  

**Stockton Study Shows Power of Universal Basic Income Support**

 Martin Levine of Nonprofit Quarterly writes that in February 2019, backed by a $1 million grant from the [Economic Security Project](https://www.economicsecurityproject.org/), the city of Stockton, California, began giving people in need what they needed most: cash. They built their program, SEED (the Stockton Economic Empowerment Demonstration) on a simple but radical premise: “Poverty results from a lack of cash, not character.”

 A team led by [Amy Castro Baker](https://www.sp2.upenn.edu/people/view/amy-castro-baker/) of the University of Pennsylvania and [Stacia Martin-West](https://faculty.utk.edu/Stacia.Martin-West) of the University of Tennessee sought to find out what happens when 125 people who live in low-income census tracts are given a monthly $500 cash card. And unlike many anti-poverty programs, no restrictions were placed on how the funds could be spent. The only mandate was that the project’s research team could gather the data needed to understand the benefits or harms of just giving people cash.

 The program was designed to gather data that would allow researchers to answer two basic questions: What do people do with the money? And how do their decisions influence other outcomes?

 When [NPQ reported](https://nonprofitquarterly.org/universal-basic-income-pilot-advances-in-stockton/) on this effort in its beginning months, we were concerned that finding the right approach would be critical because of how heated debates about cash assistance and welfare have been. Earlier this month, [SEED published](https://static1.squarespace.com/static/6039d612b17d055cac14070f/t/603ef1194c474b329f33c329/1614737690661/SEED_Preliminary%2BAnalysis-SEEDs%2BFirst%2BYear_Final%2BReport_Individual%2BPages%2B-2.pdf) its initial findings, which show that cash assistance was powerfully effective.

 A major shibboleth of opponents to “welfare,” relief checks, and other guaranteed income programs is that they will cause people to drop out of the labor market and become dependent on “the dole.” SEED found the opposite to occur: “In February 2019, 28 percent of recipients had full-time employment. One year later, 40 percent of recipients were employed full-time.”

 Guaranteed, steady income appears to give individuals the ability to shift their focus from immediate struggles of paying rent or buying food to searching for work. In the study’s words:

 Living with constant financial strain creates forced vulnerability, dependence, and trust in people you may not want to engage with or in systems that invite unwanted surveillance into your household. As one mom put it, “Poverty means lack of choice. You’re forced in ways you don’t want to be.”

 Five hundred dollars a month were enough to provide support to risk moving forward. Twelve months of cash assistance reduced “month-over-month income volatility” as compared to a control group of similar households. Households receiving cash cards “were better positioned over time to cover a $400 unexpected expense.”

 At the start of the program, only 25 percent of recipients would pay for an unexpected expense with cash or a cash equivalent. One year in, 52 percent of those in the treatment group would pay for an unexpected expense with cash or a cash equivalent.

 The increased financial health had a ripple effect, improving overall quality of life: “One year after receiving the guaranteed income, the treatment group showed statistically significant differences in emotional health.” One participant noted, “I had panic attacks and anxiety. I was at the point where I had to take a pill for it. And I haven’t even touched them in a while. I used to carry them on me all the time.”

However, SEED’s example also illustrates ways that cash alone is insufficient. The specific program design emerged from the guidance of the community rather than alleged experts. SEED used activities like town halls, public data releases, and program transparency to ensure residents “knew that research was being conducted in tandem with, rather than on, the community.”

 SEED also recognized the need to overcome the cynicism of people who have learned from hard experience that social programs are not to be trusted. To build that crucial rapport, “SEED maintained constant communication and put a premium on establishing relationships between staff and recipients.” They also “practiced ongoing consent with recipients across all aspects of the program, and recipients were, at any point, allowed to leave the program.”

 SEED’s impact is being felt across the nation. Last week, a Chicago aldermanic committee heard from several members of [Mayors for a Guaranteed Income](https://www.mayorsforagi.org/) (MGI), a group which formed as SEED was launched. According to [Block Club Chicago’s](https://blockclubchicago.org/2021/03/11/its-time-to-give-chicagoans-living-in-poverty-a-fighting-chance-aldermen-say-with-monthly-checks-from-the-city/?mc_cid=729ca71a2a&mc_eid=446132d6b5) reporting upon this session, mayors in many cities are considering or implementing new programs: “In St. Paul, [checks would be directed toward people who faced specific COVID-19](https://www.mprnews.org/story/2020/09/17/st-paul-city-council-oks-guaranteed-income-pilot-project)-related income loss. In Los Angeles, a pending program is aimed at single-parent households. In Providence, unlike other programs in the country, recipients would be income-eligible up to 200 percent of the federal poverty level.”

 In Chicago, three members (alders) of the city council proposed combining public and private funds to commit $50 million toward creating a program to serve 5,000 Chicagoans. According to Michael Tubbs, who was Stockton’s mayor when SEED was created, a Chicago program would be “special.”

