

INTEREST CONVERGENCE AND THE RACIAL WEALTH GAP:
 DEFUSING RACISM’S DIVIDE-AND-CONQUER
 VIA UNIVERSAL BASIC INCOME

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“Today, we live in the wreckage created by white majorities repeatedly voting their racial identities.”

“The material wages of whiteness have turned decisively negative.”

Ian Hancy López²

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² Andy Fitch, *Interest Convergence Looks Different Today: Talking to Ian Hancy López*, BLOG: L.A. REV. OF BOOKS (May 22, 2020), <https://blog.lareviewofbooks.org/interviews/interest-convergence-looks-different-today-talking-ian-hancy-lopez/> [<https://perma.cc/BA6F-VNHZ>].

INTRODUCTION

The racial wealth gap is strong, it is stubborn, and it is structural.

The racial wealth gap is strong. In 2019, the median wealth of white households was \$188,200, orders of magnitude greater than the median household wealth of both Latino and Black households (\$36,100 and \$24,100 respectively).³ According to a recent report on the economic state of Black America, about 19% of Black households have negative net worth because of debt, while only about 2% have net worth over \$1 million.⁴ In comparison, only about 8% of white families have negative net worth, while 16% have net worth over \$1 million.⁵ In terms of total wealth in the United States, a 2019 report by the St. Louis branch of the Federal Reserve Bank notes that “white families in 2016 owned 89% of it, while black and Hispanic families owned a 3% sliver each.”⁶ The report continues, “[t]his is especially troubling given the changing racial makeup of the population. More than 1 in 4 families are headed by a black or Hispanic person, up from 1 in 5 in 1989. Yet their slivers of the economic pie have barely budged.”⁷

The racial wealth gap is stubborn. Historian Calvin Schernmerhorn observes, “[e]ight generations [after Emancipation], the racial wealth gap is both yawning and growing. . . . In 1863, black Americans owned one-half of 1 percent of the nation’s wealth. Today it’s just over 1.5 percent for roughly the same percentage of the overall population.”⁸ Even when overall wealth inequality in the United States decreased between 1945 and the late 1970s, the racial wealth gap persisted as the nation excluded Black citizens from participating in that “enormous expansion of new middle class wealth.”⁹

The racial wealth gap is structural. A report by the Center for American Progress sums up the connection between past and present: “The large and persistent Black-white wealth gap follows from centuries of policies that have systematically disadvantaged Black Americans’ ability to build, maintain, and pass on wealth.”¹⁰ In

³ Neil Bhutta, Andrew C. Chang, Lisa J. Detting & Joanne W. Hsu, *Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances*, BD. OF GOVERNORS OF THE FED. RESRV. SYS. (Sept. 28, 2020), <https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm> [<https://perma.cc/PNW6-PVJ8>] (noting that the mean white household wealth in 2019 was \$983,400; mean Latino household wealth was \$165,500; and mean Black household wealth was \$142,500).

⁴ Shelly Stewart III, Michael Chui, James Maryika, JP Julien, Vivian Hunt, Bob Sternfels, Jonathan Woetzel & Haiyang Zhang, *The Economic State of Black America: What Is and What Could Be*, MCKINSEY GLOB. INST. (June 17, 2021), <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/the-economic-state-of-black-america-what-is-and-what-could-be#> [<https://perma.cc/FMP6-85HV>].

⁵ *Id.*

⁶ Ana Hernández Kent, Lowell Ricketts & Ray Boshara, *What Wealth Inequality in America Looks Like: Key Facts & Figures*, FED. RESRV. BANK OF ST. LOUIS (Aug. 14, 2019), <https://www.stlouisfed.org/open-vault/2019/august/wealth-inequality-in-america-facts-figures> [<https://perma.cc/SG55-BPY6>].

⁷ *Id.*

⁸ Calvin Schernmerhorn, *Why the Racial Wealth Gap Persists: More Than 150 Years After Emancipation*, WASH. POST (June 19, 2019, 6:00 AM), <https://www.washingtonpost.com/outlook/2019/06/19/why-racial-wealth-gap-persists-more-than-150-years-after-emancipation/> [<https://perma.cc/C74D-6WXU>].

⁹ *Id.*

¹⁰ Christian E. Weller & Lily Roberts, *Eliminating the Black-White Wealth Gap Is a Generational Challenge*, CTR. FOR AM. PROGRESS (Mar. 19, 2021), <https://www.americanprogress.org/article/eliminating-black-white->

a similar vein, a 2018 report from the Samuel DuBois Cook Center on Social Equity at Duke University concludes “that the cause of the gap must be found in the structural characteristics of the American economy, heavily infused at every point with both an inheritance of racism and the ongoing authority of white supremacy.”¹¹ Racism is a system, and the function of that system is the perpetuation of white advantage and Black disadvantage.¹²

