

To our colleagues:

When we started the Jain Family Institute five years ago, we looked for initiatives that were foundational to society's effective functioning, and which provided an opportunity for action. We wanted to create a new category of institution: an *applied research organization*.

Our motivation was the sense that we needed a new structure to reach our goal: to move relevant policy ideas along the chain from conjecture to theory to reality. Various peer organizations (think tanks, academic departments, foundations) apply themselves valuably to different parts of this chain. However, in a rapidly changing policy landscape characterized by polarization and academic hyper-specialization, there is an opening for nimble organizations that can shape themselves to develop promising ideas at any stage.

Our three current initiatives are higher education finance (HEF), guaranteed income (GI), and digital ethics and governance (DE), but we didn't set out with a prescription to take on these specific projects. Rather, they rose to the top of our initial-stage research on dozens of possibilities. We intend to eventually address other policy areas such as climate change, criminal justice reform, and alternatives to GDP. We haven't determined the shape our interventions might take, but we expect to grow into new work when we do.

Within higher education finance, we focus on designing financing for the labor and education markets. Our specific intervention is developing income share agreements (ISAs), which are going to be increasingly relevant in the coming years, and where we've taken a central role. We designed the first successful program in the US at Purdue University and we have built, disseminated, and licensed an industry-leading structuring model that has informed many ISA implementations, from workforce programs to coding academies to traditional and non-traditional colleges.

In guaranteed income, we are acknowledged experts in pilot and policy design, advising every US-government pilot or program (including pilots, policies, or exploratory task forces in Alaska, Stockton, Chicago, Newark, New York City, Washington, D.C., Western Massachusetts, and others not publicly announced). We are advisors and monitors of a large-scale guaranteed income program in Brazil, and have engaged governments in discussion about future programs in India, the UK, Germany, Korea, and Canada.

In digital ethics, we focus on research and regulatory guidance at the national and international levels. This year we've primarily engaged with the UN (the Special Office of the Secretary General and UN Global Pulse), the American Bar Association, and the Sedona Conference, as well as with collaborators at Harvard and MIT.

Our projects are not bound by subject area, but our selection criteria, personnel, approach, and practical methodology. Our projects are intentionally eclectic, which has two distinct benefits: first, not binding ourselves to any particular area gives us a greater field of options from which to select our projects—we feel the quality of our projects is higher as a result. Second, the diversity of our projects forces a certain mindset, which must be applied, open, and interdisciplinary.

In this letter, we'll set out our short, medium, and long term goals and our impacts for each of our three current projects. In the interest of space we'll elide some of the definitions in each area; please refer to our new info pages on [higher education finance](#), [guaranteed income](#), and [digital ethics](#) for more context on the projects and our roles within them.

### **Higher Education Finance**

Income share agreements (ISAs) are an equity-like instrument for financing higher education that make investment in education more efficient and more aligned.

The idea has initially taken off at coding academies, where post-graduation jobs are more uniform. Our focus is on industrialization by serving students at key institutions, defined a variety of ways: institutions that serve underrepresented populations; institutions top-ranked for income mobility; and flagship public institutions whose innovations others follow. With this work, we hope to create an equity culture—one in which investors and schools have a direct financial stake in students' future careers. As our projects proceed, we will gather data on how ISAs in fact work, with the view that the successes of the programs should speak for themselves.

The short-term goal is to make income share agreements a viable option to replace Parent PLUS and private loans. The medium-term goal is to acclimate a wide range of stakeholders to this idea. Already ISAs have supporters on the right and left; as data begins flowing from the programs, clarity may emerge that this is an effective way to fund higher education. Our longer-term goals include using the data from ISAs and other sources to assess the entire education system in the US and to support data-driven takeup of ISAs and other aligned financing structures.

On ISAs, we're highly involved in the ecosystem, both from an academic perspective, where we've supported directly or indirectly all the major research, and from a policy perspective, where we've convened experts to explore consensus around federal income-based repayment policy. We have structured every major pilot from the nation's first, at Purdue, to a new initiative with the San Diego Workforce Partnership; and we have become the industry leader in program design and economic research. Our quantitative impact, so far, is tens of thousands students served in more than twenty programs. We've built a model that combines more than 20 datasets from public, private, and academic sources to optimize, via a Monte Carlo microsimulation, a variety of ISA features and terms. We were thrilled to [license](#) a version of the model to Outcome, a new ISA originations and investment platform.

Beyond these practical impacts, we have contributed to the seriousness of the idea through means both public (such as a [symposium](#) at the Philadelphia Fed) and private (existing and upcoming pilot programs).

Longer term, we are excited about our partnership with the Rockefeller Foundation where we are uniting a credit bureau panel with school, wage, and cost data to form the groundwork for [new research](#) led by Laura Beamer and our fellow Marshall Steinbaum, as well as a resource for other economists and policymakers. Further, we are excited to be involved in a yet-to-be-announced nationwide ISA program to launch at the end of this upcoming year.

