 million contingency fund to prepare for the Trump administration, many residents wanted a buffer for any changes that would occur. 2025 has already threatened the efforts of local initiatives supporting low-income families. In April, the U.S. Department of Agriculture canceled \$4.3 million worth of emergency food, cutting an estimated 56,000 meals from the Food Gatherers pantry in Ann Arbor. The Ann Arbor Housing Commission has waitlists for its properties, and anticipated cuts to SNAP and Medicaid will deepen strain on families who are already struggling.

GIG A2 payments ended in December 2025. Our team will analyze additional survey data and will publish the final 2-year report by the end of 2026.

## Endnotes

1. <https://wallethub.com/edu/e/most-and-least-educated-cities/6656>
2. Food insecurity is indicated by participants answering “sometimes” or “often” to questions regarding the frequency (during the previous 12 months) at which they worried that their food would run out and/or experienced their food running out and not having money to get more. Housing instability represents not currently having a stable place to live or being worried that in the future that they would not have a stable place to live.
3. <https://unitedwaysem.org/get-to-know-us/alice-report/>
4. <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings>
5. <https://www.mlive.com/news/ann-arbor/2025/06/some-of-the-highest-rent-ann-arbors-lack-of-affordability-under-scrutiny.html>



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To learn more about Guaranteed Income to Grow Ann Arbor, visit [giga2.org](https://giga2.org)