The authors of the 2018 report assert that to close the racial wealth gap, “America must undergo a vast social transformation produced by the adoption of bold national policies, policies that will forge a way forward by addressing, finally, the long-standing consequences of slavery, the Jim Crow years that followed, and ongoing racism and discrimination that exist in our society today.”¹³ The authors go on to sketch the contours of these bold policies:

Addressing racial wealth inequality will require a major redistributive effort or another major public policy intervention to build black American wealth. This could take the form of a direct race-specific initiative like a dramatic reparations program tied to compensation for the legacies of slavery and Jim Crow, and/or an initiative that addresses the perniciousness of wealth inequality for the entire American population, which could disproportionately benefit black Americans due to their exceptionally low levels of wealth. Indeed, the two strategies—reparations for America’s record of racial injustice or the provision of the equivalent of a substantial trust fund for every wealth-poor American—need not be mutually exclusive.¹⁴

In this Article, we describe and analyze one specific policy proposal—Universal Basic Income (UBI)—that takes this second, interest-convergent approach to closing the racial wealth gap. In Part I, we provide an overview of the U.S. status quo of extreme economic and wealth inequality, which disproportionately harms Black citizens. In Part II, we describe guaranteed income initiatives generally and UBI in particular. In Part III, we highlight aspects of UBI that counter current destructive and divisive trends in how government provides economic support to citizens and the stories around that support. Finally, in Part IV, we circle back to the value of UBI as an interest-convergent approach to narrowing the racial wealth gap.

wealth-gap-generational-challenge/ [https://perma.cc/9C34-XSX5].

¹¹ WILLIAM DARITY JR., DARRICK HAMILTON, MARK PAUL, ALAN AJA, ANNE PRICE, ANTONIO MOORE & CATERINA CHIOPRIS, SAMUEL DUBOIS COOK CTR. ON SOC. EQUITY & INSIGHT CTR. FOR CMTY. ECON. DEV., WHAT WE GET WRONG ABOUT CLOSING THE RACIAL WEALTH GAP 3 (2018), <https://socialequity.duke.edu/wp-content/uploads/2019/10/what-we-get-wrong.pdf> [https://perma.cc/2LVX-KTE6].

¹² Palma Joy Strand, *This Is the House That Law Built: A Systems Story of Racism*, 58 SAN DIEGO L. REV. 811, 812–13 (2021).

¹³ DARITY ET AL., *supra* note 11, at 4.

¹⁴ *Id.* (emphasis added).

I. TODAY'S ECONOMIC STATUS QUO:
ENDORSEMENT OF EXPLOITATION AND ENRICHMENT

Wealth matters. Wealth is both a cushion and a springboard: Wealth protects families from being devastated financially by unexpected medical expenses or other disasters; wealth enables families to invest in their children's education, security, and advancement. The racialization of wealth leads to the racialization of well-being and of opportunity.

A. Rising Economic Inequality and the Tax System

Although, as noted above, the racial wealth gap has persisted over time, overall wealth inequality in the United States has varied considerably over the past century. Wealth inequality hit a high point in 1929, dipped during the decades following World War II, and began rising again around 1980.¹⁵ Wealth inequality now stands at the same peak as it did almost a century ago.¹⁶ In 1989, the top 10% of families in the wealth distribution held 67% of the nation's wealth; in 2016, that 10% held 77% of the wealth.¹⁷ In 1989, the next 40% of families held 30% of the nation's wealth; in 2016, that 40% held 22% of the wealth.¹⁸ In 1989, the bottom 50% of families held 3% of the nation's wealth; in 2016, they held only 1% of that wealth.¹⁹ A report from the St. Louis branch of the Federal Reserve Bank highlights what this means: "You read that correctly. If we rank everyone according to their family net worth and add up the wealth of the bottom 50%, which includes roughly 63 million families, that sum is only 1% of the total household wealth of the United States."²⁰

In 2020, the authors of this Article published *Racialized Tax Inequity: Wealth, Racism, and the U.S. System of Taxation*.²¹ There, we drew the connection between increasing wealth inequality and structural racism in the U.S. tax system since the 1980s.²² We first documented the historical racialization of wealth in the United States and then described a shift in the tax system overall.²³ This shift, which began around 1980, was fueled by racial animus and anxiety in response to changing racial and ethnic demographics, and it both protected and exacerbated wealth inequality.²⁴ We then highlighted how this shift consisted of movement at both federal and state levels from taxes on wealth, to taxes on income, and then to taxes on consumption—from greater to less progressivity.²⁵ This shift disproportionately benefits whites

¹⁵ Palma Joy Strand, *Inheriting Inequality: Wealth, Race, and the Laws of Succession*, 89 OR. L. REV. 453, 459–60 (2010); Palma Joy Strand & Nicholas A. Mirkay, *Racialized Tax Inequity: Wealth, Racism, and the U.S. System of Taxation*, 15 NW. J.L. & SOC. POL'Y. 265, 267 (2020).

¹⁶ Strand & Mirkay, *supra* note 15, at 267.

¹⁷ Hernández Kent et al., *supra* note 6.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ Strand & Mirkay, *supra* note 15.

