

February 5, 2021

To our colleagues:

From all of us at JFI, we hope that this letter reaches you well amidst the challenges of the pandemic. Covid-19 brought new urgency to our work, as long standing questions of research — like the fastest ways to disburse cash to millions of Americans — became immediate necessities. We were grateful to contribute our knowledge to several relief efforts. At the same time, we know that sudden shocks to income, schooling, health, and family, which the pandemic made a near-universal experience, have characterized life for families in poverty long before the pandemic. Even as the Covid-19 crisis in time will fade, it is important for those of us working on policy to remember that, absent needed reforms, for those in poverty the crisis will continue.

We started our three main initiatives five years ago. Income share agreements, guaranteed income, and digital ethics and governance were, in 2015, tangential and theoretical in US policy discourse. Income share agreements (ISAs) had been moribund since an ill-designed 1970s pilot; guaranteed income (GI) projects were seen as relevant only in a very small number of localities abroad (a major exception being Brazil); and the field of digital ethics and governance confined itself to theory and think pieces. Now, in 2021, in part due to the foundations we've laid, ISAs and GI have taken off in pilots, initiatives, and the public eye, and JFI researchers are working with global agencies to incorporate digital ethics into human rights and law. The three concepts have become mainstream.

As an applied research organization, JFI works on bringing promising social technology from theory to practice. For early stage projects, we conduct research and build the academic knowledge base; in an intermediate phase, we develop pilots or implementations with government, academic, or philanthropic partners. In the later stages, we measure the efficacy of our projects and optimize to work within the limitations of in fact enacting policy. For all three of our projects, we've seen growing interest among academics and policymakers, and increasing evidence of how they touch the lives of ordinary people. We believe that the fundamental activity of an applied research organization is to move towards policy goals, within the context of political and social constraints. As our programs mature, we measure impact and optimize programs and interventions in service of these goals, scale up, and create an ecosystem so related ideas can evolve. We're not stopping at widespread knowledge, pilot programs, or large scale implementations: our goal is to change outcomes.

Below we'll lay out the current state of our three initiatives, and outline another that made the jump this year into its own full-fledged JFI initiative — our publication of social science analysis and commentary, the Phenomenal World.

Higher Education Finance

In our Higher Education Finance initiative, we develop pilots, studies, and research with the aim of gaining insight into the student debt crisis and finding the most high-impact interventions to alleviate debt and improve the higher education system. Our pilot and policy design within this initiative focus on income-contingent financing.

Our work on ISAs began modestly in 2015 with Purdue University's Back a Boiler program, the country's first at-scale pilot, which we designed, as well as in early discussions with policymakers, including the exceptionally insightful [Rohit Chopra](#), then the CFPB's student loan ombudsman. Now this year, in partnership with Robert Smith, we launched the [Student Freedom Initiative](#), the nation's largest ISA initiative by orders of magnitude, geared towards students of at least [nine historically Black colleges and universities](#). SFI is led by Smith and Executive Director Keith Shoates in collaboration with Fund II Foundation, the United Negro College Fund (UNCF), Skadden Arps, and the Education Finance Institute (EFI). [JFI's role](#) in the initiative covers program design, analytics, and research. Beginning this year, SFI [will provide](#) \$100 million of low-risk, flexible education financing to thousands of students. Bob Jain joined the board, alongside Robert Smith, Professor Henry Louis Gates Jr. of Harvard, Michael Lomax of the United Negro College Fund, James Runcie of the Education Finance Institute, and Linda Wilson of Fund II Foundation. We owe these colleagues, as well as Keith Shoates of Vista and SFI, the first of many thanks in this letter. SFI will affect outcomes for thousands of students.

We've continued [our work](#) with the San Diego Workforce Partnership on ISAs for workforce training and the Outcomes Center. Beyond this ISA work in the field, we've developed our Millennial Student Debt research project, led by Lead Researcher in Higher Education Finance Laura Beamer, which allows an unprecedentedly detailed look at student debt data and demographic trends and shows that, while student debt loads are increasing for all students, increases are highest for Black borrowers. [You can find all the installments of the project here](#). One reason this project has been embraced by media and policymakers is because of Lead Independent Researcher Francis Tseng's interactive maps, which provide a wealth of detail for individual ZIP codes right up to a picture of the whole country. The maps were a [winner](#) in Princeton's Dignity and Debt data visualization contest. You can find the latest map, which includes an overlay of Congressional districts, [here](#). This work formed the basis of our briefing for the Committee on Education and Labor in the House, among other policymaker briefings this year.

In our next installment of this research project, we will be releasing a new data tool to accompany the student debt map which allows the user to compare two geographic regions simultaneously. A national, state, and district-level trends report will accompany this release.

