

Cash empowers

Rise Up Cambridge bridges gaps for families



DATA AT A GLANCE • JUNE 2023



Massachusetts consistently ranks among the most expensive states to live in, and Cambridge is one of the Commonwealth's [priciest cities](#), with a cost of living that's [73 percent higher](#) than the national average. Cambridge is a deeply progressive city working toward economic justice and mobility through community- and government-led efforts in affordable housing, early childcare, and more. But still, utilities and health care are 19 percent higher here, groceries are 12 percent higher, and housing costs are a whopping 212 percent higher than nationwide. Some families in Cambridge are living on less than \$30,000 a year, the wage the federal government sets as the poverty level for a family of four in 2023.*

Even families making 250 percent of the federal poverty level (FPL), or \$66,250 for a family of four, can't get their heads above water in this high-cost city, where the median income for all families with children is nearly \$160,000, according to the US Census Bureau.

The [Rise Up Cambridge](#) cash payments for families with kids program is a \$22 million City of Cambridge program in partnership with Mayor Sumbul Siddiqui, the Cambridge Community Foundation, and the Cambridge Economic Opportunity Committee. Using funds from the federal American Rescue Plan Act (also known as the COVID-19 stimulus), Rise Up Cambridge provides direct cash payments of \$500 a month to low-income households that include children 21 or younger and that earn up to 250 percent of the FPL. The program, which began on June 1 and continues for 18 months, builds on the success of the Cambridge RISE (Recurring Income for Success and Empowerment) pilot program, which provided \$500 monthly payments to 130 single-caretaker families from April 2021 to February 2023.

Rise Up Cambridge is the only citywide cash-assistance program of its kind in the country. It aims to address the racial inequities and growing economic divide in Cambridge while ensuring that the city continues to be a place where *all families* can thrive as they strive for economic stability, access to education and opportunity, and improved health in the wake of the COVID-19 pandemic.

Here, using data from the Census Bureau's [American Community Survey](#), we examine what it means to live in poverty in Cambridge, who Rise Up Cambridge seeks to support, and how the program can make a difference in their lives.

When we look at Cambridge families living at up to 250 percent of the poverty line, three startling facts emerge:

1 The median income of **SINGLE MOTHERS** is \$29,000. That's just 15 percent of the \$191,000 citywide median for married couples with kids.

2 More than half of the people in these families are 21 or younger, with the largest share under age 12. That's nearly 4,000 Cambridge **CHILDREN**.

3 Just over 60 percent of Cambridge's **BLACK AND AFRICAN AMERICAN** families with children make half or less of what the Economic Policy Institute considers a living wage.

* Unless otherwise noted this report relies on 2021 federal poverty guidelines, because they correspond with the latest population data available from the US Census Bureau's 2017–2021 American Community Survey. Eligibility for Rise Up Cambridge will be determined using 2023 federal poverty guidelines.

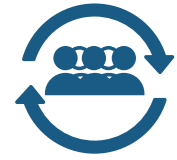
Who qualifies for Rise Up Cambridge?

Of Cambridge's total of 47,777 households, 1,898 qualify for the program, giving it the potential to impact about 7,200 people. To qualify, a household must have at least one child 21 or younger, no adult enrolled in graduate school, and an income of 250 percent or less of the FPL, which varies by family size. Of these almost 1,900 households, more than half are headed by married or cohabiting couples, 43 percent by single mothers, and 1 percent by single fathers (Figure 1).

Though what the Economic Policy Institute (EPI) considers a "living wage"—that is, the lowest annual salary required to cover all [costs of living](#) based on the EPI's methodology—varies by family type and size, it's generally around 500 percent of the FPL. That's double the income that qualifies a family for Rise Up Cambridge.

Nearly 64 percent of Cambridge families make at least five times the FPL. But of the families that are eligible for Rise Up Cambridge, 846 are at or below the FPL, including 379 in extreme poverty that earn just half of the FPL or less. The remaining 1,052 families experience varying degrees of economic insecurity (Figure 2).