²² *Id.*

²³ *Id.* at 270–79.

²⁴ *Id.* at 275–76.

²⁵ *Id.* at 279–80.

while burdening Black citizens and other people of color.²⁶ Tax trends over the past forty years, then, have increased wealth inequality overall and have also reinforced racial wealth gaps.

The basic dynamic is that with increasing wealth inequality overall, the rich and well-off speed away from everyone else while the poor and middle class try their very best to tread water.²⁷ Because the rich and well-off are disproportionately white and the poor and middle class are disproportionately Black and people of color, increasing wealth inequality overall calcifies existing racial wealth gaps, which result from historical practices that facilitated the creation of white wealth and inhibited wealth creation by Black citizens and other people of color.²⁸ Much of the political impetus for the changes that fuel increasing wealth inequality, moreover, is racialized.

The “anti-tax” rhetoric that has spurred the tax system’s contribution to these shifts—rhetoric that actually serves to justify not so much a reduction in taxes as a shift of the tax burden in a more regressive direction—rests on a highly racialized sentiment that white taxpayers should not pay for public disbursements that benefit Black citizens and other people of color.²⁹ This sentiment has deep roots in our history, dating back to the post-Civil War era when white Southern landowners resisted measures enacted by Reconstruction legislatures to invest in education and other social supports for non-elite citizens—including Black citizens.³⁰ This sentiment is powerful today even when government benefits and disbursements also support white citizens.³¹

B. Systemic Shifts in Economic Policy and Practice and Rising Economic Inequality

The tax system has not been alone in this shift from progressivity to regressivity. Over the past forty years, other systemic shifts in economic policy and practice have also contributed to an increase in overall wealth inequality and to solidifying the racial wealth gap. As with the shift in the tax system, these shifts have diverted wealth upward. As with the shift in the tax system, these shifts have operated to the advantage of disproportionately white citizens at the top of the economic distribution while disadvantaging citizens at the middle and bottom, disproportionately Black citizens and other people of color.

²⁶ *Id.* at 281.

²⁷ *Id.* at 282.

²⁸ *See id.* at 281–82.

²⁹ *Id.* at 293.

³⁰ *See* Vanessa Williamson, *The Austerity Politics of White Supremacy*, DISSENT MAG. (Winter 2021), <https://www.dissentmagazine.org/article/the-austerity-politics-of-white-supremacy> [https://perma.cc/SJT2-RAMP]; Clark Menefield, *Higher Taxes, More Violence Against Black Politicians During Reconstruction Era*, THE JOURNALIST’S RES. (July 24, 2019), <https://journalistsresource.org/economics/higher-taxes-violence-black-politicians-civil-war-reconstruction/> [https://perma.cc/MBX6-QZRX].

³¹ *See* JONATHAN M. METZL, DYING OF WHITENESS: HOW THE POLITICS OF RACIAL RESENTMENT IS KILLING AMERICA’S HEARTLAND 6 (2019); *see also* Rourke O’Brien & Adam Travis, *Racial Change and Income Tax Policy in the US States*, SOCIO-ECON. REV. 1, 1 (2021) (“[I]ncreases in the percentages of Black and Hispanic residents are associated with a decrease in average marginal tax rate on wage income.”).

Over the past forty years, the provision of many public goods has been privatized.³² Where public goods such as education, housing, criminal justice, and even national defense were once provided primarily by government and government employees, privatization has led to growth in school vouchers, housing vouchers, private security and private incarceration, and defense contractors.³³ A September 2016 report by In the Public Interest concludes, “the insertion of private interests into the provision of public goods and services hurts poor individuals and families, and people of color.”³⁴ Private for-profit entities benefit from privatization; among other harmful effects, resources and jobs have shifted away from government jobs with “family-supporting wages and important benefits such as health insurance and sick leave” to “poverty-level jobs because companies reduce labor costs to pad their own bottom line.”³⁵ Because they are well-represented in public sector employment, “[t]his outsourcing dynamic disproportionately impacts women and African Americans.”³⁶

Over the past forty years, public investment in the decentralized private wealth-building that over the nation’s history lifted so many poor and working-class households into the middle class has declined. In the 19th Century, the federal government, acting through the removal of the continent’s original indigenous residents and the Homestead Acts, enabled widespread private wealth-building—wealth that was predominantly white.³⁷ In the 20th Century, the federal government, acting through the New Deal and the GI Bill after World War II, guaranteed and subsidized widespread private wealth-building in the form of home equity and higher-education human capital—wealth that was predominantly white.³⁸ The wealth-building effects of these subsidies continue, though their benefits are no longer so broadly distributed. By 2015, for example, “households with incomes of \$200,000 or more received an average housing benefit of \$6,076—about four times the average benefit of \$1,529 received by households with incomes below \$20,000.”³⁹

³² See IN THE PUB. INT., HOW PRIVATIZATION INCREASES INEQUALITY 3 (2016), https://www.inthepublicinterest.org/wp-content/uploads/InthePublicInterest_InequalityReport_Sep2016.pdf [<https://perma.cc/K8V6-FK5J>].

