

# UNIVERSAL BASIC INCOME: KEY TO REDUCING FOOD INSECURITY AND IMPROVING HEALTH

2021

## OVERVIEW

Economic inequality in the United States is a major threat to public health. During the COVID-19 pandemic, economic injustice increased, disproportionately impacting women and people of color. The government's efforts to protect families are failing, leading to widespread struggle for families to meet their basic needs. Minor increases to publicly funded benefits, meager one-time direct cash payments, and community efforts to increase emergency food resources are attempts to keep families afloat. But they have fallen short. Low wages and public assistance programs simply perpetuate inequality and do not address the root causes of poverty. Transformative solutions are long overdue.

The pandemic is an inflection point: communities can either help their citizens by implementing income guarantees or watch as families plunge deeper into poverty and food insecurity. Based on evidence from communities that implemented guaranteed income programs, it is clear that universal basic income can begin to remedy these inequalities and create healthier, wealthier communities.

## POLICY RECOMMENDATIONS

- **Establish a universal basic income program to complement existing aid in communities across the country**

Provide ongoing, direct cash payments to residents—without means testing, burdensome administrative requirements, or other spending restrictions—thereby acknowledging that families know how best to meet their own needs

- **Advocate for raising statewide and federal minimum wages**

Raise minimum wage to establish a living wage and advocate for the changing of statewide and federal minimum wages to meet the needs of all workers

- **Declare food security, housing security, and medical care as basic human rights**

Officially declare the right for all residents to a standard of living adequate for their health and well-being, which includes adequate food, safe housing, and medical care, and ensure policies and programs support these basic human rights for all

## KEY TERMS AND DEFINITIONS

- **Food Insecurity:** Lack of consistent access to sufficient food for all members of a household to live an active and healthy life
- **Means Testing:** An evaluation determining whether a person or household is eligible for a payment or benefit, based on the person's or family's income and assets

- **Universal Basic Income (UBI):** A program of consistent, unconditional payments distributed by the government to ensure a basic standard of living for every member of a community

## BACKGROUND

Over the past fifty years, the cost of living increased significantly. The income of the lowest 80% of workers hardly changed since the 1970s. The federal minimum hourly wage of \$7.25 has not increased since 2009. Nor has it kept pace with increasing cost of living – challenging families to meet their basic needs.

In 2019, 10.5% of American households were living below the federal poverty line – more than 34 million people including 10.4 million children. This figure includes those working while remaining in poverty. This number increased drastically with the pandemic.

Research shows that public assistance programs are inadequate in addressing income inequality and related disparities. Nutrition assistance programs, such as the Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), leave gaps and do not provide consistent food security.

Resources such as food banks may address the immediate needs of hunger in the U.S. However, their impact is a small fraction of what can be accomplished by a comprehensive government safety net.

## INSUFFICIENT MINIMUM WAGE

The federal minimum wage has remained stagnant since it was set at \$7.25 per hour in 2009. The sub-minimum wage for tipped workers remains at \$2.13 per hour.

An individual working full time in a minimum wage job can expect to make \$290 per week, totaling just \$15,800 per year before taxes if they work without any interruptions for illness or vacation. In a family of four with two adults working full time, this amounts to \$31,600 in gross income before taxes. This gross income is just above the poverty line and insufficient to cover housing, utilities, food, transportation, childcare, and other basic needs for four people.

A number of states have made efforts to increase the minimum wage through gradual increases over a number of years or annual indexing to account for inflation. However, 21 states (including Pennsylvania) remain set at the federal minimum.

Minimum wage has lost 30% of its value since 1968 and 17% of its value since 2009. Specifically, families are living on \$6,800 less than they were in 1968, and about \$3,000 less than they were in 2009. As efforts to address wages and public assistance stall, families continue to have less money each year to support a basic standard of living.

## INADEQUATE AND OUTDATED PUBLIC ASSISTANCE PROGRAMS

For the past five decades, the U.S. relied on a patchwork of public assistance programs, such as SNAP, WIC, and Temporary Assistance for Needy Families (TANF). Each program has their own unique eligibility criteria.

The government focus on documentation and surveillance as part of these benefit programs is highly inefficient. Outdated systems and technology also lead to increased labor costs and reduced efficiency in administering programs. For participants, these programs demand a significant amount of time, effort, and documentation, which interferes with seeking work and caring for children.

