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Groundbreaking New Policy Would End Poverty in America

New proposal from leading academics would give monthly payments to individuals earning up to $50,000, and give biggest boosts to Black and Latinx households

Today, leading academics in economics, racial justice, poverty and tax policy, introduced a groundbreaking proposal that would eliminate poverty in America through a Guaranteed Income for the 21st Century. The proposal offers lawmakers a blueprint for reforming the U.S. tax code to send monthly payments to every adult in America earning less than $50,000, which would end poverty and lift more people into the middle class, while helping to close the racial income and wealth gaps.

“A Guaranteed Income for the 21st Century would literally eliminate poverty, lifting nearly 14 million households out of poverty,” said Darrick Hamilton, one of the policy’s authors. “The U.S. government has a responsibility to its people to promote economic inclusion and social equity, and it needs to use its most powerful fiscal tool, the tax code -- to do so.”

The Guaranteed Income for the 21st Century -- authored by Darrick Hamilton, Founding Director of the Institute on Race and Political Economy at The New School; Naomi Zewde, Assistant Professor in the Graduate School of Public Health and Health Policy at CUNY; Ariel Glogower, Associate Professor of Law at The Ohio State University; and Kyle Strickland and Kelly Capatosto of The Ohio State University’s Kirwan Institute for the Study of Race & Ethnicity -- would be a substantial overhaul and extension of the Earned Income Tax Credit (EITC), including the elimination of work requirements. It would send individuals earning up to $10,000 and households earning up to $15,000 monthly payments of just over $1,000 to move recipients above the federal poverty line. Individuals earning up to $50,000 and households earning up to $70,000 would be eligible for a smaller monthly payment.

“Black and Latino communities have disproportionately suffered from the health impacts of the COVID-19 pandemic, and have also been hit hardest by the economic devastation from the resulting recession,” said Naomi Zewde, one of the policy’s authors. “But these inequalities existed long before the pandemic. A Guaranteed Income for the 21st Century would ensure that everyone has the resources needed to meet their basic needs, prevent the pain that comes with poverty, and provide economic security and social mobility.”

Since Black and Latinx households have lower median incomes than White households, they would see the biggest boost from the new Guaranteed Income for the 21st Century policy. Median White households would see an increase of just over $1,000, while Black and Latinx households would see an increase of approximately $15,000 at the median.
The proposal was funded by Economic Security Project and endorsed by Center for Law & Social Policy, Color of Change, Community Change, Economic Security for Illinois, Heartland Alliance, National Coalition for the Homeless, National Immigration Law Center, PolicyLink, and the Shriver Center on Poverty Law.

“Poverty is a policy choice, and now is the time to choose differently,” said Dorian Warren, Co-President of Community Change. “The stimulus checks that Congress sent to Americans during the pandemic, and the American Rescue Plan’s expansion of the Child Tax Credit, are both critical for keeping families economically afloat and lifting many out of poverty. But they’re insufficient. Now we need a lasting federal program that provides a guaranteed income for all Americans, and this is the policy to get us there.”

“For too many individuals and families, no matter how hard they work or how many extra shifts they take, they are still living paycheck to paycheck -- not because of their personal choices, but because of policy choices,” said Chris Hughes, Co-Chair of Economic Security Project. “We know that giving people cash directly is the quickest and most effective way to keep people out of poverty. We’ve seen it in guaranteed income pilots and proposals in cities and states across the country, and now this will be the first actionable plan on how we can eliminate poverty for good nationwide.”

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[ADDITIONAL TEXT FOR WEB VERSION]

“A program of basic economic support is appealing from a variety of ideological and philosophical perspectives,” said Ariel Glogower, one of the policy’s authors. “It can advance justice and ensure shared economic prosperity.”

“Achieving racial and economic justice demands transformative action for our communities,” said Kyle Strickland, one of the policy’s authors. “It’s time for a federal guaranteed income policy that moves us toward a more equitable and just society that leaves no one behind.”

"Providing a guaranteed income to the families and communities that need it most is a simple, yet revolutionary idea,” said Kelly Capatosto, one of the paper’s authors. “A guaranteed income is one of our best strategies to dismantle the compounding forces of racism, sexism, and economic oppression.”

Endorsements:

“Our country has suffered the violence of poverty for its entire existence, a burden disproportionately borne by people of color,” said Michael D. Tubbs, Founder & Executive Chairman of Mayors for a Guaranteed Income, and Founder of the Stockton Economic
Empowerment Demonstration. “We can and must end poverty in this country, and this policy gives us the blueprint to do so.”