³³ See *id.*

³⁴ *Id.*

³⁵ *Id.* at 36.

³⁶ *Id.*; see also George Wilson, Vincent J. Roscigno & Matt Huffman, *Racial Income Inequality and Public Sector Privatization*, 62 SOC. PROBS. 163, 180 (2015) (documenting findings that a “business model” approach in public sector employment “has generated significant inequalities for African American men and women”).

³⁷ See Lisa Rice, *Long Before Redlining: Racial Disparities in Homeownership Need Intentional Policies*, SHELTERFORCE (Feb. 15, 2019), <https://shelterforce.org/2019/02/15/long-before-redlining-racial-disparities-in-homeownership-need-intentional-policies/> [<https://perma.cc/JEE5-AB7B>].

³⁸ Tery Gross, *A ‘Forgotten History’ of How the U.S. Government Segregated America*, NPR (May 3, 2017, 12:47 PM), <https://www.npr.org/2017/05/03/526655831/a-forgotten-history-of-how-the-u-s-government-segregated-america> [<https://perma.cc/N34G-AZMM>]; Erin Blakemore, *How the GI Bill’s Promise Was Denied to a Million Black WWII Veterans*, HISTORY (Apr. 20, 2021), <https://www.history.com/news/gi-bill-black-wwii-veterans-benefits> [<https://perma.cc/EE4E-SNLJ>].

³⁹ Will Fischer & Barbara Said, *Chart Book: Federal Housing Spending Is Poorly Matched to Need*, CTR. ON BUDGET & POL’Y PRIORITIES (Mar. 8, 2017), <https://www.cbpp.org/research/housing/federal-housing-spending-is-poorly-matched-to-need> [<https://perma.cc/56P8-Y926>].

Over the past forty years, protections for labor and workers have declined while protections for investment capital and corporations have increased. Union membership has fallen from about 30% of the workforce at the end of World War II to about 10% today.⁴⁰ During the peak-density years (1940s through 1960s) of union membership, “union households were also more likely to be non-white than either before or after.”⁴¹ Before the postwar period, in other words, unions were more heavily white; deunionization began after non-white union membership rose. While deunionization has little effect on high-wage earners, the depression of middle-wage incomes increases income inequality.⁴² Moreover, an increasing number of lower-wage workers have been spurned off from full-time employment, often accompanied by health insurance and pension benefits, to part-time or independent contractor status, both of which offer no employee benefits.⁴³ At the other end of the wage spectrum, CEO compensation has grown 940% since 1978 while typical worker compensation has risen approximately 12%.⁴⁴ By the end of 2020, the ratio of average CEO compensation to median employee pay was almost 300-to-1.⁴⁵

Over the past forty years, growing acceptance of market concentrations and imbalances has facilitated exploitation of poor and working-class people while enriching well-off rent-seekers—people who seek to manipulate public policy or economic conditions to increase profits. Antitrust law has pivoted from concern about the anti-democratic effects of non-competitive markets to an exclusive focus on economic efficiency and costs to consumers.⁴⁶ The result has been *laissez faire* government *vis-à-vis* private companies with ever-increasing power. Though antitrust law may be facially race-blind or race-neutral, its pivot may nonetheless have had racialized effects. Recognizing this, acting FTC Chair Rebecca Kelly Slaughter has “question[ed] whether the desire for values-based neutrality in antitrust enforcement ignores the reality that many antitrust enforcement decisions may disproportionately affect black and brown people by permitting, in many instances, the aggregation of corporate power.”⁴⁷

⁴⁰ *Unions Help Reduce Disparities and Strengthen Our Democracy*, ECON. POL’Y INST. (Apr. 23, 2021), <https://www.epi.org/publication/unions-help-reduce-disparities-and-strengthen-our-democracy/> [<https://perma.cc/ANA2-EX2T>].

⁴¹ Henry S. Farber, Daniel Herbst, Ilyana Kuziemko & Suresh Naidu, *Unions and Inequality Over the Twentieth Century: New Evidence from Survey Data 1* (Nat’l Bureau of Econ. Rsch., Working Paper No. 24587, 2018), <https://www.nber.org/papers/w24587> [<https://perma.cc/S4RT-URWZ>].

⁴² See Lawrence Mishel, *Unions, Inequality, and Faltering Middle-Class Wages*, ECON. POL’Y INST. (Aug. 29, 2012), <https://www.epi.org/publication/b342-unions-inequality-faltering-middle-class/> [<https://perma.cc/1X2S-WVGH>].

⁴³ Corey Husak, *How U.S. Companies Harm Workers by Making Them Independent Contractors*, WASH. CTR. FOR EQUITABLE GROWTH (July 31, 2019), <https://equitablegrowth.org/how-us-companies-harm-workers-by-making-them-independent-contractors/> [<https://perma.cc/ZY8M-2ATP>].