 Folks often times look to Chicago for inspiration, and we also know conservatives look to Chicago as a punching bag; the pilot represents an opportunity to illustrate that the issue with poverty isn’t the people in poverty. The issue with poverty is the structures in place and the policies and lack of opportunities that creates poverty.

Using a $500,000 grant from MGI, the city of Gary, Indiana, announced it was launching another pilot program, the [Guaranteed Income Validation Effort](https://www.chicagotribune.com/suburbs/post-tribune/ct-ptb-gary-give-program-st-0226-20210225-xoo3mviy7vbvpfxry6egbquy24-story.html), which will be able to provide $550 a month to 125 individuals with incomes below $35,000 a year.

 After three rounds of relief checks, [twelve months of direct support for children](https://www.cnbc.com/2021/03/10/who-qualifies-for-3000-dollar-child-tax-credit.html) contained in the coronavirus relief bill, and a growing number of local programs, is our nation ready to recognize that our concern that giving money makes poverty worse and fosters personal and societal irresponsibility was ill-informed and ill-advised? Have we learned, as Annie Lowrey put it in the [Atlantic](https://www.theatlantic.com/ideas/archive/2021/03/stocktons-basic-income-experiment-pays-off/618174/), that a guaranteed income will result in “more work, less destitution, more family stability, less strained social networks, less stress, fewer incidences of homelessness, fewer skipped meals”?

 In coming months, we will see if the success of demonstration programs, like the one in Stockton, can overcome those who believe the only way out of poverty is by individual effort. It will test whether we have, as [Nobel Prize-winning economist Paul Krugman](https://www.nytimes.com/2021/03/11/opinion/biden-covid-relief-welfare.html?referringSource=articleShare) recently observed, come to “a philosophical break with the past few decades, and in particular with the obsessive fear that poor people might take advantage of government aid by choosing not to work.” It will also test whether the interests of most Americans can finally come before those with power and money. The data suggest we know what works. Now we need to see if we have, as a nation, the will to act.

**Oregon Group Shows Charities How to Earn Income**

 Terry McDonald, executive director of the St. Vincent De Paul Society of Lane County, pioneered a waste-to-cash business that allows the nonprofit in Eugene, Ore., to cover more than half of its $51 million budget through income it earns. The earnings help support the largest social-services operation in central Oregon, which serves 80,000 people a year and provides housing for the homeless, job programs for the needy, and aid to veterans, among other programs.

 McDonald is such an evangelist for this approach that he formed a separate group, the Cascade Alliance, to help other charities develop revenue sources to free them from dependence on grants and donations says Michael Anft of the Chronicle of Philanthropy.

 Cascade Alliance comprises 16 groups as far flung as Florida, Kansas, and Washington. These member-nonprofits commit to generating income to support the services they provide while improving the planet’s health in small ways. In turn, Cascade trains their staff members, provides technical assistance, and helps groups purchase equipment.

 Although Houël came to McDonald seeking advice on starting a charity, many groups come to Cascade because they are either financially stressed or looking to expand their services, McDonald says. “We want to be thoughtful about how this all works. So, we mentor groups before and after they become members.

By generating a steady, reliable stream of money, the thinking goes, an organization is better able to expand its programs and plan its future. “Groups are stronger when they don’t have to rely on the unstable nature of grants,” says Bethany Cartledge, director at Cascade.

 Here’s the St. Vincent’s basic formula: generate revenue by pulling items out of the waste stream — everything from books to furniture — and reclaiming, recycling, or reusing them. The organization has programs in appliance recycling, book reclamation, collectibles sales, and electronics reuse

 The goal of the alliance is to make the groups self-sufficient as quickly as possible.

Cartledge and McDonald shared some tips for groups interested in turning dross into dollars or finding other ways to generate income:

 **Create a feasibility checklist.**Cascade Alliance encourages organizations to conduct a study to determine whether they are capable of running a business. For instance, groups interested in mattress recycling need to make sure they’ll have a steady supply of mattresses, have enough warehouse space, and receive high-enough state-mandated fees per mattress to sustain operations. (Cascade recommends a $10-per-mattress minimum.)

 **Be flexible.**Groups should be open to embracing a range of revenue sources, regardless of the business they choose. Those interested in recyclingshould consider a multitude of reuse businesses — including appliances, books, furniture, thrift stores, and used cars — or even another type of business altogether. Diversifying is critical. “You don’t want to depend on one kind of income forever,” McDonald says. “When we had to shut down our bricks-and-mortar stores during Covid-19, we had some other streams to help us until we can bring those back.”
 **Treat your earned-income operation like a business.**Nonprofits need to think hard about the bottom line — all the time. Groups should immediately start working toward generating revenue, but should also be patient since it may take two years or more to end up in the black. Keep a close eye on market changes, too. Ever-fluctuating markets are the norm in the recycling and reuse business.