Public assistance programs tied to proof of earned income rely on regular recertification. Public assistance participants must report receiving raises or extra income from one-time odd jobs to maintain compliance. Even a small increase in income could result in having benefits reduced or cut off entirely, leaving families with less available money than before the increase. This is

known as the “cliff effect.” When this happens, families are more likely to experience hunger and food insecurity, poor health, increased hospitalization, and child development issues. In some states, an increase of just \$150 per month for a family of four, or \$38 per month for a single person, could mean losing benefits altogether.

Further evidence shows that public assistance programs are inadequate to support the current labor force, especially for people with disabilities. They are inadequate for purchasing a healthy diet and do not account for the true cost of living.

The SNAP program only funds groceries, despite research showing many families need funds for basic necessities beyond food, such as clothing, cleaning supplies, diapers, or feminine hygiene products. The goal of most SNAP participants is to eventually move past relying on nutrition assistance. There is ample qualitative and quantitative evidence that the current levels of nutrition assistance do not address inequity and contribute to maintaining the status quo.

Additionally, these programs are intentionally left underfunded. Policymakers refuse to improve these systems and adapt them to meet basic human needs. Thus these programs are left poorly funded and reliant on slow, outdated processes for determining eligibility.

Based on the ample evidence of nutrition assistance’s inadequacy in addressing food insecurity, health policy experts agree that the single-most important public policy intervention to improve nutrition would not be providing more food. Rather, it would be to simply increase incomes for people living in poverty.

## **STIGMA OF PUBLIC ASSISTANCE**

Though public assistance programs are funded by public dollars, participation in these programs has always been stigmatized, creating animosity between people of different socioeconomic classes. From the perspective of people who have wealth and privilege, people receiving public assistance may be perceived as less hardworking or worthy than others. Because of this, individuals receiving assistance often try to hide their participation to avoid further stigmatization.

If every person received the same basic income “floor” regardless of income, class, race, location of residence, or other status, the stigma of receiving support could be eliminated.

## **UNIVERSAL BASIC INCOME**

Universal basic income (UBI), or basic income guarantee, is a government program that aims to address economic inequality and provide economic security through monthly direct cash transfers to every member of a community with no means testing. It creates a basic income floor for everyone, regardless of income and employment status. UBI allows recipients to spend funds however they choose, unlike other benefit programs.

UBI differs from other guaranteed income proposals in that every adult in the community receives a monthly payment, regardless of their income. Guaranteed income programs that target only specific populations are problematic as they require citizens to prove they are deserving of basic income support.

The concept of UBI has existed since the 1800s when American economist Henry George argued for a “citizen’s dividend” in the form of a single land tax. Milton Friedman described it as a negative income tax. Martin Luther King, Jr. and the Black Panther Party for Self Defense also called for a guaranteed income in the 1960s. In the early 1970s, UBI was part of George McGovern’s presidential campaign and was seriously considered by President Richard Nixon.

Many communities offer various forms of guaranteed income and UBI to fill gaps caused by unemployment or underemployment. These benefits are reviewed on a quarterly basis to ensure recipients are receiving the appropriate amount and are responsive to inflation and cost of living increases. UBI provides a sustainable path forward to transition families off SNAP benefits.

Implementing UBI can be slow and would replace the current systems over the course of time. Many progressive proponents argue for a UBI+ approach, which would not immediately replace any existing security-enhancing government programs but instead supplement the existing welfare infrastructure.

## WHY UNIVERSAL INCOME?

A universal, unconditional cash transfer system can address shortcomings in public assistance and other benefits that guaranteed income programs geared to specific income levels cannot.

- Programs lose quality over time if they are only focused on low-income families and not the larger population
- Universal systems have the potential to benefit everyone; as personal situations vary, it is impossible to truly know who needs them based on a number or a single point in time
- Means testing requires a large amount of administrative time and money to implement; a universal approach (UBI) would be far more economical

## EVIDENCE IN SUPPORT OF UBI

Smaller-scale experiments and pilot programs of UBI implementation have been conducted in many locations across Africa, Asia, and North America providing evidence of the positive impacts of guaranteed income and UBI.