⁴⁴ Lawrence Mishel & Julia Wolfe, *CEO Compensation Has Grown 940% Since 1978*, ECON. POL’Y INST. (Aug. 14, 2019), <https://www.epi.org/publication/ceo-compensation-2018/> [<https://perma.cc/AS9P-JWLL>].

⁴⁵ Sarah Jackson, *The Average CEO Made Nearly 300 Times the Median Employee Pay Last Year, and That Gap Is Only Growing, a New AFL-CIO Analysis Finds*, BUS. INSIDER (July 14, 2021, 5:32 PM), <https://www.businessinsider.com/ceo-worker-pay-ratio-gap-grew-in-2020-aflcio-2021-7> [<https://perma.cc/75HM-XMEK>].

⁴⁶ See TIM WU, *THE CURSE OF BIGNESS: ANTITRUST IN THE NEW GILDED AGE* 137–38 (2018); Lina M. Khan, *The End of Antitrust History Revisited*, 133 HARV. L. REV. 1655, 1663–64 (2020) (reviewing WU, *supra*).

⁴⁷ Karen Hoffman Lent & Kenneth Schwartz, *The Nexus of Antitrust and Antiracism*, N.Y.L.J. (June 7,

C. Racialized Law and Policies and Rising Economic Inequality

Many of these changes were—variously—authorized, permitted, and/or endorsed via law. The Justice Department shifted away from robust enforcement of the antitrust laws.⁴⁸ The federal government and the U.S. Supreme Court stripped away protections for unions.⁴⁹ Congress consistently raised the threshold for inheritances subject to the estate tax.⁵⁰ Some companies are bailed out by the taxpayers because they are “too big to fail.”⁵¹

Some of these changes happened with mere acquiescence by law, and in some instances even indifference. There is, for example, no coherent, overarching body of law that regulates the privatization of functions traditionally performed by government.⁵² Similarly, there are virtually no limits on corporate compensation and profits.⁵³

Other changes have been accompanied by a certain misdirection achieved through law. For example, while significant pressure against welfare has led to “the end of welfare as we know it,”⁵⁴ disability benefits have grown dramatically and without significant fanfare or pushback.⁵⁵ While companies increasingly turn to independent contractors, spinning off low-paying jobs to avoid paying benefits, tax subsidies for employer-sponsored health insurance for the employees that remain are the highest tax expenditure of the federal government.⁵⁶ While public housing units have been torn down and not replaced,⁵⁷ tax expenditures for homeownership continue.⁵⁸

2021, 12:00 PM), <https://www.law.com/newyorklawjournal/2021/06/07/the-nexus-of-antitrust-and-antiracism/?srlitem=20211016144657> [<https://perma.cc/TA8X-9X4U>].

⁴⁸ *WU*, *supra* note 46, at 131.

⁴⁹ See Stacey Hirsh, *Reagan Presidency Pivotal for Unions*, BALT. SUN (June 8, 2004, 3:00 AM), <https://www.baltimoresun.com/news/nation-world/bal-bz.unions08jun08-story.html> [<https://perma.cc/9GPB-YDJ7>]; Janus v. AFSCME, Council 31, 138 S. Ct. 2448, 2460 (2018); Cedar Point Nursery v. Hassid, 141 S. Ct. 2063, 2080 (2021).

⁵⁰ *A Brief History of Estate Taxes*, SPARROW CAP. MGMT., INC., <https://www.sparrowcapital.com/resource-center/estate/a-brief-history-of-estate-taxes> [<https://perma.cc/39Y6-KU6Z>].

⁵¹ Julie Young, *Too Big to Fail*, INVESTOPEDIA (Oct. 31, 2021), <https://www.investopedia.com/terms/t/too-big-to-fail.asp> [perma.cc/3XH9-EECS].

⁵² See LINDA TSANG & JARED P. COLE, CONG. RSCH. SERV., R44965, *PRIVATIZATION AND THE CONSTITUTION: SELECTED LEGAL ISSUES 2* (2017) (noting that the government may privatize its functions, subject to regulation only by scattered constitutional doctrines).

⁵³ *Are There Any Limits on Executive Compensation?*, LAWINFO, <https://www.lawinfo.com/resources/business-law/are-there-any-limits-on-executive-compensation.html> [<https://perma.cc/UQ3H-VPQP>].

⁵⁴ Francis X. Clines, *Clinton Signs Bill Cutting Welfare: States in New Role*, N.Y. TIMES (Aug. 23, 1996), <https://www.nytimes.com/1996/08/23/us/clinton-signs-bill-cutting-welfare-states-in-new-role.html> [<https://perma.cc/Q3Q3-NZY3>].

⁵⁵ Chana Joffe-Walt, *Unfit for Work: The Startling Rise of Disability in America*, NPR, <https://apps.npr.org/unfit-for-work/> [<https://perma.cc/FB2A-WLZ2>].

⁵⁶ *Briefing Book: Some Background*, TAX POL’Y CTR., <https://www.taxpolicycenter.org/briefing-book/what-are-largest-tax-expenditures> [<https://perma.cc/7EGN-5YLS>] (May 2020).