This year we were particularly grateful to Peter Callstrom, Andy Hall, and Brooke Valle at the San Diego Workforce Partnership, Jim Courtland at Outcome, Dubravka Ritter at the Philadelphia Fed, Nadiya Beckwith-Stanley and David Borden at Skadden, and Jim Runcie and Bill Leith of the Education Finance Institute.

### **Guaranteed Income**

Our work on guaranteed income was founded on two intuitions: there is social waste in the job market and measurements of economic activity are not a good way to assess human flourishing. No extra social value derives from my paying you to watch my kid and you paying me to watch yours, rather than us each watching our own. Notably, though, only the “jobs” show up in GDP.

A few years ago, when we began our GI initiative, our plan was to take a relatively obscure idea and, through research and pilot design, to make it central. Our role has changed now, because of the increasing attention paid to “universal basic income,” and because GI has been the subject of a growing amount of research, including ours, all around the world. Indeed, GI may make more sense in locations other than the US because it has a greater impact in places with fewer institutions and sparser welfare programs.

In 2019, we found the anchor project of our GI initiative: the Citizens’ Basic Income policy in Maricá, Brazil that is already distributing guaranteed income to more than 44,000 residents. This program, one of the largest implementations of guaranteed income ever, is possible because of the city’s oil revenues. We’ve designed multiple analyses and evaluations of the program’s impact on Maricá’s citizens, in addition to helping the city find how it can most effectively use its revenue to support a guaranteed income in the long term. With our partners at a local university in Brazil, [UFF](#), we’ve begun a mixed-methods study that combines semi-structured interviews with quantitative analysis. And we’ve started work with policymakers across Brazil to lay the groundwork for an expansion of the program to other cities.

Over the past year in GI we've developed a similar footprint to ours in ISAs, with widely accepted expertise in pilot and experimental design. We're also leading the charge to explore one of GI's most important questions: how can a large-scale program be funded? Our short-term goal is to build a variety of pilots to tackle difficult open questions about the macroeconomic effects and funding. (Our work in Maricá directly addresses some of these concerns.) Our medium-term goal is to understand in which contexts—domestic and international—guaranteed income makes most sense, and to pilot new revenue and transfer systems. Our long-term goal is to support nationwide implementations of cash transfer systems that do the most good for the most people, as backed by the data (for example, negative income taxes and child allowances are two well-grounded ideas, but additional study is needed to account for the benefits of universalism).

For our short-term quantitative impact, pilots and policies that we design or study have given cash to hundreds within the US and tens of thousands abroad. Qualitatively, the picture is more mixed. One of our goals was to create a unified set of pilots that would form a part of a more comprehensive picture of this policy, which, in its most widely discussed form, would be universal. But guaranteed income is as protean as the many terms used to describe it (cash transfers, basic income, income support, UBI): there's no standard size of transfer, no agreement even on the meaning of the term "basic." And each municipality interested in trying guaranteed income approaches the question with its own mixture of political and epistemic goals. This is evidenced by the wide variety of goals that our partners center in their guaranteed income work: supporting low-income workers; providing a baseline for single mothers; equitably distributing oil revenues; and building political support for wider policy change.

Our new partners this year include Aisha Nyandaro at the Magnolia Mother's Trust, Mayor Ras Baraka and the Newark Guaranteed Income Task Force, Harish Patel and Ameya Pawar, our collaborators in Chicago, Sarath Davala of BIEN, and of course all of our new colleagues in the Maricá government, including Diego Zeidán, and our partners at UFF, including Roberta Mendes and Fernando Freitas. We're also excited to support the work of several scholars on macro questions, including Jack Favilukis, Stijn Van Nieuwerburgh, and Khalil Esmkhani. For their work on a large GI trial in one of the US's biggest cities, we are grateful to Jonathan Morduch, Sewin Chan, Sara Constantino, and our fellow Johannes Haushofer. Thank you also to Larry Katz for insight on existing cash transfer programs.

### **Digital Ethics and Governance**

In the private and public sectors, decision systems are emerging that automate away the need for traditional forms of human judgment. Algorithms guide risk assessment scores in the criminal justice system and child protective services; predictive models of consumer behavior for advertising; college admissions systems; weather projections for automated famine relief. The older provinces of political and moral reasoning are being automated in ways that reduce human input and massively expand the scale and implications of one-time choices. Research is only just now emerging on how these systems

ought to be structured, implemented, and regulated, all the more urgent because they hold significant peril and promise.

Digital ethics and governance is a big field, and this is our most recent project, so our contributions so far are smaller. The short-term goal is to bring tech-ethical considerations to government, law, the academy, and industry, both by contributing to implementation of regulation and guidance and by building the necessary academic grounding for both applications and the academic field more broadly. The medium-term goal is to create the field-leading textbook on digital ethics. Our fellows [David Gray Grant](#), [Lily Hu](#), [Milo Phillips-Brown](#), and [Abby Jaques](#) have spearheaded this project through their pedagogy work at Harvard and MIT. The long-term goal is to build a new field and new theory about ethics in the digital age, with structures as deeply embedded in data-using industries as institutional review boards are within academia.