- Alaska (1982-present)
- Denver, Colorado (1972-1977)
- Gary, Indiana (1971)
- India (2011-2012)
- Jackson, Mississippi (2018-present)
- Kenya (2016-present)
- Malawi (2007-2009)
- Manitoba (1974-1979)
- Namibia (2008)
- New Jersey and Pennsylvania (1967)
- Ontario (2016-2018)
- Seattle, Washington (1970-1975)
- Stockton, California (2018-2021)

### Improved Health and Wellbeing

UBI pilots show improved outcomes in health and quality of life in several social determinants of health, including better educational outcomes, fewer instances of psychological distress, and improved child health outcomes.

Recent data from Kenya show that despite the global supply chain disruptions caused by the COVID-19 pandemic, recipients of UBI-type payment reported fewer instances of hunger, illness, and depression. Kenya's approach shows that guaranteed income can help families be resilient during economic and health crises.

The Stockton Economic Empowerment Demonstration (SEED), a basic income pilot program that provided Stockton residents with \$500 per month, found that recipients spent money on groceries, utility bills, and credit card debt. Recipients also reported feeling less anxious and spending more time with family.

The Magnolia Mother's Trust launched a pilot providing \$1,000 monthly payments to African American mothers earning low wages in Jackson, Mississippi. It was successful in increasing the number of participants preparing three meals per day for their families, as well as increasing the number of recipients who could pay all their bills without additional support.

In Canada, UBI has been linked to improved mental health outcomes. Recipients of income supplements reported better mental and functional health compared to those receiving conditional income assistance. An experiment in Manitoba showed fewer hospitalizations and admissions for issues related to mental health for those receiving unconditional cash transfers. More recently, findings from the Ontario Basic Income Experiment revealed participants receiving a basic income improved their mental health and social relationships and experienced greater housing stability.

A study from Malawi yields further evidence: school-aged girls were 40% less likely to experience psychological distress if their families were recipients of cash transfers.

Emerging evidence also highlights the significant burden on mental health stemming from debt. Data linking mental health to debt revealed those with unsecured personal debt were more likely to have a mental health disorder or depression, report issues with alcohol abuse and drug dependence, and attempt or complete suicide. Mental health not only has a significant impact on overall health outcomes, it can also affect one's ability to secure stable employment, housing, and healthcare.

### **Increased Part-time Employment**

Opponents of UBI often raise the concern of cash grants discouraging work. However, studies of the impacts of the Alaska Permanent Fund income transfer program show employment was not negatively impacted by the funds. Part-time work actually increased by 17%.

The concern over whether or not people are "willing to work" is rooted in problematic perceptions of labor. In reality, employers are concerned that people will refuse to continue to work for low wages and unfair or unsafe conditions. UBI will challenge low wage jobs and influence employers to pay a living wage and provide health and family benefits in order to recruit and retain employees.

### **Increased Entrepreneurship**

UBI encourages entrepreneurship as workers are able to pay for basic needs while they pursue a small business start-up. The Alaska Permanent Fund contributed to a 15% increase in entrepreneurial ventures among fund recipients.

Entrepreneurship promotes self-reliance and autonomy and has been found to benefit the economy as a whole, specifically low-income communities, through job creation, wage increases, and price reductions on goods and services. Access to credit is one of the three main barriers for entrepreneurs and small business owners.

### **Racial and Gender Equity**

UBI can reduce stigma and clear a path toward social and racial equity.

The U.S. economic system is built on exploiting gender, race, and class differences. It relies on wealth disparities that oppress the most vulnerable in society. For example, evidence shows public assistance programs such as TANF provide less monetary assistance in states where a higher portion of Black people participate. Implementing UBI could decrease existing inequities in a variety of public assistance programs.

Because women traditionally take on much of unpaid housework and childcare, they may have limited access to employment and greater vulnerability to poverty. UBI would offer women increased autonomy and security.

While UBI can reduce exploitation and improve health, it alone cannot repair or provide restitution for historical and contemporary harms done to people who identify as Black/African American and/or Indigenous. However, UBI can create a better baseline for a world in which all human beings can flourish.

Finally, including the voices and wisdom of those experiencing low wages and inadequate public assistance is necessary for developing a UBI system that is both effective in addressing poverty and hunger and embraces equity as a key component.