We're writing at a moment when student debt payments have been suspended and interest rates have been set at zero indefinitely. Higher ed, as a system, is suffering multiple crises, many merely exacerbated rather than caused by the pandemic. Debt forgiveness is already effectively in place with the

pause in interest and repayment. Existing free college proposals still entail large costs to students and apply to a limited number of institutions. Apart from the political catharsis of passing these policies, the higher ed system will need a real economic model and alignment between all parties. The outcomes that we are working on are not superficial patches, but long-term sustainable solutions.

Guaranteed Income

In guaranteed income (GI), we build pilots, design policy, and conduct research alongside international partners in government, philanthropy, and academia. We work to unify the field with a focus on defining and investigating open questions about cash policies through pilot design, program evaluation, macroeconomic modeling, and sovereign wealth fund research.

In earlier phases of this project, we structured the Stockton Economic Empowerment Demonstration, testified on the Alaska Permanent Fund, collaborated on the Chicago Resilient Families Initiative Task Force, and conducted research and design for GI projects in several major cities.

In fall 2020, in partnership with Mayor Aja Brown of Compton, California, and Nika Soon-Shiong of the Fund for Guaranteed Income, we launched the Compton Pledge, an 800-recipient GI pilot. This innovative pilot will answer some of the remaining pressing questions about GI policy and will be the largest single-city GI pilot ever implemented in the US. 800 families will receive \$400 each month for two years, and rollout of the program has already begun. We are extremely grateful to Mayor Brown and Nika Soon-Shiong to be the design and research partners of the program. Thank you, too, to Jamarah Hayner and Danny Bakewell of JKH Consulting, who worked tirelessly and urgently with JFI's Director of Research Sidhya Balakrishnan, Lead Researcher on GI Stephen Nuñez, COO Alex Jacobs, and VP of Policy Communications Halah Ahmad to get cash into people's hands. With the wind at our backs from the Covid-19 crisis, the program came together from conception to launch in fewer than six months. We will have grants in front of the National Institutes of Health and the National Science Foundation, and have received funding from J-PAL for this project. Along with program and research design, we collaborated on a new cash-transfer platform which will be of use to many cities as they pursue their own pilots.

In June, we released our findings from the GI task force in Newark, New Jersey. The city is now moving forward with plans to launch a pilot sometime this year. Rounding out our new domestic pilot work, JFI will be handling the research for Humanity Forward's Hudson, NY Basic Income pilot. As part of this effort, we will be bringing on Leah Hamilton, Professor of Social Work at Appalachian State University, as a Senior Fellow in Guaranteed Income. Dr. Hamilton will bring her expertise in qualitative methods and serve as project principal investigator. On the federal policy side, we provided research for a few pieces of legislation: a postal banking/public banking bill and, with Jesse Rothstein and Sandy Black, two bills on country-wide GI policy.

Internationally, we continue our work in Maricá, Brazil, on a 42,000-recipient GI program that is one of the largest in the world. We have finalized our quantitative research instrument and procedures for interviews with Maricá's political and business leaders, and are currently revising our questionnaire for qualitative interviews with beneficiaries and non-beneficiaries, putting us on track to launch fieldwork as early in 2021 as health conditions permit. One of Maricá's many innovations is distributing the cash in a local digital currency, the mumbuca. We have begun collaborating with Maricá's Banco Mumbuca, the largest community bank in Brazil and one of the most significant in the world, to study the rapid adoption of the mumbuca by analyzing the millions of transactions that have been conducted in the currency since 2018.

Beyond policy design and evaluation, we continue to seek new inroads to explore the sine qua non of large-scale guaranteed income — the financing. This year, Paul Katz, VP for Special Projects, hosted the Social Wealth Seminar, exploring strategies to manage public assets and resources in service of social good. In 2020, the seminar met eleven times with scholars, activists, and practitioners from across the US and the world. You can find readings and recordings from each session here. The seminar will return in 2021.

Finally, we inaugurated our research series that takes an in-depth look at how a nationwide GI could work. The series, titled "From Idea to Reality: Getting to Guaranteed Income," emerges from a need we've seen across the landscape of federal and state policy, advocacy, and industry: a scrutiny of the practicalities of UBI implementation. The first whitepaper is "Building a Helicopter: Pathways for Targeting & Distributing a Guaranteed Income," which looks at the targeting and disbursement architecture needed to get cash into people's hands, and the second is "Reweaving the Safety Net: The Best Fit for Guaranteed Income," which explores the roles a GI can and can't play in the safety net, and what it would look like to implement one. We also hosted a lively discussion for the latter paper in December.

