

POLICY BRIEF

# Guaranteed Income

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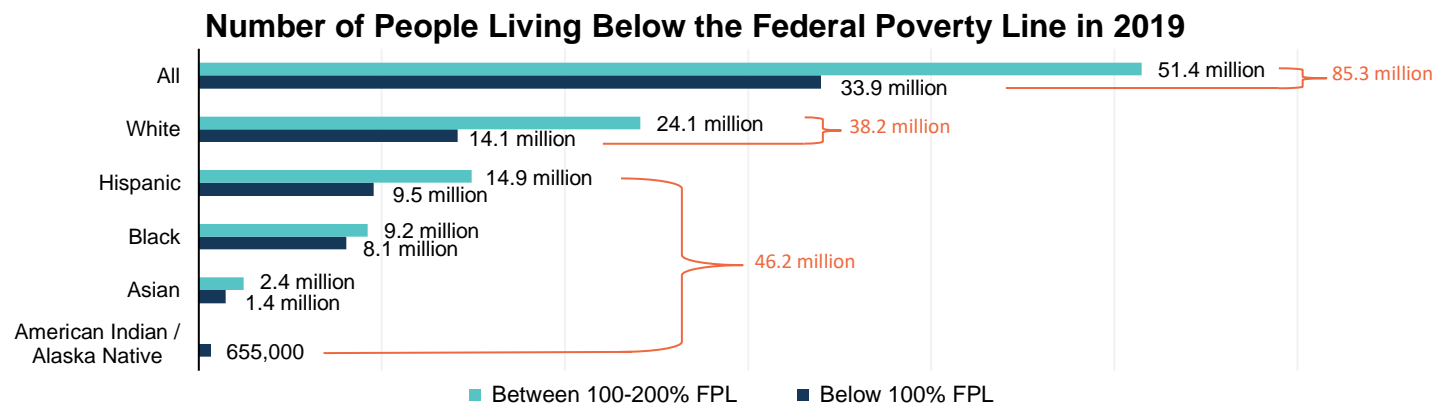
**“The solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.”**

– Martin Luther King Jr.

## The Problem

Poverty in the United States is a choice—not one made by the individuals who experience such hardship, but by policymakers whose actions (and sometimes inaction) over generations have sustained and exacerbated it. These policy choices have also allowed corporations and the predominantly white, wealthy few to shape the economy in ways that are beneficial for them. For people of color,<sup>2</sup> these policy choices have created an economy in which racism is not only [profitable](#), but it also fuels cycles of oppression that leave millions of us—Black, Indigenous, Latinx, Asian, and Pacific Islander people—to live in or near poverty, which limits our ability to build financial security and wealth and fully participate in our democracy.

Before the COVID-19 pandemic and recession hit, the US was seemingly riding an economic high. The stock market had hit multiple [record peaks](#), household incomes had [risen](#), and the unemployment rate had dropped to a 51-year record [low](#) at 3.5 percent. Yet, despite being told that we were all experiencing shared “economic growth,” people of color were living a different reality, making up more than 50 percent of all people living in or near poverty. So really, our nation had left over 46 million people of color at the margins of the economy.



**Source:** Except for American Indian/Alaska Native (AIAN) poverty data, all other data comes from the U.S Census Bureau’s [Current Population Survey](#). AIAN data comes from the Census Bureau’s American Community Survey, which only lists data for 100% of poverty.

These unacceptable outcomes do not happen by accident, nor do they happen without prejudice. Instead, they are rooted in white supremacy and propelled by racist dog whistles over generations to withhold government support from people of color who are languishing in poverty. For example, [work requirements](#) for federal welfare programs are not only punitive and generally ineffective, but they also serve to reinforce false—and racist—narratives about deservedness and the work ethic of poor people of color.

In the Liberation Economy, we envision that all people of color will have a guaranteed right to a livable income—one that allows people of color to not only fully meet their basic needs but to also live without fear of ever being pushed into poverty. **To establish such a**

<sup>1</sup> The authors would like to thank [Mia Birdsong](#) and [Jim Pugh](#) for their time and insights during the development of this policy brief.