250%
or less of the FPL



TO QUALIFY, A HOUSEHOLD MUST HAVE AT LEAST ONE CHILD 21 OR YOUNGER, NO ADULT ENROLLED IN GRAD SCHOOL, AND AN INCOME OF 250 PERCENT OR LESS OF THE FPL, WHICH VARIES BY FAMILY SIZE.

FIGURE 1. Eligible families come in many configurations[†]

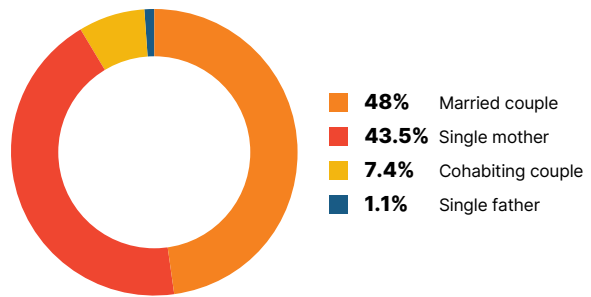
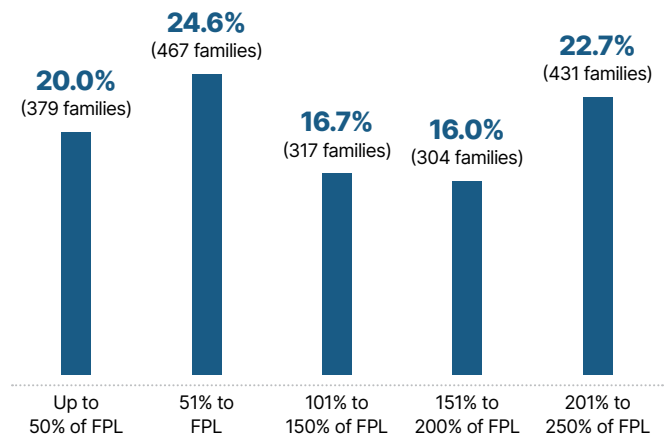


FIGURE 2. Almost half of eligible families are at or below the poverty line



* The people profiled in this report participated in the Cambridge RISE pilot program.

† Percentages in some figures may not add to 100 because of rounding.



LIDA is a single mother of one who used her monthly RISE payments to create an emergency fund, pay for mental health services for her and her daughter, maintain her car, and go back to school. "People in poverty don't choose to be there," she says. "We should all have the right to live a healthy, normal life in this country."*

Even families making 250 percent of the FPL face a significant affordability gap in high-income, high-cost Cambridge. A single parent with two children at this income level would need to earn an additional \$66,109 to reach the EPI's living wage for Cambridge. For a married or cohabiting couple with two kids, the additional amount needed goes down slightly, to \$64,490, but it's still almost double their current income (Figure 3).

Single mothers live on less than any other group

The most startling data we uncovered is the striking income gap between families headed by single mothers and all other family types, including those headed by single fathers. The median income of married couples with kids in Cambridge is \$191,000—more than six and a half times the median of single mothers with kids, which is just under \$29,000.

Nearly 39 percent of single mothers with children at home have annual incomes at or below the FPL; that's more than three times the rate for all families with children in Cambridge, and an increase of more than 10 percentage points from 2019's 28.8 percent, suggesting that the pandemic dealt a heavy blow to single mothers (Figure 4). But pandemic aside, the poverty gap for single-mother-headed families appears to be growing (Figure 5).

Sixty-nine percent of single mothers earn less than a living wage, and 39 percent are officially in poverty. Households headed by single mothers are by far the most economically fragile family types in Cambridge. Of the families earning 50 percent of the FPL or less, 58 percent are headed by single mothers, as are 47 percent of the families earning up to the FPL. Families with married-couple heads-of-household fare better, but many are still struggling.

69%
of single mothers



EARN LESS THAN A LIVING WAGE, AND 39 PERCENT ARE OFFICIALLY IN POVERTY.