 **Don’t skimp on management.**Try to findwell-qualified people with some experience running a business, Cartledge says. Don’t expect people returning from prison or others without business experience to step into management jobs — at least not right away.

 **Create a “full-circle” operation.**Any earned-income venture should mirror an organization’s values and support its social-services work in as many ways as possible, including ecologically, financially, politically, and socially.

**What’s at Stake in the Wave of Voter Suppression Bills?**

 Voter suppression efforts seem ubiquitous. By the end of last month, legislators in [43 states had introduced more than 250 voting restriction bills](https://www.washingtonpost.com/politics/interactive/2021/voting-restrictions-republicans-states/), a pace that [far exceeds](https://www.brennancenter.org/our-work/research-reports/voting-laws-roundup-february-2021) last year. Why?

 A simple answer might be anger over the 2020 election results, but if you dig deeper, other more nefarious issues lurk beneath the surface according to Carol Levine and Steve Dubb of Nonprofit Quarterly.

 The struggle for the right to vote is a central theme in US history. The [1965 Voting Rights Act](https://www.archives.gov/legislative/features/voting-rights-1965) sought to make universal suffrage a reality. It is arguably the most important US civil rights law of the 20th century. Many, such as former American Political Science Association president, Arend Lijphart, contend that the US [was not a truly democratic state](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3003825/) until it passed. Recall that in 1964 [only 6.7 percent](https://www.usccr.gov/pubs/msdelta/ch3.htm) of Black adult citizens in Mississippi could vote.

 In response, the Voting Rights Act did more than outlaw voter suppression. It also, in Section Five of the law, required jurisdictions with a history of voter suppression to get federal “[preclearance](https://www.justice.gov/crt/about-section-5-voting-rights-act)“ before state or local voting laws could be changed.

Notably, the law’s existence did not stop voter suppression efforts. Between 1982 and 2006, the US Justice Department stepped in more than [700 times](https://nonprofitquarterly.org/americans-discover-how-vulnerable-their-democratic-institutions-are/) to block changes.

 All of this changed when the US Supreme Court voted 5–4 in its [2013 *Shelby County v.* *Holder* decision](https://www.nytimes.com/2013/06/26/us/supreme-court-ruling.html) to invalidate the preclearance section from the Voting Rights Act. Almost immediately, state legislatures that were previously unable to enact voting restrictions were doing so. In 2016, the Brennan Center [found](https://www.brennancenter.org/sites/default/files/analysis/New_Restrictions_2016.pdf) 14 states had added restrictions after the *Shelby* decision. These included instituting voter ID laws that made it harder to register to vote, cutting back on early voting days and hours, and reducing the ability of people with past criminal convictions to regain voting rights.

 What would today’s set of proposed changes achieve? A new Brennan Center [study](https://www.brennancenter.org/our-work/research-reports/georgias-proposed-voting-restrictions-will-harm-black-voters-most) of Georgia finds that Black residents, who made up 31.94 percent of the state’s population [in 2019](https://www.governing.com/now/State-Population-By-Race-Ethnicity-Data.html), would be harmed the most. And when voting power is suppressed, [as happened in Georgia in 2018](https://nonprofitquarterly.org/georgias-2018-black-voter-suppression-efforts-interwoven-and-intentional/), it has a consequent effect on economic power. For example, last year, economist Kathryn Edwards, [writing](https://www.rand.org/blog/2020/07/the-racial-disparity-in-unemployment-benefits.html) for Rand about unemployment benefits, noted, “Southern states today have not only the lowest benefits; they also have the lowest recipiency rates among Black workers.”

 A 2020 analysis of Georgia’s TANF (Temporary Aid for Needy Families) or “welfare” program, conducted by the Georgia Budget and Policy Institute, [reports](https://gbpi.org/wp-content/uploads/2020/09/Cash-Matters-Reimagining-Anti-Racist-TANF-Policies-in-Georgia.pdf) that Georgia’s program widens racial inequality by:

* “Directing large shares of TANF funds away from direct cash assistance in order to offset tax and budget cuts.”
* “Providing extremely low amounts of cash assistance that are not sufficient for any family to meet even their most basic needs.”
* “Enforcing some of the most restrictive benefit rules in the nation that make TANF inaccessible for most families in deep poverty.”

