

NEST Basic Income Pilot Frequently Asked Questions (FAQs)

1. What is NEST? NEST stands for “**N**avigating **E**conomic **S**tability **T**ogether” and is a privately funded basic income pilot designed to increase economic stability for families in the Grinnell community. Participants receive \$500 per month for 18 months with no restrictions on how they use the funds.

2. Who is eligible to participate?

To participate, you must meet the following criteria:

- Be 18 years old or over AND
- Live within Grinnell city limits AND
- Have a dependent, who is under 18 years old, living with you AND
- Be currently employed and working in the service industry AND
- Be in a household with a combined annual (pre-tax) income that is the same or less than the maximum amount listed for your household size



Income guidelines

HOUSEHOLD SIZE	MAXIMUM ANNUAL INCOME	MAXIMUM MONTHLY INCOME
2	\$61,250	\$5,104
3	\$68,900	\$5,741
4	\$76,550	\$6,379
5	\$82,700	\$6,891
6	\$88,800	\$7,400
7	\$94,950	\$7,912
8	\$101,050	\$8,420
9	\$107,200	\$8,933
10	\$113,300	\$9,441

3. How many people will be selected, and how long does the program last? NEST will include 15 participants who will be randomly selected from the completed applications. These 15 people will receive a \$500 monthly cash gift on supplied debit cards for 18 months.

4. Is this just a handout? Won't this make people dependent on free money? No, NEST is designed to support working individuals who are already employed but face financial instability. You might guess this is a small problem, but it is the reality for 44% of households in Grinnell¹ and 37% of households in Iowa².

Ongoing research from United Way has created the acronym ALICE³ to describe these working households in the United States who, despite being employed, do not earn enough to cover the costs of basic necessities in their area. United Way's "United for ALICE" Project is working to make this issue more visible through their research.

NEST is a way to respond to this mismatch and support hard-working community members with an extra \$500 a month that can be counted on for a year and a half. What could you do, or plan for, if you had \$500 extra each month? That is what NEST wants to find out!

5. If people don't have enough money can't they just apply for government benefits? The answer is yes and no. Benefits like SNAP, WIC, TANF, Medicaid, Section 8, Child Care Assistance and others exist to support families when the cost of goods, housing, and services is higher than what is earned from wages. However, many services are focused on the Federal Poverty Level (FPL) as a measure of how much income is enough to support a household. Research from United for Alice by the United Way shows that there is an increasing number of people who earn above the FPL and may not qualify for government benefits, but who also do not earn enough to cover a "survival budget" that includes basic needs and services⁴.

In these circumstances people are faced with hard choices about what bills to pay, what to do when an unexpected charge comes up for medical needs or car repairs, and how to afford increasing costs at the grocery store.

NEST is meant to come alongside other benefits and support families so they can function without having to live in constant panic, worried about how to make ends meet. This enables parents and guardians to be able to breathe and shift their focus from survival to their family,

¹ United for ALICE. (2024). 2024 ALICE report county snapshots – Iowa: ALICE in Poweshiek County. https://www.uwiowa.org/sites/uwiowa/files/ALICE/2024%20County%20Reports/2024_PoweshiekCounty.pdf

² United For ALICE. (2024). ALICE in the crosscurrents: An update on financial hardship in Iowa. <https://www.uwiowa.org/sites/uwiowa/files/2024-12/2024-ALICE-Update-IA-FINAL.pdf>

³ Asset Limited Income Constrained Employed -

⁴ <https://www.unitedforalice.org/meet-alice>

their goals, and their own well-being. This is how we can improve the strength and well-being of not just families, but the community!

6. How is this different from welfare? Unlike welfare, NEST is privately funded and does not require participants to meet ongoing government-mandated conditions. There are no restrictions on how the money can be used, allowing families to use their awareness of their family's unique situation to make decisions that best support their needs.

7. How is success being measured? This is a research-driven project. Participant experiences will be documented through surveys and interviews by our research partner to understand how basic income impacts financial stability, employment, health, and well-being.

8. Is this legal? I thought Iowa doesn't allow publicly funded basic income programs. Correct! Current state law does not allow public funding for basic income projects. NEST is 100% privately funded, making it fully legal within Iowa's regulations.

9. Won't this raise my taxes or take money from other programs? No, NEST is not funded by taxes or public resources. It is supported by private donors committed to testing new solutions for economic stability.

10. Why not just invest this money in job training or social programs? Research shows that direct cash assistance gives families the flexibility to address their unique needs—whether that's paying rent, fixing a car, buying groceries, or investing in education. This complements, rather than replaces, job training and social services.

11. What happens after the 18 months are over? Once the pilot ends, participants will no longer receive monthly payments. However, the research and findings from NEST may help inform future community initiatives aimed at long-term economic stability. Additionally, NEST is committed to supporting participants with an offboarding process to plan for the pilot's conclusion.

12. Where did this program come from? NEST is a part of the Grinnell Education Partnership (GEP) which is a collaborative approach to supporting students and families in the Grinnell area. Phase one of GEP focused on student success particularly in the areas of reading and school attendance. Phase two of GEP is expanding to include a focus on family support as student learning does not occur in a vacuum.

By supporting families and working parents, GEP can contribute to stronger families which impacts the success of youth and students in those families. NEST aims to increase family economic stability in order to combat financial stress and the significant challenges it imposes on many aspects of family life.