

POLICY BRIEF

Guaranteed Income

By Jeremie Greer and Emanuel Nieves¹

“I am now convinced that the simplest approach will prove to be the most effective – the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.”

– Dr. Martin Luther King Jr., *Where Do We Go from Here: Chaos or Community?* Beacon Press, 1967.

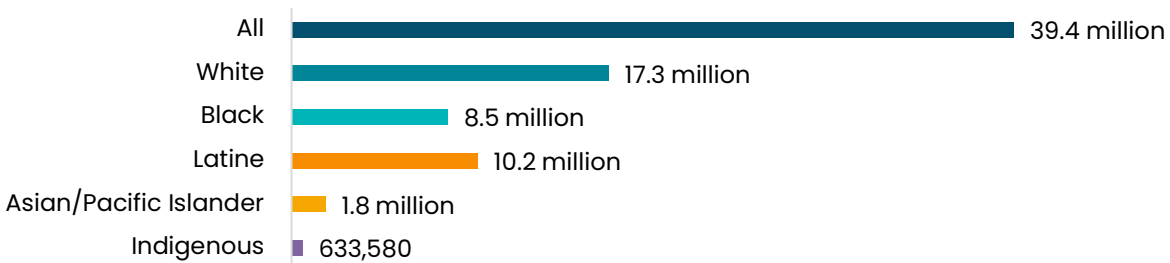
The Problem

Poverty in the United States is a choice—not one made by the individuals who experience such hardship, but a choice made by policymakers whose actions, or lack thereof, over generations have sustained and exacerbated poverty suffered by millions of Americans. These policy choices have also allowed corporations and the predominantly white, wealthy few to shape the U.S. economy in ways that are beneficial for them. For people of color,² these policy choices have created an **Oppression Economy** where racism is profitable, leaving millions of us to live in or near poverty, which limits our ability to build financial security and wealth and to fully participate in our democracy.

Before the COVID-19 pandemic and recession hit, the U.S. 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% in 2019. Yet, despite being told that we were all experiencing shared “economic growth,” people of color were living a different reality, [making up more than half of all people living in or near poverty in 2019](#). In other words, even as the economy was booming, more than 21 million people of color remained at the margins.

¹ The authors thank Mia Birdsong and Jim Pugh for their time and insights during the development of this policy brief.

Poverty Status by Race/Ethnicity, 2019



Source: U.S. Census Bureau. “[2019 American Community Survey 1-Year Estimates](#).” 2019. “White” refers to non-Hispanic whites, “Black” refers to Black or African American alone, “Latine” refers to Hispanics of any race, “Asian” refers to a combination of Asian alone and Native Hawaiian and Other Pacific Islander alone, and Indigenous refers to American Indian and Alaska Native alone.

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

Similarly, anchored by a [racist history of limiting access to cash assistance to Black families](#)—Black mothers, in particular—over the past century, policymakers at the federal, state, and local levels have implemented various oppressive rules, requirements, and other reforms to the Aid to Families with Dependent Child (AFDC), which was originally established as the Aid to Dependent Children as part of the Social Security Act of 1935, and its successor, Temporary Assistance for Needy Families (TANF). These rules have significantly limited the reach and power of these programs to support families in times of need. As a result, because of federal funding frozen at 1996 levels along with wide latitude given to states to establish eligibility standards, requirements, sanctions, and benefit levels, as of 2020, [just over one in every five](#)