Thank you to Michael Lewis of Hunter College, who co-authored "Reweaving the Safety Net," as well as Matt Darling of Ideas42 and Jim Riccio and Rick Hendra at MDRC who provided invaluable feedback. We are grateful to Sheida Elmi and Justin King at the Aspen Institute, who collaborated with us this year. Thank you also to Young Seong Yoo, the director of the Gyeonggi Basic Income project, who invited Stephen Nuñez to participate in the Gyeonggi Basic Income Conference along with former Senator and current São Paulo city council member Eduardo Suplicy, our partner in Brazil.

Looking ahead this year, we are pushing our policy agenda forward. We will be publishing two more pieces in our whitepaper series, first on the macroeconomics of GI and the implications of financing options, then on the political economy of GI and navigating the political and public spheres. In early spring we will publish a robust revision of Jack Favilukis's macroeconomic model on the impacts of GI in NYC. We will be examining a suite of policies, some more mainstream such as baby bonds and child

allowances, EITC and negative income tax, and some more novel in the US context, such as community banking, public banking, and local currencies.

Digital Ethics and Governance

In this initiative, we focus on governance, including legal and international development; algorithmic fairness; and intellectual foundations, including pedagogy and a textbook.

This year we made significant progress in our engagements with the legal community. Back in 2019, we had a vague impression that lawyers, judges, and law students were seeking guidance about the new technology infiltrating their field. In 2020, our expertise was met with great enthusiasm from legal practitioners. James Sherer and Cat Casey, both lawyers who met JFI researchers at the first Athens Roundtable on AI and the Rule of Law, called for “legal practitioners, ethicists, and the bench” to “better understand what AI is, in order to communicate with AI developers and providers.” With an invitation from Sherer and Casey, JFI’s Lead Researcher on DE Arden Ali served on a panel at the American Bar Association, which was well-received by attendees who appreciated “the thorough overview of various ethical frameworks for AI usage” and the guidance as they “are still trying to understand some of the fundamental concepts” (from anonymous feedback on the session). JFI’s later collaboration with the National Judicial College, a panel on AI, Fairness, and Criminal Justice, was attended by over 230 participants. During this session, JFI’s Lily Hu joined former US judges to discuss the current debate on the use of artificial intelligence by the judiciary and commented on the Borden/Prater case study, which was featured in ProPublica’s influential report on bias in recidivism assessment algorithms. JFI co-hosted the second Athens Roundtable on Artificial Intelligence and the Rule of Law.

We continued to deepen our work on AI in global development and humanitarian action with the United Nations. Michael Pizzi, our fellow working with United Nations Global Pulse, discussed his research in a post on human rights and the governance of artificial intelligence. Our work on the use of artificial intelligence in development took on special significance with the onset of the Covid-19 crisis. Pizzi worked with his colleagues at UN Global Pulse, OHCHR, and Access Now to put together a high-level event on protecting human rights during the pandemic. The conversation centered on the many ways that Covid-19 has accelerated the growth of data collection and sharing, especially with the activation of public health emergencies all around the world. Speakers pointed out that policies on data sharing in particular are failing to address these emergency uses, highlighting the need for rapid research in this domain.

Separately, we’re guiding teams at the World Bank as they think systematically about the ethical impact of artificial intelligence in their work all around the world. We lent research support to a World Bank regional workshop on September 28th. Arden Ali is taking on a new project with the World Bank on risk assessment frameworks for artificial intelligence in development work.

Our fellows had a number of achievements this year. Milo Phillips-Brown received the inaugural MAC3 Society and Ethics in Computing Research Award at MIT. He also spoke on ethics education at the [Oxford Research Centre in the Humanities](#). Lily Hu participated in this year's Neural Information Processing Systems (NeurIPS) annual meeting. David Gray Grant presented his research on algorithmic transparency with John Basl (Northeastern University) and Jeff Behrends (Harvard University) at the Rocky Mountain Ethics Congress in August. Nataliya Nedzhvetskaya launched the new media portion of the [Collective Action in Tech project](#) in November.

Thank you to Robert Kirkpatrick, Director of UN Global Pulse, and Liudmyla Romanoff, Data Policy and Governance Lead at UN Global Pulse. At the World Bank, our thanks go to Edward Hsu, Senior Advisor, Disruptive Technologies, and Andrew Choi, Senior Technologist. Finally, we extend our thanks to Hon. Benes Aldana (Ret.), President of the National Judicial College, and Nicolas Miaillhe, Founder and President of The Future Society.

Phenomenal World

The [Phenomenal World](#) is JFI's web publication that publishes research, analysis, and commentary from external contributors as well as JFI staff, addressing the deepest elements of policy. In a polarized landscape, we offer a rigorous engagement with the topics shaping the social world. Edited by Jack Gross with support from Editorial Fellow Maya Adereth, Editorial Associate Sanoja Bhaumik, and Editorial Director Molly Dektar, the Phenomenal World has created a unique niche: longreads that use empirical social science to scrutinize the most pressing issues in our society. Recent areas of focus include the politics of dollar hegemony, algorithmic bias and social scientific study of race, and the political economy of central bank independence.