<sup>2</sup> Throughout this document, we will use the terms “people of color,” “communities of color,” “workers of color,” and other similar phrases to refer to Black, Latinx, Indigenous, Asian, and Pacific Islander people. We use this term not to erase the experience of any particular group but to demonstrate the shared impact that systemic racism and white supremacy have had on these racial groups. We recognize that these impacts are not equal across groups and that some groups have suffered collectively more than others. Where the experiences of a particular racial and/or ethnic group are uniquely illustrative, we will refer to that group directly.

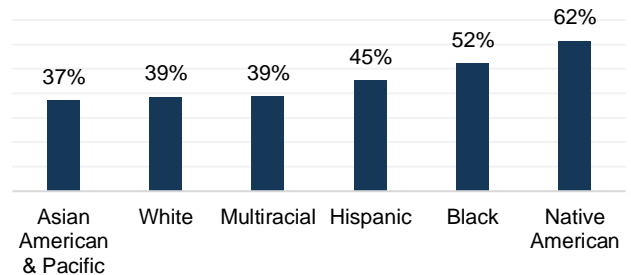
right, we call for a bold and transformative solution that would see the federal government provide recurring, unrestricted, and direct cash payments to those who need it: a guaranteed income.

## The Policy Solution and the Potential Benefit for People of Color

At its core, a guaranteed income program would serve as a powerful tool for addressing poverty among people of color. In fact, the American Rescue Plan’s expansion of the child tax credit (CTC)—which took one of the largest federal direct cash transfer programs in the country and essentially turned it into a guaranteed income program for children—already [demonstrates](#) that large-scale, targeted cash transfers will dramatically benefit people of color.<sup>3</sup> For Black and Indigenous children alone, it’s estimated that the CTC expansion will cut child poverty by over 50 percent.

Further, decades of national and international [evidence](#) tell us that a guaranteed income not only works from an economic perspective but can also have broader societal benefits. For example, evidence from [a decades-long effort](#) by the Eastern Band of Cherokee Indians suggests that an unconditional guaranteed income program can help mitigate other issues that disproportionately affect people of color, including mental health issues and interactions with the criminal justice system. The recent Stockton Economic Empowerment Demonstration (SEED) guaranteed income initiative also [found](#) that their guaranteed income helped improve the mental health of their recipients.

**Impact of Direct Support Provided By the Expanded Child Tax Credit**  
*Estimated reduction in child poverty by the American Family Act*



Source: [Center on Poverty and Social Policy at Columbia University](#)

## Moving Toward Liberation: Guaranteed Income Policy Design

While there are several features that should be debated and considered as part of creating a universal guaranteed income program, we believe that if a guaranteed income system is to equitably support all people of color, including those living in or near poverty, then it must incorporate a set of essential features. These features include:

- Broad eligibility and targeted support to people living below or near poverty:** A universal guaranteed income system should ensure that all working-age adults living in or near poverty are eligible for support—regardless of family size, immigration status, interactions with the carceral system, or disability. However, for a universal guaranteed income program to be effective, it needs to adhere to the principles of [targeted universalism](#), meaning that the program would provide a universal benefit—eradicating poverty—while targeting its intervention toward people most impacted by the problem—people of color living at or near poverty. To achieve this, support should be targeted to all people living at or below a broad nationally established income standard. Such standards could include 50 percent of area median income (AMI), which is the ceiling for providing support through the federal housing choice vouchers program, or 200 percent of the official poverty measure (or the supplemental poverty measure), which would capture all people living in or near poverty.
- Recurring, unconditional cash payments that are protected from financial predators:** A universal guaranteed income system should provide recurring cash disbursements to eligible recipients once a month, at a minimum. This will level recipients’ cash flow volatility—an issue that [affects](#) 21 percent of households of color—and allow people to meet their basic monthly expenses (e.g., food, rent, clothes, utilities) without fear of being pushed into poverty. Additionally, the program should be unconditional and available to all who meet the income requirements, and it should not be withheld for any other reason, including immigration status, involvement in the carceral system, gender identity, sexuality, ability, or marital status. Further, guaranteed income cannot include drug screening requirements, arbitrary time limits, work requirements, restrictions on what funds can be used for, or any other policy mechanism that relies on racist deservedness troupes to police the behaviors of people of color. Finally, considering that [nearly 40 percent](#) of communities of color have some debt in collections, guaranteed income should be protected from garnishment from debt collectors, court fines and fees, and child support arrears.