FIGURE 3. Eligible families earn about half the living wage—which is still well below the median

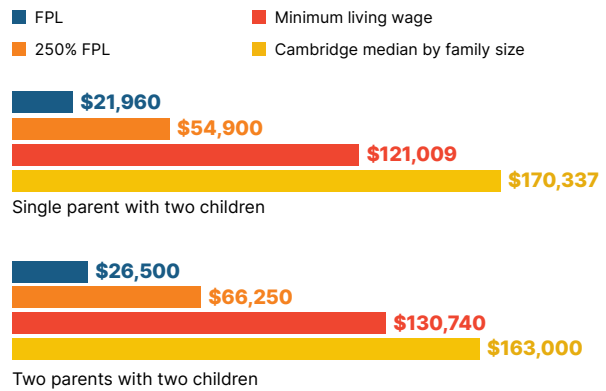


FIGURE 4. Poverty rates for single mothers increased by 10 percentage points during the pandemic

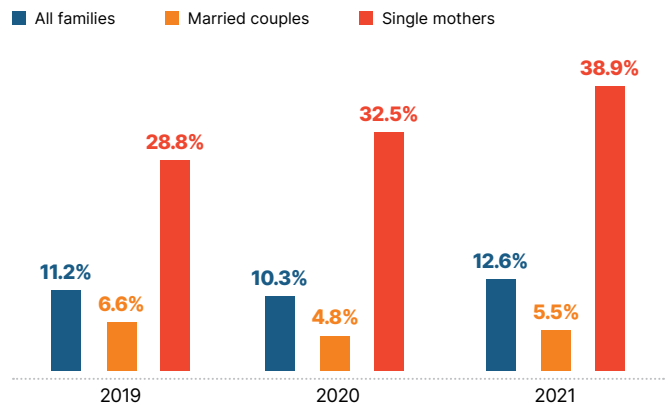
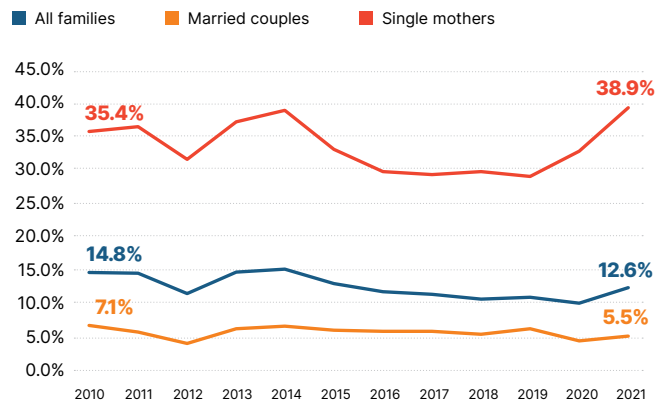


FIGURE 5. Single mothers are seven times more likely to be at or below the FPL than married couples with children*



* Data represent five-year averages to smooth trend lines.



Before she was selected for Cambridge RISE, **CASSANDRA**, a single mother of two teenagers, was under a lot of stress, she says, “trying to hold everything together for my children.” She used her \$500 monthly payment to visit her mother in Cape Cod and to do more activities with her kids, such as taking them out to eat or apple-picking.

Eligibility by family size

Poverty-level income thresholds vary by the number of people living in a household. For a family of three, the FPL is just under \$22,000 a year. The FPL doesn’t vary by the cost of living in individual states, but goes up by [about \\$4,500](#) for each additional family member. At every family size, the annual income of those making even as much as 250 percent of the FPL is still extremely low compared with median incomes of same-sized families in Cambridge.

More than 40 percent of eligible families have just one child living at home. About a third have two children, 22 percent have three children, and just 3 percent have four or more children (Figure 6).

Children are particularly at risk

More than half of the Rise Up Cambridge–eligible population is 21 or younger, with the largest share of that population being 12 or under (Figure 7). This is important because economic insecurity in children increases the risk of a host of poor outcomes that can stymie their potential. For example, these children are 30 percent more likely to have [developmental delays or learning disabilities](#) and between two and almost seven times more likely to [drop out of school](#) than their more supported peers, which can lead to lifelong challenges and perpetuate the cycle of poverty. And children are most likely to benefit from the multiplier effects of interventions.