⁵⁷ *Public Housing: Where Do We Stand?*, NAT’L LOW INCOME HOUS. COAL. (Oct. 17, 2019), <https://nlhlc.org/resource/public-housing-where-do-we-stand> [<https://perma.cc/8T5C-5VBU>].

⁵⁸ See Andrew Hanson, like Bramon & Zackary Hawley, *Rethinking Tax Benefits for Home Owners*, 19 NAT’L AFFS. 40, 40 (2014).

And some of these changes have occurred through inaction even in the face of clearly documented consequences. Government investments in human capital and opportunity, key to the knowledge economy of the 21st Century, have fallen behind: A Pell grant to support low-income students attaining a college education today covers less than 30% of average attendance costs—down from more than three-quarters in 1975–1976.⁵⁹ States' support for higher education has fallen while prisons have taken up a larger portion of state budgets: Between 1989/1990 and 2012/2013, average "state and local higher education funding per full-time equivalent student fell by 28 percent, while per capita spending on corrections increased by 44 percent."⁶⁰ This diminished public support for higher education disproportionately handicaps people whose families are less well off.⁶¹ Concurrently, the harms of mass incarceration have fallen most heavily on Black men and their families.⁶² Similarly, inter-generational transfers of wealth are subsidized through the step-up in basis for assets transferred through inheritance.⁶³ This continuing public financial support consistently and disproportionately enriches people whose families are more well off.⁶⁴

This brief sketch of the past forty years reveals several overarching trends. Shifts in economic policies overall have disadvantaged people at the lower end of the economic distribution: wage workers, most of the working class, renters, and people who depend on public goods including public schools and public colleges. These shifts have enriched people at the higher end of the economic distribution, and this enrichment has occurred at the expense of people at the lower end—people whose economic well-being has stagnated or, more likely, declined. To a significant extent, moreover, these shifts have been characterized by both stealth and misdirection: Tax advantages that benefit the well-off appear as offsets to revenue rather than as government expenditures; talk of supply-side, trickle-down economics and economic efficiency has drawn attention away from languishing investment in and protections for the poor, working, and middle classes. Overall, Black citizens and other people of color, because they are crowded into the lower end of the economic distribution, have been disproportionately hurt by these shifts, although the absolute number of economically depressed white citizens that have suffered harm is greater. Other white citizens, because they are overrepresented in the higher end of the economic distribution, have disproportionately benefited.

These shifts not only have racialized effects; they have racialized causes. Law professor Ian Haney López, in *Dog Whistle Politics*, documents the "strategic

⁵⁹ #DoublePell for College Affordability, NAT'L COLL. ATTAINMENT NETWORK, <https://www.ncan.org/page/Pell> [<https://perma.cc/ZY7R-44NF>].

⁶⁰ STEPHANE STULLICH, IVY MORGAN & OLIVER SCHAK, U.S. DEP'T OF EDUC., STATE AND LOCAL EXPENDITURES ON CORRECTIONS AND EDUCATION I, 1 (2016), <https://www2.ed.gov/rschstat/eval/other/expenditures-corrections-education/brief.pdf> [<https://perma.cc/3HP7-7383>].

⁶¹ Palma Joy Strand, *Education-as-Inheritance Crowds Out Education-as-Opportunity*, 59 ST. LOUIS U. L.J. 283, 292–94 (2015).

⁶² See Kara Gotsch, *Families and Mass Incarceration*, THE SENT'G PROJECT (Apr. 24, 2018), <https://www.sentencingproject.org/publications/6148/> [<https://perma.cc/EYC3-KUDV>].

⁶³ DOROTHY A. BROWN, *THE WHITENESS OF WEALTH: HOW THE TAX SYSTEM IMPOVERISHES BLACK AMERICANS—AND HOW WE CAN FIX IT* 167–69, 185–88 (2021).

⁶⁴ *Id.* at 167–68.

racism” used to break apart the mid-20th-Century bipartisan political coalition that favored broad-based government support for American citizens.⁶⁵ Racism has, from its inception in the United States, been a divide-and-conquer strategy by economic elites to prevent solidarity by non-elites.⁶⁶ Racism has served to break apart coalitions of the poor and working class people whose labor built the nation, even before those coalitions could form to effectively challenge elites and their enrichment.⁶⁷

In the 1960s and 1970s, *Brown v. Board of Education* and the Civil Rights Act, the Voting Rights Act, and the Fair Housing Act began to open doors previously closed to Black citizens. In neighborhoods, in unions, in colleges and universities, and in workplaces, places of opportunity and power that had been exclusively white could no longer be white by law.⁶⁸ And elite whites used the racial anxiety of non-elite, working-class whites to racialize government supports as designed to help undeserving people of color.⁶⁹ Reagan played this like a maestro with his “welfare queen” imagery, which went further, racializing citizens’ need for government support as not-white and therefore something that whites should reject in order to retain their whiteness.⁷⁰ This racialization of public support enabled the evisceration of broad-based government programs that benefited all poor and working-class and many middle-class citizens. And it led ineluctably to the undermining of belief in and support for government itself. White bona fides came to require an anti-government stance. Reagan again: “The nine most terrifying words in the English language are, ‘I’m from the government, and I’m here to help.’”⁷¹