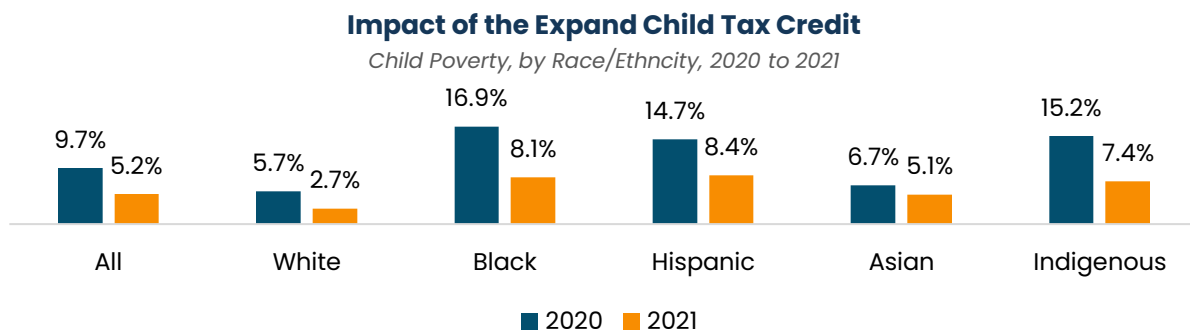
² Throughout this document, we use the terms “people of color,” “communities of color,” “workers of color,” and other similar phrases to refer to Black, Indigenous, Latine, Arab, Middle Eastern, Asian, and Pacific Islander people. We use these terms not to erase the experience of any group but to demonstrate the shared impact that systemic racism and white supremacy have had on us.

[families in poverty received TANF assistance](#). This is down from 68% in 1996 when AFDC was eliminated and TANF was created. Unsurprisingly, [Black TANF recipients are more likely than white recipients to be sanctioned](#) and [to live in states with low TANF benefits, while Black children are less likely than white children to have access to TANF](#).

To build a [Liberation Economy](#) that serves the basic needs of people of color, where we find safety and security, and where we are valued, we must ensure that all people of color are provided with a livable income—one that allows us to not only fully meet our basic needs but also live without fear of ever being pushed into poverty. To establish such a 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 Potential Benefit to 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—which took one of the largest federal child tax credit programs in the country and essentially turned it into a guaranteed income program for families—[demonstrated](#) that large-scale, targeted cash transfers can dramatically benefit people of color. This one program alone led the child poverty rate among [Black and Indigenous children to be cut more than half](#).



Source: Creamer, John, et al. "[Poverty in the United States: 2021](#)." Table B-2. Number and Percentage of People in Poverty Using the Supplemental Poverty Measure by Age, Race, and Hispanic Origin: 2009 to 2021. U.S. Census

Bureau. 2022. "White" refers to non-Hispanic whites, "Black" refers to Black alone, "Hispanic" refers to Hispanics of any race, "Asian" refers to Asian alone, and Indigenous refers to American Indian and Alaska Native alone.