 In Iowa, where the governor just signed into law [a bill](https://www.desmoinesregister.com/story/news/politics/2021/03/08/iowa-governor-kim-reynolds-signs-law-shortening-early-voting-closing-polls-earlier-election-day/6869317002/) that cuts the state’s early voting period and closes the polls an hour earlier on Election Day, the economic impact of voter suppression is also clear. One of Iowa’s large industries is meatpacking, in which employers hire immigrant and refugee labor and[take advantage of linguistic barriers](https://www.npr.org/2020/05/05/850964016/meatpacking-workers-are-struggling-to-protect-themselves-during-the-pandemic) to maintain low wages. For a time, Waterloo, Iowa, was considered an aspirational destination for Black families looking to move up to the middle class, since jobs in the meatpacking industry were stable and paid well. But that changed [long ago](https://www.propublica.org/article/how-the-history-of-waterloo-iowa-explains-how-meatpacking-plants-became-hotbeds-of-covid-19). ([*NPQ* has also noted](https://nonprofitquarterly.org/the-price-of-a-meatpacker-osha-deeply-fails-essential-workers/) the failure of the industry to protect its workers from COVID-19.)

 Restricting voting rights helps maintain economic and racial inequality by suppressing those who would likely support other policies. As James Larew, an attorney in Iowa City, writes in an op-ed published in the Cedar Rapids paper, the [*Gazette*](https://www.thegazette.com/subject/opinion/guest-columnist/voter-suppression-bill-robs-iowans-of-the-right-to-correct-their-government-20210224)*,*Iowa has the highest COVID-19 death rate in the Upper Midwest. Its household income is 16 percent lower than neighboring Minnesota, and the state ranks 41st in air and water quality compared to sixth for neighboring Minnesota. Larew observes, “Fewer voters participating in elections means the likelihood of needed change is reduced—and voter suppression advocates know this.”

 Dissect the racial makeup of some of the states that are so eagerly rushing to pass laws that target people of color, and you may find their populations becoming less white. In [2019 census data](https://www.census.gov/quickfacts/TX), Texas was 41.2 percent white, 11.8 percent Black, 39.7 percent Latinx, and the rest Asian, Native American, or mixed race. These figures differ only marginally from California, which is [36.5 percent white](https://www.census.gov/quickfacts/CA). For the white legislators who control the Texan state government, limiting voting by people of color is yet another way to maintain power and control. As *NPQ*[noted last fall](https://nonprofitquarterly.org/texas-organizers-challenge-voter-suppression-with-numbers-on-their-side/), some politicos see Texas as more a “non-voting state rather than a red one.”

 While the push for new voter suppression laws is strong, it has been met with fierce social movement resistance. In Georgia and nationwide, [civil liberties groups](https://www.washingtonpost.com/business/2021/03/15/georgia-voting-business/) have targeted large Georgia-based corporations like Coca-Cola, Home Depot, United Parcel Service, and Delta to withhold support from state legislators who vote for voter suppression laws or face consumer wrath (and boycotts). And it’s working, at least to some extent; recently, the Georgia Chamber of Commerce issued a [statement](https://www.gachamber.com/votingrights/) of “concern and opposition” to the measures the legislature is considering. Since issuing its initial milquetoast statement, [Dave Williams, the chamber’s senior vice president for public policy, has issued a somewhat stronger position](https://abcnews.go.com/Politics/advocacy-groups-target-georgia-companies-campaign-restrictive-voting/story?id=76509179) that rejects certain parts of the proposed laws.

 Local civil rights groups are pressing for more. [Deborah Scott, CEO of Georgia STAND-UP, told ABC News,](https://abcnews.go.com/Politics/advocacy-groups-target-georgia-companies-campaign-restrictive-voting/story?id=76509179) “They’re hurting their economic base. We know Black and Brown and progressive folks yield a lot of economic power, and they buy these products…so they need to be good partners to their consumers.”

 In Iowa, [a lawsuit has been filed](https://www.desmoinesregister.com/story/news/politics/2021/03/09/lulac-sues-iowa-voting-law-signed-gov-kim-reynolds-constitutional-rights-latino-civil-rights-group/4643153001/) by the [League of United Latin American Citizens of Iowa](http://latinovoteiowa.org/) (LULAC) to block the laws the governor has signed. The [lawsuit states](https://www.desmoinesregister.com/story/news/politics/2021/03/09/lulac-sues-iowa-voting-law-signed-gov-kim-reynolds-constitutional-rights-latino-civil-rights-group/4643153001/) that the new law “will impose undue and unjustified burdens on a wide range of lawful voters, including some of the state’s most vulnerable and underrepresented citizens: minority voters, elderly voters, disabled voters, voters with chronic health conditions, voters who work multiple jobs and voters who lack access to reliable transportation or consistent mail service.” Expect similar actions and lawsuits in other states as these laws are passed and implementation is initiated.

 High voter turnout clearly threatens many who are in power. The vote, despite its limitations, remains a powerful tool to effect change. Using the vote to move the needle toward real economic and racial justice has never been more necessary. Calling out voter suppression for the racist and economic control at its core is important. But even more important is stopping it.