FIGURE 6. Most families that are eligible for Rise Up Cambridge are small

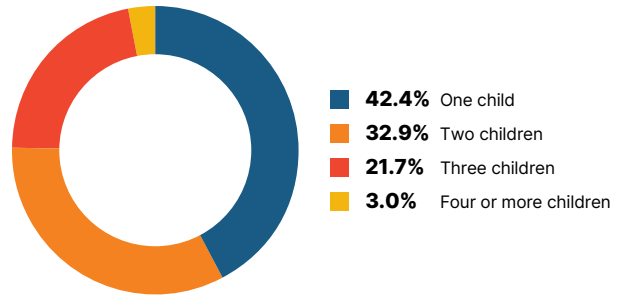
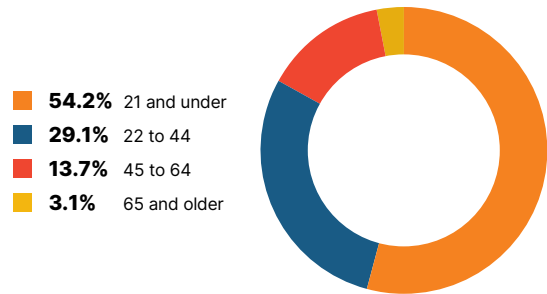
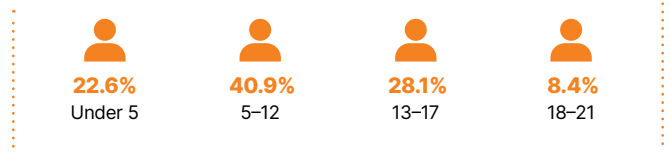


FIGURE 7. More than half of the eligible population are 21 or younger



Children are under 12 make up 63.5% of the eligible population



21 or younger

MORE THAN HALF OF THE RISE UP CAMBRIDGE-ELIGIBLE POPULATION IS 21 OR YOUNGER, WITH THE LARGEST SHARE OF THAT POPULATION BEING UNDER AGE 12.

People of color are among the lowest earners

Due largely to structural racism, Black and African American families throughout the United States have significantly lower incomes and higher poverty rates than others. In Cambridge, the 22.5 percent poverty rate of Black and African American families is double the citywide poverty rate and almost 10 times that of white, non-Latinx families.

Just over 60 percent of Cambridge's Black and African American population living in families with children 21 and under are eligible for Rise Up Cambridge; by contrast, nearly three-quarters of white residents in similar families earn more than five times the FPL (Figure 8). Among Rise Up Cambridge-eligible families, more than 40 percent are Black or African American, though they only make up 10 percent of Cambridge's total population; nearly 22 percent are white, and 31 percent are Latinx or Asian (Figure 9).



In 2013, **RACHEL**'s paramedic husband was killed in a traffic accident, leaving her to raise two children, then 3 months and 5 years old, on her own. She used the RISE money exclusively on them, enrolling her daughter in math camp and soccer and her son in kickboxing and MIT summer programs. "I pay the bills out of the money I make," she says. "I want my children to have happy and successful lives—to live, not just exist."

60%

OF CAMBRIDGE'S **BLACK AND AFRICAN AMERICAN POPULATION LIVING IN FAMILIES WITH CHILDREN ARE ELIGIBLE** FOR THIS PROGRAM, COMPARED WITH 11 PERCENT OF WHITE RESIDENTS IN FAMILIES WITH CHILDREN.

FIGURE 8. A larger proportion of people of color are in Rise Up Cambridge-eligible families