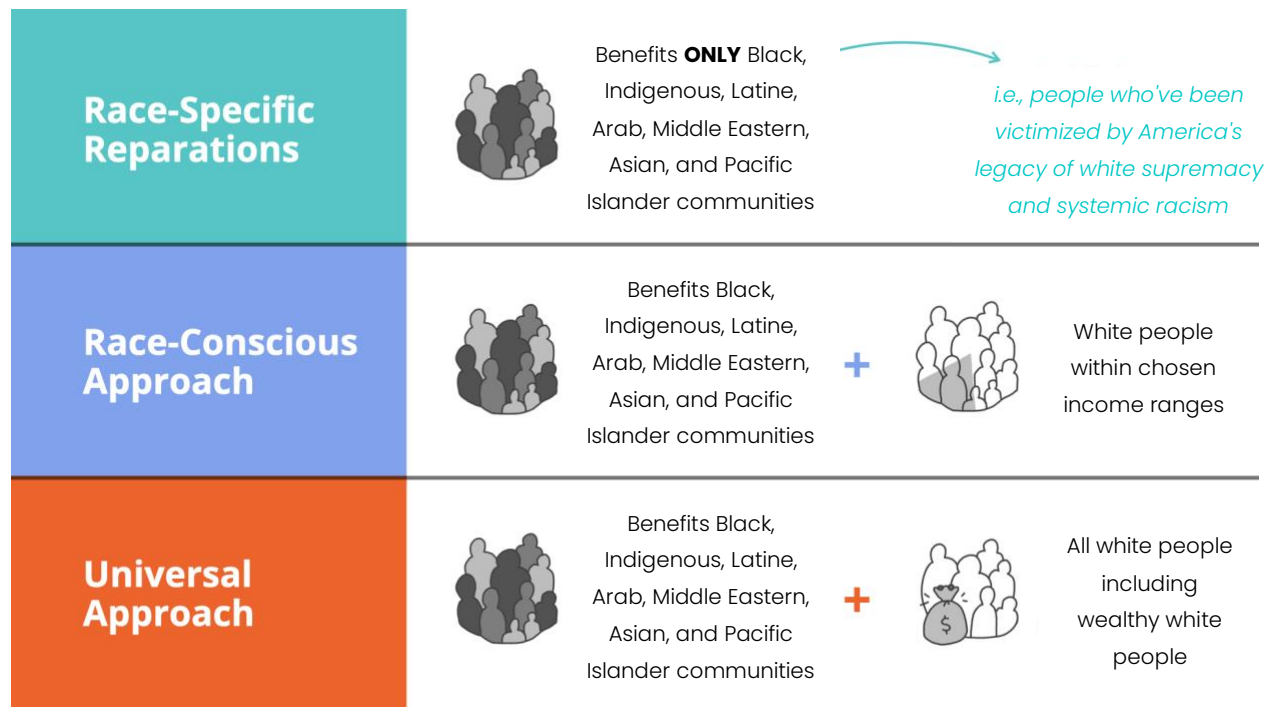
Furthermore, decades of national and international [evidence](#) tells us that a guaranteed income not only works from an economic perspective but also can have broader societal benefits. For example, evidence from [a decades-long effort](#) by the Eastern Band of Cherokee Indians suggests that an unconditional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

Moving Toward Liberation: Guaranteed Income Policy Design

Achieving a [Liberation Economy](#), where people of color do not have to endure and experience poverty, will require significant investments and innovative solutions, both in the short term and over the long term. However, how well these investments and innovative solutions serve the needs of people of color will greatly depend on how policies are designed and how much support is targeted for us.

For example, if efforts to reduce and eliminate poverty are structured as **race-specific reparations**, meaning that they are offered exclusively to people of color—Black, Indigenous, Latine, Arab, Middle Eastern, Asian, and Pacific Islander communities—who have been victimized by America’s legacy of white supremacy and systemic racism, it would ensure that these new antipoverty systems of support serve us well. Alternatively, a **race-conscious approach** that uses income as a proxy³ to progressively target antipoverty support would also greatly benefit us because Black and Brown communities have historically faced economic disadvantages. Moreover, although it may not fully address generational disparities, a **universal approach** where antipoverty support is broadly available to all would also help to support our needs to some extent.

³ Ideally, using wealth as a proxy to target support would better serve to uplift communities of color. Unfortunately, as of today, governments—at both the federal and state levels—have not developed reliable and consistent methods to value assets and track wealth over time as they have for income.



As a foundation for establishing a national guaranteed income program, we should shore up, expand, and improve existing direct cash transfer programs proven to work, thus providing more immediate support for families of color. Although the following is not exhaustive, these are two steps among many that we can and should take to help families weather and avoid poverty in the short term.