So here we are. From a nation that over much of the 20th Century invested broadly and with fanfare in the majority of its citizenry (so long as that majority was white), we have become an extractive nation that disingenuously and somewhat furtively channels economic benefits to the well-off. As one commentator observed: “The American economy runs on poverty, or at least the constant threat of it. Americans like their goods cheap and their services plentiful and the two of them, together, require a sprawling labor force willing to work tough jobs at crummy wages.”⁷² From a nation that had faith in the possibility of government and its ability to deliver for its citizens, we have become a nation in which the central tenet of one of the two

⁶⁵ See IAN HANEY LÓPEZ, *DOG WHISTLE POLITICS: HOW CODED RACIAL APPEALS HAVE REINVENTED RACISM AND WRECKED THE MIDDLE CLASS*, 48–49 (2013).

⁶⁶ Strand, *supra* note 12, at 834.

⁶⁷ *See id.*

⁶⁸ *Brown v. Bd. of Educ.*, 347 U.S. 483, 495 (1954); Civil Rights Act of 1964, Pub. L. No. 88-353, § 201, 78 Stat. 241, 243–44; Voting Rights Act of 1965, Pub. L. 89-110, § 2, 79 Stat. 437, 437; Fair Housing Act of 1968, Pub. L. 90-284, § 804, 82 Stat. 73, 83.

⁶⁹ See Joel Olson, *Whiteness and the Polarization of American Politics*, 61 POL. RSCH. Q. 704, 704 (2008).

⁷⁰ Gene Demby, *The Truth Behind the Lies of the Original ‘Welfare Queen’*, NPR (Dec. 20, 2013, 5:03 PM), <https://www.npr.org/sections/codeswitch/2013/12/20/255819681/the-truth-behind-the-lies-of-the-original-welfare-queen> [https://perma.cc/Q5WZ-XBR7].

⁷¹ E.J. Dionne Jr., *Reagan’s ‘9 Most Terrifying Words’ Still a Destructive Force*, MERCURY NEWS (Jan. 21, 2019, 12:12 PM), <https://www.mercurynews.com/2019/01/21/dionne-reagans-9-most-terrifying-words-still-a-destructive-force-in-us-politics/> [https://perma.cc/R4ZW-BD9B].

⁷² Ezra Klein, *What the Rich Don’t Want To Admit About the Poor*, N.Y. TIMES (June 13, 2021), <https://www.nytimes.com/2021/06/13/opinion/stimulus-unemployment-republicans-poverty.html> [https://perma.cc/STKY-LJKV].

major political parties is the undermining of government and its replacement with private power. And racism, that tried-and-true divide-and-conquer standby, is at the core.

In the next Part of this Article, we highlight one current policy proposal that directly counters economic inequality—a guaranteed income program, the most expansive and inclusive of which is Universal Basic Income (UBI). UBI is of particular interest, in our view, because it also directly counters the “story” about the nation and its people that accompanies the economic policies and practices that have brought us to the extreme inequality that characterizes our nation today. Specifically, a UBI counters an extractive mindset with explicit investment in the American people—across the board. A UBI counters the dissimulation of existing extractive policies with an open agenda. And a UBI counters a story of government impotence and inexpertise, replacing it with a government that actively and directly benefits its citizenry. Finally, a UBI lays the foundation for awareness of cross-racial interest convergence, an awareness that is essential for defanging racism’s power to divide.

II. CLOSING THE RACIAL WEALTH GAP: A UNIVERSAL BASIC INCOME

As stated previously, wealth matters. Wealth can provide a safety net and generate more wealth, permitting an individual or a family to buy a home, opt out of borrowing for education, or start a new business.⁷³ Inherited wealth further “crystallizes economic security from one generation to the next.”⁷⁴ As demonstrated in Part I of this Article, economic and other policy choices historically created wealth-enhancing opportunities for white men, while concurrently instituting barriers for women, Blacks, Hispanics, and other racial minorities. As observed by one policy advocate: “Our nation has a troubled history of rules that have driven today’s racial and gender wealth disparities.”⁷⁵ These “[r]ace- and gender-based wealth inequities are two of the greatest failures of the American economy.”⁷⁶

Can a national guaranteed income program counter these extractive policies and appreciably diminish racial wealth inequality? Would such a program “address[] the perniciousness of wealth inequality for the entire American population, which could disproportionately benefit Black Americans due to their exceptionally low levels of wealth[?]”⁷⁷ Our response is that UBI, in particular, offers a promising approach.

⁷³ Jhumpha Bhattacharya, *Exploring Guaranteed Income Through A Racial and Gender Justice Lens*, ROOSEVELT INST. 3 (June 19, 2019), <https://rooseveltinstitute.org/publications/exploring-guaranteed-income-through-a-racial-and-gender-justice-lens/> [https://perma.cc/975V-YD93].