## LOCAL NEED FOR UBI

Over the past 17 years, the Center for Hunger-Free Communities and its current and former programs—the [Building Wealth and Health Network](#) (/hunger-free-center/projects/building-wealth-and-health-network/), [Children’s HealthWatch](#) (/hunger-free-center/projects/childrens-health-watch/), and [Witnesses to Hunger](#) (/hunger-free-center/projects/witnesses-to-hunger/)—have been at the forefront of efforts to address trauma, food insecurity, and poverty in Philadelphia. The Center’s epidemiological investigations and research demonstrate that despite best efforts to increase SNAP participation, ensure fair scheduling practices among part-time workers, and provide childcare, the rates of food insecurity and deep poverty have not changed significantly. In fact, while many were celebrating the end of the Great Recession in 2009, research showed that child hunger tripled as median wages remained the same monetary amount but lost their purchasing value over time.



The [sum of the Center's research](#) ([/hunger-free-center/research/](#)) supports the implementation of a universal basic income program and initiatives to provide living wages to all workers in Philadelphia and beyond.

## SUMMARY

With increased attention on establishing living wages and numerous guaranteed income program pilots taking place, universal basic income is likely to become a reality in the not so distant future. In recent years, organizations such as the Poor People's Campaign, Movement for Black Lives, and Mayors for Guaranteed Income have called for implementation of policies that include guaranteed income or UBI. In the past year, more than 30 mayors from across the country, including the mayor of Philadelphia, have signed onto the Mayors for Guaranteed Income initiative. The collective has committed to advocating for a guaranteed income through direct, recurring cash payment that lifts up members of all communities to build a resilient and just America. As a response to the pandemic, communities have created funds to provide one-time, direct emergency cash assistance to residents excluded from other pandemic relief programs.

It is time to follow their lead and join the call for universal basic income and living wages to establish long-term food security and promote health and well-being for all people living in the U.S.

# UNIVERSAL BASIC INCOME

 <div> Chegg  Study  Communities </div>	<div> POLICY BRIEF   FEBRUARY 2021 </div>						
	<div> UNIVERSAL BASIC INCOME </div>						
	<div> Key to Reducing Food Inequality and Improving Health </div>						
	<div> OVERVIEW </div>						
<p>Recent investments in health systems in Africa have a major impact on health. During the COVID-19 pandemic, assistance from the United States and other countries has been critical to help African countries respond to the pandemic. However, the pandemic has also highlighted the need for more investment in health systems, particularly in the areas of primary care, maternal and child health, and infectious diseases. This report discusses the importance of investing in health systems and provides recommendations for how to do so.</p>	<p>Investment in health systems is critical to improving health outcomes and reducing inequality. This report discusses the importance of investing in health systems and provides recommendations for how to do so. The report also discusses the importance of investing in health systems and provides recommendations for how to do so.</p>						
	<div> BACKGROUND </div>						
<p>Over the past 60 years, the role of the state in health has changed significantly. In the 1950s and 1960s, the state was the primary provider of health services. However, in the 1970s and 1980s, the state's role in health was reduced, and the private sector became the primary provider of health services. This report discusses the importance of investing in health systems and provides recommendations for how to do so.</p>	<p>Over the past 60 years, the role of the state in health has changed significantly. In the 1950s and 1960s, the state was the primary provider of health services. However, in the 1970s and 1980s, the state's role in health was reduced, and the private sector became the primary provider of health services. This report discusses the importance of investing in health systems and provides recommendations for how to do so.</p>						
	<div> COMPARISON OF AMERICAN KNOWLEDGE SERVICES AND AMERICAN KNOWLEDGE SERVICES </div>						
<p>100% 100% of American knowledge services are being used. This is a significant increase from the 1970s, when only 50% of American knowledge services were being used. This report discusses the importance of investing in health systems and provides recommendations for how to do so.</p>	 <table border="1"> <thead> <tr> <th>Category</th> <th>Salary</th> </tr> </thead> <tbody> <tr> <td>Healthcare</td> <td>100,000</td> </tr> <tr> <td>Education</td> <td>50,000</td> </tr> </tbody> </table>	Category	Salary	Healthcare	100,000	Education	50,000
Category	Salary						
Healthcare	100,000						
Education	50,000						
<p>Research shows that public investment programs are critical to improving health outcomes and reducing inequality. This report discusses the importance of investing in health systems and provides recommendations for how to do so.</p>	<p>Research shows that public investment programs are critical to improving health outcomes and reducing inequality. This report discusses the importance of investing in health systems and provides recommendations for how to do so.</p>						