This year, the PW took off as its own JFI initiative, a flowering of work that's been growing for years. Many of you subscribe to our recommended-reading newsletter, the [PW Sources](#) (recently renamed from JFI Sources). We began this newsletter in 2017 to round up the most compelling new research in the social sciences. We've always found that, even to the generalist, many academic papers are immediately engaging, yet it's hard to find an entry into this world or understand the state of the discourse. As our readership began to grow, we found that our choices became topics of conversation in other newsletters, blogs, and at our peer organizations: many of our readers work at think tanks and in philanthropy. Devotedly interdisciplinary, with an unusual focus on history and deep analysis, the newsletter grew to a point where we made the leap to commissioning and publishing original works from heterodox and innovative scholars and critics.

This year in particular, the Phenomenal World has become an international meeting point for policymakers, academics, industry leaders, and generalists, as we've found [on Twitter](#), or at [our events](#), including our huge summer panel led by Adam Tooze. The Phenomenal World brings new ideas into the public sphere, and shifts ideas from the fringe to the center of serious discussion. We've seen ideas

we've published take off, especially our [series on the dollar](#), Rodrigo Ochigame on the [history of algorithmic fairness](#), and Lily Hu's work on [racial bias in algorithms](#). This year, readers have discovered the PW through coverage in the Financial Times, Money Stuff, and Business Insider. Joe Weisenthal and Tracy Alloway's podcast for Bloomberg, Odd Lots, dedicated [an episode](#) to Yakov Feygin and Dominik Leusder's [piece on dollar dominance](#).

One of our motivations for creating the publication is that there is a pipeline problem in the social sciences, particularly in economics, and the outlets for publication are few and slow. We place a high value on finding and elevating the work of writers from underrepresented perspectives, and from earlier career stages. The "New Researchers" section of the PW Sources showcases work from early-career scholars.

We owe special thanks for continued collaboration with Adam Tooze, Lily Hu, Adam Przeworski, Daniela Gabor, Amit Bhaduri, Yakov Feygin, and Dominik Leusder.

Since the PW Sources is by design far-reaching and peripatetic, we launched a new newsletter this year which focuses more closely on JFI's initiatives. [You can subscribe here](#). It provides readings and updates on JFI's core work.

JFI

Thousands of students are receiving financing through JFI-designed ISAs, and tens of thousands of people in the US and abroad are getting cash transfers through policies and pilots JFI has evaluated. In digital ethics, millions will be affected by the ethical guidelines we're designing with the UN and the World Bank. These growing numbers represent the most important goal of our work, making a material positive difference in people's lives.

We are heartened to work with forty of the most thoughtful and iconoclastic researchers and policy experts in the business. Our community of alumni has grown to more than twenty fellows, whom we love to see in our research sessions and seminars. We are thrilled to see we can bring an applied side to some of the academic work of our fellows, and equally thrilled to bring a disciplined research approach to the applied side. We regret only that we couldn't see each other in person for most of the year, and eagerly anticipate a return to our office when safe.

In closing, we'd like to touch on the future of JFI's work. The arbitrage in our world is to find projects that we can consistently focus on for ten to fifteen years, to get from research, to pilots, to data acquisition, to optimization, to policy. Our approach as an applied research organization is to stick with a project through all its necessary phases, and across all relevant dialogues — policy and lawmaking, media and public opinion, academia, finance, and economics.

The four projects named above are only the beginning of what we hope to pursue. The patient and long-term nature of our work puts special pressure on the project selection phase. To take on the question of what to take on next, we put each potential project through a structured research process of gates. The gating process involves scoring the project on its foundational potential, empirical and theoretical strength, impact-to-effort balance, and ecosystem of expertise. We're beginning this year with a taxonomy of our initiatives, reassessing both current and future work through a fresh round of gating. Each initiative comprises a variety of potential attachment points — for example, in guaranteed income, we're currently pursuing pilots, policy, and social wealth funds, while public banking will be a new focus in 2021.

We'd also like to appeal directly to you — our community. Do you have a project in mind that you'd recommend to us? Do you have comments on any of our current work, or how it could be expanded? Your knowledge and insights will be extraordinarily helpful in our ongoing process of finding the highest-potential new social ideas.

Beyond your comments, we'd also love to hear from you if you'd like to collaborate on any of our initiatives, or if you're interested in learning more about applied research organizations.

Finally, as a 501(c)(3) nonprofit, we rely on public and private support. If you would like to consider making a gift to any of our project areas or to our organization as a whole, we would love to hear from you.

To receive regular mailings from us, you can sign up for our recommended-reading newsletter, the [PW Sources](#), or our [regular institutional updates](#). Please keep in touch. And thank you for being a part of our community.



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