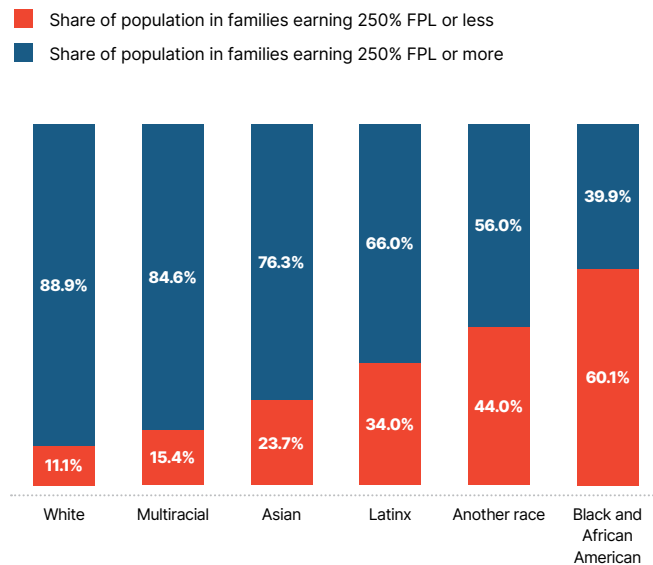
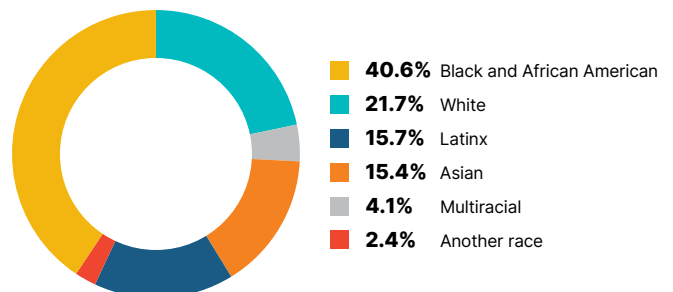


FIGURE 9. Eighty percent of the eligible population are people of color



Eligibility by birthplace

Nearly half (47 percent) of the people eligible for Rise Up Cambridge were born in Massachusetts, and 16.5 percent were born in another US state or territory. The remaining third were born in other countries, with just under half of them hailing from Asia, 19 percent from Africa, 13 percent from Central America and the Caribbean, 10 percent from South America, and 9 percent from Europe (Figure 10).

Among eligible families, married couples are more likely to have been born abroad. Three-quarters of the single-mother heads-of-household were born in Massachusetts.

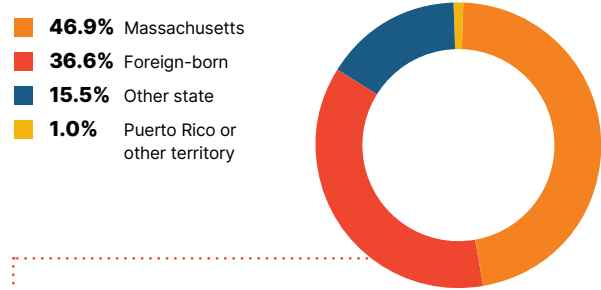
Educational attainment can be a contributing factor

Poverty is remarkably persistent for adults with less than a bachelor's degree; the poverty rate for Cambridge families whose head of household has at least a BA or BS is just 4 percent. By contrast, the poverty rate for those with associate degrees or less is around 20 percent. Still, almost half of the eligible householders have a bachelor's or master's degree, showing that plenty of highly skilled people remain underpaid (Figure 11).



CLAUDIA is single mother of four and a school-bus driver who has resided in Cambridge for 23 years, having moved from Haiti. Her goal is to get her children through college and prioritize her health. She used her RISE money to pay her rent and utilities and buy necessities. "We enjoy eating out from time to time too," she says, "and that's something we could never afford to do before."

FIGURE 10. Almost half of the eligible population was born in Massachusetts



The foreign-born eligible population hail from every corner of the globe

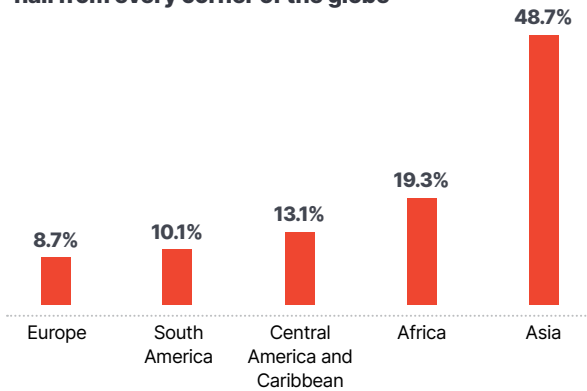
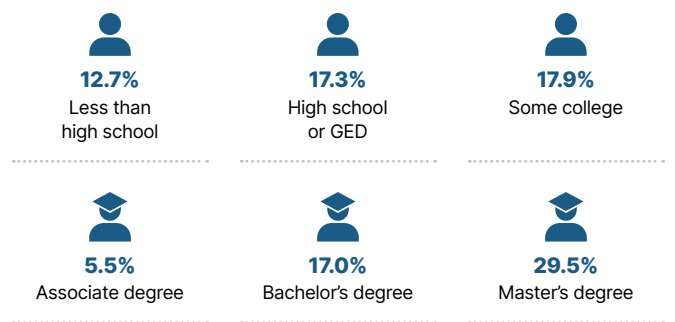


