Reparations for the Continued Divestment from, Discrimination toward, and Exploitation of Our Communities in the Form of a Guaranteed Minimum Livable Income for All Black People, with Clearly Articulated Corporate Regulations

What is the problem?

- Structural racism — particularly against Black Americans — has shaped the rules of our economy since the founding of the U.S. The combination of slavery, America’s deep-rooted system of racial capitalism, and long-lasting discriminatory institutions have for centuries denied Black people equal access to the wealth created through their labor.
- Second, such racism continues to drive unequal economic outcomes and opportunities that are passed on intergenerationally. Today, an entire system of laws, regulations, policies, and normative practices explicitly exclude Black Americans from the economy and from leading safe, healthy, and economically secure lives. In the past, this took the form of Jim Crow and problematic racial and gender exclusions in New Deal social policies; now, the most glaring example is our racialized system of mass incarceration.
- In 2011, the median Black household had just $7,113 in wealth, more than 15 times less than the $111,146 in wealth held by the median white household. Today, a mere 42 percent of Black families compared to 72 percent of whites own their homes, driving the historically durable racial wealth gap. At the end of 2015, the unemployment rate for the general population was 5 percent, yet 9.2 percent for Black workers and just 4.4 percent for white workers. The unemployment rate for Black Americans has been roughly double that for whites since at least the early 1970s. There are also stark racial disparities in education, health access and outcomes, the criminal justice system, and social mobility, among many other arenas of economic security and well-being.

What does this solution do?

- A Universal Basic Income (UBI) provides an unconditional and guaranteed livable income that would meet basic human needs while providing a floor of economic security. UBI would eliminate absolute poverty, ensuring economic security for all by mandating an income floor covering basic needs. Unlike most social welfare and social insurance programs, it is not means tested nor does it have any work requirements. All individual adults are eligible.
- No other social or economic policy solution today would be of sufficient scale to eradicate the profound and systemic economic inequities afflicting Black communities.
- As patterns and norms of “work” change rapidly and significantly in the decades to come — no matter how profound those changes are — it is likely that Black America and other
populations that are already disadvantaged will bear the brunt of whatever economic insecurity and volatility results.

- A pro-rated additional amount included in a UBI for Black Americans over a specified period of time.
- The revenue saved from divesting in criminal justice institutions could be pooled into a fund for UBI; this revenue could be earmarked for the “PLUS” aspect of the policy that would be targeted toward Black Americans. If combined with other funds, it would effectively function as reparations, in a grand bargain with white America: All would benefit, but those who suffered through slavery and continuing racism would benefit slightly more.

**Federal Action:**
- Target: Legislative
- Process: UBI would have to pass both houses of Congress and then be signed by the president. The revenue could be generated by multiple sources which would require structural reforms to the tax code including higher taxes on the wealthy, taxes on public goods like air (carbon tax) or on certain industries (financial transactions tax), or a dividend based on distributing resources from a common-owned asset (like oil).

**State Action:**
- Target: Legislative
- Process: Similar to national policy, UBI would have to pass through state legislatures and be signed by governors. Other instances might require amendments to State Constitutions. The precedent here is the Alaska Permanent Fund, set up in the late 1970s/early 1980s. All residents of Alaska receive an annual dividend based on the invested revenue from the publicly-owned oil reserves.

**How does this solution address the specific needs of some of the most marginalized Black people?**
- UBI would then provide an individual-sustaining basic floor for people who are formerly incarcerated upon re-entry that does not currently exist.
- UBI would be an improvement on portions of today’s current safety net and would benefit cash poor Black people the most. Some benefits, such as food stamps, are replete with paternalistic restrictions that rest on racist tropes about recipients and their consumption habits. Others, such as the Earned Income Tax Credit (EITC), are significantly tied to work, which is problematic when structural racism continues to create so many barriers to Black employment. UBI lacks these flaws.
Model Legislation

- Model policy exists in the form of the Alaska Permanent Oil Fund in which state residents receive a yearly dividend based on the publicly owned wealth of the state’s oil reserves. Other countries around the world are currently proposing a UBI including Switzerland and Finland.

Resources:

- Universal Basic Income & African Americans
- Basic Income Earth Network
- U.S. Basic Income Network

Organizations Currently Working on Policy:

- Basic Income Project

Authors & Contributors of this Policy Overview

- Dorian T. Warren, Center for Community Change