# Skipping the Basics

## OREGON HAS A CONSIDERABLE LOW INCOME AND UNHOUSED POPULATION, SO WHY ISN'T IT EXPERIMENTING WITH UNIVERSAL BASIC INCOME PILOT PROGRAMS LIKE THE REST OF THE U.S.?

*By Shane Hoffmann*

The idea of government-financed universal basic income (UBI) and guaranteed incomes (GI) programs is gaining popularity across the nation.

Recently popularized by Andrew Yang's 2020 presidential campaign, magnified through the financial turmoil of the COVID-19 pandemic and led in large part by Mayors for Guaranteed Income (MGI) — an organization hoping to sift out what sectors of the population guaranteed income works best for — a series of trials and start-ups are underway.

Programs have turned up in more than a dozen states around the nation, accounting for 62 total start-ups. The West Coast accounts for a third of the trials with 18 in California and two in Washington. But Oregon, a state filled with pockets of the unhoused or low-income population like Eugene, which seemingly fits the UBI billing perfectly, has yet to make a move towards one of these programs. The state's hesitancy provides a deeper look into the trepidation of many Americans.

"It's a little bit the cart before the horse," Eugene Mayor Lucy Vinis tells *Eugene Weekly*. "We're really not ready for this. I don't think it's the battle to fight."

Oregon could just be late to the party, but the state's lack of programs speaks to the greater drawbacks of UBI and illustrates why a true citywide program has yet to come to fruition, even if targeted basic income programs could serve as an outlet to simplify welfare infrastructure in the near future.

The idea of a basic income in its elegance and simplicity has caught the eye of many, but remains riddled with skepticism.

Basic income programs, as well as guaranteed income programs are financial pick-me-ups. They have the propensity to assist individuals in avoiding a compounding economic downfall.

They are a federal gift of sorts, designed to lift people off the ground and provide a floor. The programs aren't a substitute for a full-time job, but rather a fund for basic necessities: money for a new set of clothes for a job interview; money to fix the broken down car inhibiting local transportation; money to pay off the utilities bill for the month, freeing up grocery funds in a tight financial month.

"I'm interested in any system or systemic changes that allow people to control their own destiny in an effective and successful way," Vinis says. "Not just surviving in poverty, but actually some prospect of thriving."

UBI as a theory entails a set sum of money going to each and every individual, no matter income or place of residence. A monthly check, large enough to cover basic needs.

Guaranteed income on the other hand is not universal, rather meant to be tied to income. If you are below a certain income threshold, you'll be funded.

"Poverty is destabilizing to the point where it's difficult to apply for a job, get to a job, sustain a job," says Janet Bauer, a senior policy analyst at the Oregon Center for Public Policy.

Cash injections during the pandemic showcased the seeds of potential UBI expansion in the future. As low-wage jobs make living harder, the labor market must adjust. UBI could help account for that deficit.

"I certainly see [guaranteed income policies] as having a lot of promise for addressing the dysfunctions of the way our current labor market works and who has access to jobs," Bauer says.

That stabilizing potential could work well in a city like Eugene, potentially helping meet the needs of the unhoused community. According to the U.S. Census Bureau, 20.4 percent of Eugene's population lived in poverty in 2019.

Yet it's in that hypothetical installation where the drawbacks introduce themselves.

Mike Kuhn, an associate professor at the University of Oregon Department of Economics, identified three potential — and frequently mentioned — drawbacks of a proposed UBI program and possible reasons for its lack of presence in Oregon: negative employment effects, funding a potential program and ensuring the money reaches the demographics who stand to gain the most.

Kuhn says he believes it's the final drawback that merits the most attention as a significant juncture and could inhibit more widespread programs in the future.

The government has illustrated that getting money to those with bank accounts or permanent addresses is feasible via pandemic unemployment and stimulus checks. What happens when you have neither? It's one of the biggest pitfalls when imagining a truly functional guaranteed income plan in a city such as Eugene, whose unhoused rates are among the nation's highest.

"It certainly could happen in Eugene but of course it's a matter of political will and parity," Bauer says. "But I think that Eugene seems like it has some potential to have that conversation. It has every reason."

The "universal" tagline has led to consternation itself. UBI isn't a universal "extra" or "bonus" income. Individuals taking part would also chip in more in taxes.

"The history of policy in the U.S. is to try to target the money in advance," says Conrad Shaw, a UBI writer, researcher and co-creator of a docu-series titled *Bootstraps* that looks at a UBI pilot program, which will be released soon. "We want to make sure they deserve it first. What that leads to is this whole bureaucratic nightmare where people have to stand in line and jump through hoops and what that ends up with is people with welfare don't get it."

He adds: "We're asking people to jump through hoops when they're desperate. Why not hand out the money first and claw it back from the people who didn't need it?"

Shaw, a staunch believer that UBI could in fact be our nation's future, is employing the many hesitancies as an opportunity to inform and educate on both basic and guaranteed income programs as well as financial literacy itself.

He wants people to know what they are talking about, to know what these programs would mean for them, and to know their options and the economic levers at their disposal, empowering individuals to begin making their own judgements about what's politically feasible.

A UBI calculator developed with Eugene-based Twenty Ideas CEO Mike Biglan could be one way to educate the public. The free website allows users to compare and contrast UBI plans proposed by different individuals and groups, learn how each would affect themselves and other Americans and dive into the intricacies of how each is funded.

The calculator is an educational tool for those wishing to learn more about the policy, although Shaw recognizes that the hypothetical models can only go so far.

"It has to be experienced by a lot of people," Shaw says of UBI/GI programs. "It can't just be something where we point to data. It has to be something that people have felt."

That's what Mayors for Guaranteed Income is trying to solve. Its expansive network of start-ups, both past and present, is helping answer the question of who these programs work best for, and in what ways.

The group's executive director, Sukhi Samra, says that the next 12 months will be crucial as the organization uses data and results to start pushing towards a more permanent policy at the state or nation-wide level.

Like many others, she cited budgetary logistics as the chief roadblock. "The kind of political fight that would rise around it would be pretty substantial," Kuhn says.

That could explain Oregon's lack of a roll-out. How would it function? What would a roll-out look like? What sector of society gets the nod? Many people don't have bank accounts, so could it work on credit cards? Checks? Perhaps infrastructure is the starting point.

"A part of me wonders if guaranteed income is the starting point," Vinis says. "Because I just don't think these other pieces are in place. I'm just not convinced, but that's to study, to learn and to see."

Hesitancy clouds the potential of a true, genuine UBI program both locally and abroad. Politically, many view it as a non-starter. Not necessarily as simple as the version displayed on paper. But if the COVID-19 pandemic has shown anything, it's that welfare programs can be effective when executed correctly and equitably, entrusting citizens with the kind of agency that can calm fears of wasted money and laziness.

These programs may warrant a gamble. ■

*For more information, check out MayorsforAGI.org and UBICalculator.com. This story was developed as part of the Catalyst Journalism Project at the University of Oregon School of Journalism and Communication. Catalyst brings together investigative reporting and solutions journalism to spark action and response to Oregon's most perplexing issues. To learn more visit Journalism.UOregon.edu/Catalyst or follow the project on Twitter @UO_catalyst.*