"A targeted expansion of the Earned Income Tax Credit can guarantee income for millions of families and eliminate poverty altogether,” said Michael McAfee, President of PolicyLink. “This visionary solution demonstrates how our tax code is an essential tool to advance racial equity and redesign our economy to work for all."

“The Shriver Center on Poverty Law strongly supports this proposal for guaranteed income,” said Jeremy Rosen, Director of Economic Justice at Shriver Center on Poverty Law. “The program eliminates poverty, is reasonably simple because it utilizes an existing framework (the Earned Income Tax Credit) while making important changes to cover everyone living in this country and provide them with more money, and it will supplement existing safety net programs (not eliminate them), allowing individuals and families to further increase their incomes. We look forward to working together to see it enacted into federal law."

“Heartland Alliance supports Guaranteed Income for the 21st Century because we deeply believe in its power to achieve our vision of equity and opportunity for all,” said Christian A. Friend, Chief Impact Officer at Heartland Alliance. “As part of our economic policy work, we focus on unrestricted cash and guaranteed income as effective strategies to meet both the immediate and long-term needs of marginalized and historically oppressed communities. It is a simple, yet bold, solution that could move us closer toward racial, economic, and social justice. We agree with the report’s assertion that ‘the most important objective of the United States Government should be the well-being of its people.’ Guaranteed Income for the 21st Century is a clear path to increased well-being for all Americans."

“Guaranteed Income in the 21st century delivers a riveting argument that direct cash to people works, and is necessary,” said Kelvin Lassiter of the National Coalition for the Homeless. “From economic vulnerability to its conclusion, Zewde, Capatosto, Strickland, Glogower, and Hamilton created a masterpiece on how our economic system contributed to poverty. Their response to this catastrophe has opened our consciousness and will allow us to elevate to another stratosphere. This game changing philosophy and solution will last for centuries to follow. We can, and should model Guaranteed Income in the 21st Century immediately."

“Study after study has shown guaranteed income as one of the most effective ways to combat racial wealth disparities and build economic equity in America, so why is there still a delay in action from elected officials?” said Jade Magnus Ogunnaike, Senior Director of Campaigns at Color of Change. “A guaranteed income would help drive policy conversations that shape anti-poverty programs, and move us toward tangible economic and racial justice. After decades of under-resourcing, divesting from and exploiting Black communities the American economy has created a growing racial income disparity that has been exacerbated during the pandemic. In order to end the financial exclusion of Black communities, we need a guaranteed income that would bring about a shift in systemic inequality. Color Of Change, alongside our members, will continue to demand that federal and municipal powers create policies and programs that not
only establish financial stability — but also eliminate poverty while building economic equity for our communities."

“The Center for Law and Social Policy (CLASP) is proud to endorse the report ‘A Guaranteed Income for the 21st Century.’ We support policy efforts to make our tax code more progressive and beneficial for filers with low incomes and Black and Brown communities. We appreciate that this report considers how guaranteed income programs can support communities of color and eradicate poverty. CLASP applauds the research and rich history of social movements included in the report.”

“Guaranteed Income is a 21st Century solution to stifle the worsening two-headed problem of poverty and inequality. We believe in the power of people to make their own decisions, which is why we believe that giving more cash directly to people who need it most will let recipients move into financial security while retaining a sense of dignity and control over their own life,” said Harish I. Patel, Director of Economic Security for Illinois. “Guaranteed income is a policy that can meet the moment we are in now, where we must attend to the impact of the pandemic and the legacy of racist policymaking, and it can be modified to meet the needs of the future. We are proud to endorse this paper, this policy proposal, and the movement toward a guaranteed income.”

“The nation’s tax code has long discriminated against low-income immigrants and people of color and has contributed to economic inequality,” said Marielena Hincapié, Executive Director, National Immigration Law Center (NILC). “Immigrants and their loved ones, including millions of taxpayers, have been unfairly excluded from programs that promote economic stability and opportunities. Now is the time to move with urgency and courage to dismantle the divisive and harmful policies that foster inequities. We need bold new solutions like guaranteed income, that would help reduce poverty and create the conditions for everyone in this country to live with dignity, joy, and hope -- so that everyone in our communities can have the Freedom to Thrive.”

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