FIGURE 11. Educational attainment of eligible householders



46.5%
OF FAMILIES ELIGIBLE FOR RISE UP CAMBRIDGE HAVE HOUSEHOLDERS WITH A **BACHELOR'S OR MASTER'S DEGREE.**

The majority of these families are working

More than 80 percent of eligible households include at least one working adult (Figure 12). Fifty-five percent have only one worker, but only 40 percent of those have full-time, year-round jobs.

A large percentage of the adults who are working are in occupations that don't pay well, including health care, education, retail, and other services (Figure 13).

According to the Bureau of Labor Statistics, the reasons people in low-income communities may have difficulty obtaining higher-paying work include a lack of qualifications, education, or training; problems securing reliable transportation; childcare or family issues; health concerns; and housing instability.



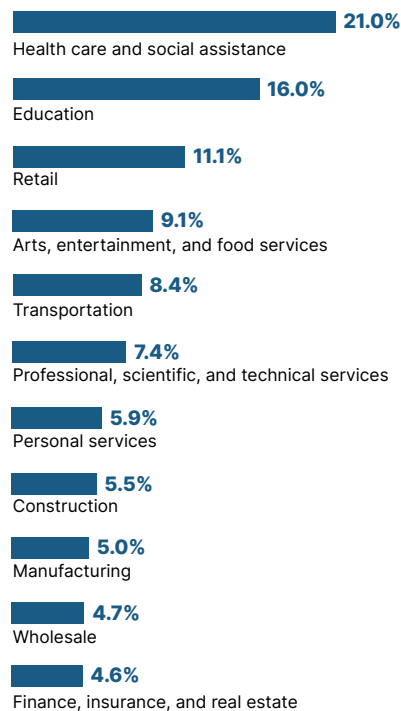
VICTOR, a single father of two, says he constantly worried, "Will my children make it to school? Do I have enough gas? Are their clothes clean? Do I have enough laundry detergent?" When he heard he was selected for RISE, he says, it was a relief. "I had just gone through a divorce and my bills were through the roof." He is battling for custody of his kids, and says the money helped them find a more normal life. "I treated myself by being able to take them to McDonald's," he says. "In October we were able to purchase Halloween buckets for trick-or-treating. Without this program, I couldn't have done that."

FIGURE 12. More than 80% of eligible households contain working adults

- 55.4% One worker
- 14.2% Two workers
- 12.9% Three or more workers
- 17.5% No workers



FIGURE 13. Almost half of eligible adults work in health care, education, or retail



A THIRD OF AMERICANS SAY THEY WOULD **STRUGGLE TO COME UP WITH \$400 IN CASE OF AN EMERGENCY**. MANY OF THEM ARE OUR NEIGHBORS.

How can Rise Up Cambridge help?



Federal, state, and local programs like Section 8 and the Supplemental Nutrition Assistance Program are designed to alleviate the material conditions of poverty and offset the cost of living. But though they provide some relief, they do not do enough to improve the economic well-being of low-income households, in part because the federal poverty level is so low. It was developed in the early 1960s, and although it has been adjusted for inflation, it doesn't take into account the realities of modern budgeting, which include higher-priced childcare, increased medical expenses, and disproportionately high housing costs.

In addition, the so-called safety net sets eligibility requirements that many experts consider unrealistic. Because of this, it is also failing low-income families that make up to 250 percent of the FPL, or about \$66,000 for a family of four—\$100,000 less than the Cambridge median for households of the same size. So 20 percent of Cambridge families earn too much to qualify for subsidies but not enough to be considered financially stable.

They are among the 40 percent of people living in the United States who, studies have shown, can't afford basic necessities such as utilities, furnishings, clothing, personal-care items, and laundry. A third of Americans say they would struggle to come up with **\$400** in case of an emergency. Ten percent of US households experience **food insecurity**, almost a quarter have had to forgo their prescribed **medications or doctor's visits**, and 43 percent of parents with children under 18 find it difficult to afford **childcare**. Many of them are our neighbors.



