

**Basic Income Feasibility Study** Executive Summary

## **OVERVIEW and HISTORY**

Basic income concepts have be traced to Johannes Ludovicus Vives, a Spanish humanist, who laid out the concept for minimum income in the 1500s.<sup>1</sup> The idea became necessary due to societal shifts in how people supported themselves and one another. This has remained the case as communities spread farther apart and we transition to a global society. Social protection models have taken various forms, such as targeted models like Social Security and conditional programs like the Earned Income Tax Credit within the US specifically.<sup>2</sup>

As society continues to advance technologically, conversations on how to provide assistance and address wealth inequality abound. As the discussion of basic income has become more versed, differences in opinion have developed regarding what "basic income" means, as in whether it is targeted or universal, who qualifies or gets approved, how much to provide and for how long, and how to pay for the program.

With the exception of Social Security, concepts which give cash directly to people with no conditions have been difficult to substantially move forward nationally. In the last decade though, the discourse about basic income has exploded.<sup>3</sup> In the United States, the onset of the COVID-19 pandemic and the stimulus payments that were sent to many during the ensuing economic downturn helped pave the way for national discussion. This was in addition to the numerous pilots throughout jurisdictions in the nation, beginning with the pilot in Stockton California that started in 2019.

## WASHINGTON STATE FEASIBILITY STUDY

In 2021, the Washington State Legislature passed the Appropriations Bill ESSB 5092 which contained a proviso that directed Department of Social and Health Services- Economic Services Administration and Governor Inslee's Poverty Reduction Workgroup to develop a Basic Income Feasibility Study by June 1, 2022.

The Poverty Reduction Workgroup is committed to centering equity and people and communities historically excluded from social and economic well-being in the policy and program development for this work. The current plan to center lived experience and those most likely to benefit from basic income involves:

• The strategic team, comprised of state and community partners that advocate, represent, and are run by individuals who represent marginalized communities such as, the State Ethnic and Racial, LGBTQ, and Women's Commissions, the Business Resource Groups, and the Interagency Committee on State Employed Women. This

<sup>&</sup>lt;sup>3</sup> The World Bank (2020). *Exploring Universal Basic Income: A Guide to Navigating Concepts, Evidence, and Practices.* 



<sup>&</sup>lt;sup>1</sup> Basic Income Earth Network. A Short history of the Basic Income idea. Retrieved from: <u>https://basicincome.org/history/</u> August, 4, 2021.

<sup>&</sup>lt;sup>2</sup> The Political Quarterly (2004). *The Many Faces of Universal Basic Income.* 



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group will provide the organizational perspective to support the recommendations and perspectives of the steering committee.

• The steering committee, composed of a diverse group of individuals who stand to benefit the most from a basic income program. Like the steering committee for the 10-Year Plan, this group will drive the work and are considered equal partners in this work.

## ALIGNMENT WITH 10-YEAR PLAN

History shows that times of profound disruption are followed by significant social, cultural, and economic change. This time will be no different, and the timely release of the 10-Year Plan outlines the strategies and recommendations we can begin implementing today to build a just and equitable future.

Systemic change becomes possible when we recognize the "system" is us – people working in state and local government, non-profits, businesses, and philanthropic entities across the state all have a role to play. It simply takes a willingness to act.

The Basic Income Feasibility Study aligns with the following 10-Year Plan strategies:

- STRATEGY 2: Make equal space for the power and influence of people and communities disproportionately affected by poverty and inequality indecision-making.
- STRATEGY 6: Build an integrated human service continuum of care that addresses the holistic needs of children, adults, and families. Specifically:
  - **Recommendation 6d. Increase unconditional cash assistance.** Evidence suggests that unrestrictive cash assistance is an effective strategy for poverty reduction.<sup>4</sup> Furthermore, the majority of literature shows that work requirements are just as likely to increase poverty as decrease it and that employment-focused poverty reduction strategies do not result in meaningful poverty reduction.<sup>5,6</sup> Specifically:
    - Pilot a state program that provides unrestricted cash assistance to individuals and families and evaluate its effect on key elements of well-being and return on investment compared to current programs
- STRATEGY 8: Ensure a just and equitable transition to the future of work.
  - Recommendation 8d. Develop and pilot a portable benefits model and a guaranteed basic income program. In an economy that does not guarantee full-time work, benefit models must be updated to prevent worsening poverty rates and crises related to it, such as homelessness, mental illness, and addiction.

<sup>&</sup>lt;sup>6</sup> Ideas42 (n.d.). Retrieved from <u>https://www.ideas42.org/</u>



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 <sup>&</sup>lt;sup>4</sup> National Academies of Sciences, Engineering, and Medicine (2019). A Roadmap to Reducing Child Poverty. Retrieved from http://doi.org/10.17226/25246.
<sup>5</sup> Ibid.