The impacts here are mostly qualitative so far. Unlike our other two areas, there is no robust academic community already in place—part of our contribution is our facilitation of one, via upcoming conferences at Cornell and MIT. Through the work we are doing with the UN, we're helping to establish guidelines for the use of AI for member countries, and our work with the American Bar Association and the Sedona Conference aims to create similar guidance for the legal profession in the US (and as a standard globally).

Many thanks, this year, to Nicolas Mialhe and Keith Barrows of The Future Society, James Sherer of BakerHostetler, Alex Byrne and Kieran Setiya of MIT, Mila Romanoff of UN Global Pulse, Derk Pereboom of Cornell University, Eileen Lach of The Future Society/IEEE, and Nicolas Economou, of H5/The Future Society.

## JFI

And last, we'd like to assess JFI itself, as an applied research organization. How do we think about the choice and pace of our interventions? Do we have the bandwidth and capacity to do other things?

We select projects through an initial research phase where we score a potential project with a series of conceptual gates, looking at the theoretical and empirical power of the idea, the degree to which it is foundational, the degree to which it is innovative, the available intellectual and financial capital beyond our walls, and finally our available resources—which are, primarily, our staff and fellows. This selection process is perpetual; we are always seeking new modes of intervention and evaluating our current ones. In climate change, we've explored geoengineering. We've researched promising projects in criminal justice reform, and we've considered the discourse on revising metrics beyond GDP. But we haven't figured out how to be relevant yet in those areas.

Central to our methodology is our combination of research, policy design, and, most unusually, pilot design. Pilots allow not just for the creation of new data, but also for exploring potential program design

and the elaborate mechanisms that surround the successful introduction of new social policy: stakeholder communication and coalition-building; organizational and governmental capacity; decision-making and implementation. Pilots oblige engagement with nearly every question one might have on a new policy. They are much harder to build than desk research programs, but come with much bigger rewards. The lion's share of the final value of a new policy comes not from top-down ideological reasoning, but from the practical decisions made over the course of piloting and directly engaged work.

We have a core staff of 34 researcher-practitioners with a wide array of backgrounds, particularly in philosophy, economics, sociology, and, on our editorial team, political science and literature. Our full-time staff, in general, works across projects—this creates the interdisciplinary exchange so fundamental to our approach—while our 20 fellows bring deep expertise into certain project areas.

There are many ways for you to work with and interact with JFI. First, we'd tremendously appreciate your comments or suggestions on projects, current or future, or the concept of applied research organizations. Our aim is to engage with the deepest questions in a variety of fields, and an exchange with our community is key to finding the most important topics.

Second, you can track our explorations of the academic and policy worlds through our weekly [recommended-reading newsletter](#) and our web publication, the [Phenomenal World](#).

A third way to interact with us is at the project level, partnering with us in one of our three areas, or providing us with advising and resources in one of our initial-stage inquiries. We want to grow not just by building on our current projects, but by adding entirely new thematic areas: if you feel an affinity for our work, we would love your thoughts on the most important social questions, and we will explore them.

A fourth way is to work with us on creating a new applied research organization. We're currently building one with a colleague who is looking to make a unique contribution to human rights, among other issues. A network of kindred applied research organizations would have a huge array of emergent benefits, and one part of our mission is to encourage those interested to pursue an approach like ours.

Lastly, we are a public charity, and as such, we bring in funding from a variety of sources. If you wish to help our work broadly or in one of our areas, we would love to continue the conversation, and would appreciate your support.

Our work would not be possible without the commitment of JFI staff and our partners. We want especially to thank Fred T. Goldberg of Skadden, Sheldon Danziger at the Russell Sage Foundation, Lorenzo Bernasconi and Andrea Barrios at Rockefeller, Jesse Rothstein of the Opportunity Lab at Berkeley, Eduardo Suplicy of the Brazilian Basic Income Network, Fábio Domingues Waltenberg of UFF, Mayor Fabiano Horta, José Carlos de Azevedo, and Nathan Melo Costa of Maricá, and Robert

Kirkpatrick at the UN. We want to close with a very special thanks to Doug Webber at Temple University, the most thoughtful, generous interlocutor we could hope for, and Leandro Ferreira of the Brazilian Basic Income Network, whose guidance and incisiveness have led our guaranteed income work into exhilarating new territory. An organization like ours depends on the trust and generosity of our partners, and we have been extraordinarily lucky in this regard.

Finally, we'd like to, on a personal level, say how valuable this work has been to us. Those at JFI with academic backgrounds are more comfortable thinking and writing, often from a remove—dealing with the unexpected in our pilots is challenging. Similarly, those of us with business backgrounds may emphasize getting “it” done, but we might not think hard enough about what the “it” is. Combining these two sides has been deeply rewarding. We'd love to hear your comments and suggestions on this letter or any of our work, and thank you for your collaboration, your thinking, and your support.



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