FEDERAL, STATE, AND LOCAL PROGRAMS DESIGNED TO OFFSET THE COST OF LIVING PROVIDE SOME RELIEF, BUT THEY DON'T DO ENOUGH TO IMPROVE THE ECONOMIC WELL-BEING OF LOW-INCOME HOUSEHOLDS.

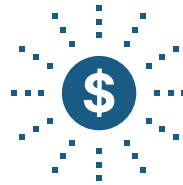
Rise Up Cambridge and other programs that provide monthly cash payments with no strings attached can help with all these costs and more. The idea of unconditional cash assistance has been around for centuries: Thomas More touches on it in his 1516 novel *Utopia*, and in 1776, founding father Thomas Paine promoted it as a leveler of class distinctions. Politicians and activists have quibbled over the concept since it began making a comeback in the 1960s, but in recent years it has gone mainstream, both in the United States and abroad, and pilot programs for low-income families have increased enough that we now have robust data to back up one crucial fact: cash assistance works. It may not lift families out of poverty on its own, but it's a crucial step in the right direction.

Among its other positive changes, cash assistance has been shown to:

- create stability by reducing [income volatility](#);
- expand [education](#) and [employment](#) prospects;
- decrease [stress](#), providing families with the resilience to cope with everyday challenges;
- increase [self-determination](#) by allowing recipients to set and reach goals such as working toward a real estate license or completing an internship or training that can lead to full-time employment or a promotion;
- improve [health](#) outcomes;
- lessen [fatigue](#) and mental health challenges and enhance recipients' emotional well-being;
- lower [substance use](#), [domestic violence](#), and [crime](#) and incarceration rates; and
- increase [equity](#).

These benefits have long-term positive effects not just for the families receiving cash assistance, but for society as a whole: Taxpayers ultimately pick up the cost of the problems cash assistance can alleviate, and providing a basic income to those living in poverty likely results in [higher tax revenue](#) as it can help more people become employed in better-paying jobs.

One study found that as little as \$250 cash assistance a month can reduce poverty by [40 percent](#). Beginning June 1, 2023, Rise Up Cambridge will be doubling that amount to give eligible families—again, those that have



PILOT PROGRAMS FOR LOW-INCOME FAMILIES HAVE INCREASED ENOUGH THAT WE NOW HAVE ROBUST DATA TO BACK UP ONE CRUCIAL FACT: CASH ASSISTANCE WORKS.

children under 21 at home, no adult enrolled in graduate school, and an income up to 250 percent of the federal poverty level—a leg up for the next 18 months. Rise Up Cambridge is the first cash-assistance program in the country that is not lottery-based, meaning it can help all our neighbors who are struggling.

Unfortunately, the data in this report are not surprising. They highlight systemic problems that result in the persistent concentration of children, single mothers, and people of color in poverty. Systemic problems need systemic change. Such change has been elusive in the United States for decades, but as society continues to chip away at larger transformations, targeted local remedies like Rise Up Cambridge are stepping in to fill the breach.

These numbers give a bird's-eye view of a significant population that often goes unseen in Cambridge. Shining a spotlight on the individuals in that population, though, shows that even in such a high-cost city, these caregivers display incredible resilience in making ends meet for their children month after month despite the odds against them. But those efforts come at a cost, and as decades of research has now confirmed, even small amounts of unconditional cash can have a huge impact on these families. Given the manageable size of its population and its compassionate government, concerned residents, and engaged nonprofit, university, and business sectors, Cambridge is taking the opportunity presented by a federal grant to make that crucial difference for all of its families. With collective will, we can solve these problems in our city.

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With special thanks to Cliff Cook, senior planning information manager for the Cambridge Community Development Department.

About the Cambridge Community Foundation

The foundation of and for all of Cambridge, the Cambridge Community Foundation aspires to make our community vibrant, just, and equitable today and into the future. The Foundation supports the well-being of all of Cambridge through grantmaking to nonprofits, civic leadership, and philanthropic partnerships.