<sup>3</sup> We will note, however, that this expansion is not at the same scale as what we call for in this brief.

- **Automatic enrollment of all eligible participants:** To ensure that all eligible people can easily participate and benefit from the program, eligibility determination and enrollment should be automatic. For example, to verify a person's eligibility for the program, a guaranteed income system could leverage existing government systems that track household income, such as tax filings, unemployment, social security, and other safety net systems. Once verified, participants would be automatically enrolled into the program. Ultimately, a universal guaranteed income system should not force people to navigate burdensome and arcane bureaucratic practices to determine if they are eligible for the program and to enroll in it.
- **Substantial, geographically responsive payments and protections from being denied access to other public supports:** A guaranteed income system should provide support that is large enough to ensure that all people can truly afford a basic standard of living. To provide adequate payments, the federal government should not only develop the program to ensure those with lower incomes receive greater support, but it should also develop mechanisms to ensure that the size of the payments is enough to truly cover living expenses where the recipients live. For example, the [Guaranteed Income Pilot Program Act](#) of 2020, which was introduced by Representative Bonnie Watson Coleman (D-NJ), calls for using the US Department of Housing and Urban Development (HUD)'s fair market rents (FMRs) [calculations](#)—which are already used by public housing authorities to determine payment size for housing choice vouchers.

Going with a one-size-fits-all approach to payment size would inevitably punish people of color, who are more likely to live in areas with higher costs of living. Finally, to ensure that this program does not unintentionally harm the people it intends to serve, any support provided through it should be excluded from eligibility calculations for other public assistance programs. In the end, while guaranteed income holds great potential for tackling the issue of poverty among people of color, it is not going to be a panacea for the many other socio-economic issues people of color face that other social programs are specifically equipped to better address.

- **Digital and non-digital payment options should be available:** Recipients of guaranteed income programs should have ample choices to decide how they would like to receive their payments. This should include digital and non-digital disbursement options. Among these options should be direct deposit, mailed paper checks, and prepaid debit cards. Additionally, considering that households of color are [more likely](#) than white households to lack a checking or savings account and to use [costly alternative financial services](#) (e.g., payday loans, check cashers), a guaranteed income program should ensure that un/underbanked participants not only have equitable access to their benefits but also are not harmed by digital disbursement options. One way to achieve this would be by expanding access for participants to the Treasury Department's [Direct Express](#)® prepaid debit card program. Another way would be to expand access to financial services to all through [universal bank accounts](#) provided by the federal government, or through the 31,000 post offices across the United States, which could allow program participants to cash mailed checks free of cost.

Beyond these features, a universal guaranteed income program should be directly administered by the federal government and funding for such a program should be mandatory. The reason for these points is simple: They would help avoid the prospect that states would find ways to reduce benefits (as has been the case with the unemployment insurance program) or spend passthrough funds on non-direct cash assistance (as has been the case with the Temporary Assistance for Needy Families, or TANF, program). Further, it would also move the program's funding outside of the annual funding process in Congress, which inevitably leaves critical programs in danger of being reduced or cut altogether.

## The Road Ahead to Liberation

Eradicating inequality in the US will require structural policy change. But not all policies will dismantle the [Oppression Economy](#) and build toward a [Liberation Economy](#), nor will they come to fruition on their own. As a national movement-support organization building the power of people of color to totally transform the economy, we share in the belief that those closest to the problems are best suited to develop, shape, and advance the solutions that will get us to where we need to go.

In creating this brief, which is part of an ongoing series of [briefs](#), we aimed to provide organizers with bold policy platforms and policy design frameworks that can be used to guide conversations with their communities and policymakers about how policy can be shaped to advance racial justice. We invite you to use and refine the information in this brief in whatever ways are most helpful for your work and your community. We also invite you to [engage with Liberation in a Generation](#) in further developing this idea. In the end, if we are going to build a Liberation Economy in one generation, we must ensure that advocates, community organizers, residents, and other proven and emerging leaders of color are empowered and at the center of the work to create an economy where all people of color can truly prosper.