- Make the enhanced Child and Dependent Care Tax Credit and the Child Tax Credit permanent to better support families raising children:** The U.S. Congress should build on the successful efforts through the American Rescue Plan (ARPA) to enhance the [Child Tax Credit](#) and through the [Child and Dependent Care Tax Credit](#) by making the ARPA improvements to these credits permanent. Doing so would immediately help to lift up the [more than 3.7 millions of children—especially children of color—that were thrust into poverty when the expanded credits were allowed to expire at the end of 2021](#)
- Strengthen the funding for TANF and reestablish a national floor for direct cash assistance benefits:** To address the inability of TANF program to fully provide support to families of color facing poverty throughout the country, Congress should move to unfreeze funding for the program from its current 1996 levels, bringing

funding up to inflation-adjusted levels sufficient to meet current and future needs. Additionally, to address the issue of varying and capricious degrees of TANF support provided to families of color—particularly throughout the South and in other states with large populations of people of color—Congress should move to reestablish a national minimum benefit level for the TANF program, as called for by the [Center on Budget and Policy Priorities](#) and others. These actions would ensure that families have a consistent level of support, regardless of where they live. In doing so, states should not be provided with exemptions or flexibility to lower the level of cash assistance support they provide to their residents, but instead should be encouraged to build on this floor and provide additional support if they choose to do so.

Beyond these immediate steps, while several features 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, such as the following.

- **Broad eligibility and targeted support for 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 criminal legal system, or disability status. However, for a universal guaranteed income program to be effective, it needs to adhere to the principles outlined in frameworks like [Black Women Best](#), which argues for shifting Black women from the margins of the economy to the center and implementing intentional policies to lift them out of economic insecurity. Doing so would ensure no one is overlooked by our economic policies.

To ensure that those most excluded and exploited by the [Oppression Economy](#) are included, supported, and valued in our society, support from a guaranteed income system should be targeted to all people living at or below a broad nationally established income standard. Such a standard could include 50% of area median income, which is the ceiling for providing support through the federal housing

choice vouchers program, or 200% 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 reduce the volatility of recipients' cash flow—an issue that [affects](#) 21% 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. Funds should not be withheld for any other reason, including immigration status, involvement in the criminal legal system, gender identity, sexuality, ability, or marital status. Further, a national guaranteed income program cannot include drug screening requirements, arbitrary time limits, work requirements, restrictions on what funds can be used for, or any other policy mechanisms that rely on racist deservedness troupes to police the behaviors of people of color. Finally, considering that [35% of communities of color have some debt in collections](#), a national guaranteed income program should be protected from garnishment from debt collectors, court fines and fees, and child support arrears.
- **Automatic enrollment of all eligible participants:** To ensure that all eligible people can easily participate and benefit from a national guaranteed income 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, unemployment, social security, and other safety-net systems. Once participants' data are verified, they would be automatically enrolled in 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 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 2021](#), which was introduced by U.S. Representative Bonnie Watson Coleman (NJ-12), calls for using the U.S. Department of Housing and Urban Development's fair market rents [calculations](#), which are already used by public housing authorities to determine payment size for housing choice vouchers.

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 will not be a panacea for the many other socioeconomic issues people of color face that are better addressed by other specifically equipped social programs.

- **Digital and nondigital payment options:** Recipients of guaranteed income programs should have ample choices to decide how they would like to receive their payments. Choices should include digital and nondigital disbursement options. Options should include 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 unbanked and 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 U.S. 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 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 TANF). Furthermore, federal administration would also move the program’s funding outside of the annual budgeting process in the U.S. Congress, which inevitably leaves critical programs in danger of being reduced or cut altogether.

The Road Ahead to Liberation

Eradicating inequality in the U.S. 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 believe 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. This brief, [which is part of an ongoing series of resources](#), aims to provide organizers with bold policy platforms. These platforms can be used to guide conversations with communities and policymakers to advance racial justice. We invite you to use and refine the information in this brief in whatever ways are most helpful to your work and your community. We also invite you to engage with [Liberation in a Generation](#) in further developing this idea.

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 centered in this work to create an economy where all people of color can truly prosper.

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Liberation in a Generation is a national movement support organization building the power of people of color to totally transform the economy—who controls it, how it works, and most importantly, for whom. We bring together advocates, community organizers, economists, and other proven and emerging leaders of color across the country to build a Liberation Economy, within one generation.

www.liberationinageneration.org