⁷⁴ *Id.*

⁷⁵ *Id.* at 4.

⁷⁶ *Id.* at 1.

⁷⁷ DARTY ET AL., *supra* note 11, at 4.

A. *Guaranteed Income, UBI, & Universal + Basic Income*

In formulating a guaranteed income program, a broad spectrum of models and methods exist—from every person receiving an equal benefit to a varied payout based on an individual’s income, wealth, and/or race.⁷⁸ Other variations include the frequency of the cash payments (monthly or annually) and whether the payment is direct or through the income tax system like the earned income tax credit.⁷⁹

Guaranteed income is generally defined as a “recurring, unrestricted, and unconditional cash transfer.”⁸⁰ While maintaining its unconditionality, a guaranteed income program can be “targeted” to reach people below a designated income level.⁸¹ Targeting can be employed up front via means-testing or at the end via an income phase-out—persons at a higher income level are taxed on all or a portion of their guaranteed income (i.e., a payback).⁸² *Universal Basic Income (UBI)* is a more broadly defined guaranteed income program that doesn’t employ targeting; thus, the term “universal.”⁸³ UBI typically has five defining elements: UBI is (i) unconditional (no work requirement or sanctions); (ii) a cash payment; (iii) a recurring payment (typically, monthly); (iv) paid to individuals (versus family or household-based); and (v) universal (i.e., paid to all members of a community).⁸⁴ UBI enjoys greater public recognition due in part to its endorsement by Andrew Yang, a 2020 Democratic candidate for President.⁸⁵ Yang, however, along with tech leaders Elon Musk and Mark Zuckerberg, has been criticized for supporting UBI “primarily as a response to automation-driven job loss,” while discounting its potential to address structural wealth and racial inequality.⁸⁶

The *Universal + Basic Income Model* is a tiered guaranteed income program that recognizes the “systematic barriers to economic prosperity” faced by Black people in the United States.⁸⁷ The “plus” acknowledges that wealth created in the country is “inextricably linked to Black labor, sweat, and tears,” without any benefits from that labor flowing back to Black Americans.⁸⁸ This type of guaranteed income program would arguably yield the biggest reduction in racial wealth inequality by beginning

⁷⁸ Bhattacharya, *supra* note 73, at 8.

⁷⁹ *Id.*

⁸⁰ JAIN FAM. INST., HOW TO FRAME GUARANTEED INCOME POLICY 4 (2021), <https://www.jainfamilyinstitute.org/assets/how-to-frame-guaranteed-income-policy-lit-review-jfi.pdf> [<https://perma.cc/P2KH-FDZ3>].

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.*

⁸⁴ REBECCA HASDELL, JULIANA BIDANANURE & SARAH BERGER GONZALEZ, STANFORD BASIC INCOME LAB, HEALTHY COMMUNITIES AND UNIVERSAL BASIC INCOME: A CONCEPTUAL FRAMEWORK AND EVIDENCE REVIEW 2 (2021), https://basicincome.stanford.edu/uploads/healthy-communities_ubi-paper_final.pdf [<https://perma.cc/D9RA-SJF9>].

⁸⁵ See ANDREW YANG, THE WAR ON NORMAL PEOPLE, 173–74 (2018).

⁸⁶ JAIN FAM. INST., *supra* note 80, at 5; see also Katharine Miller, *Radical Proposal: Universal Basic Income to Offset Job Losses Due to Automation*, STAN. UNIV. (Oct. 20, 2021), <https://hai.stanford.edu/news/radical-proposal-universal-basic-income-offset-job-losses-due-automation> [<https://perma.cc/3BXB-RN9U>].

⁸⁷ Bhattacharya, *supra* note 73, at 13 (emphasis added).

⁸⁸ *Id.* at 14.

to “account for the centuries of disinvestment and discrimination” faced by Black communities.⁸⁹

B. History of Guaranteed Income Programs

The concept of providing a subsistence level of support is nothing novel. It dates back at least to Ancient Rome where a grain allotment was provided to citizens to guarantee community stability.⁹⁰ In the early days of the United States, political activist Thomas Paine promoted a guaranteed income program that provided both a grant to every adult upon reaching twenty-one years of age and annual payments to adults over the age of fifty, justifying the payments as an economic right.⁹¹ In his final book, *Where Do We Go From Here: Chaos or Community*, Dr. Martin Luther King Jr. postulated that “the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.”⁹² King viewed guaranteed income as a fundamental economic right essential to comprehensively eradicating pervasive poverty, for which no rationalization existed in the wealthiest nation on the planet.⁹³

On the other side of the political spectrum, economist Milton Friedman in the 1960s proposed a “negative income tax” that would provide payments (in the form of tax rebates) only to low-income earners to raise their income to an established standard.⁹⁴ President Richard Nixon adopted the idea, renaming it the “Family Assistance Plan,”⁹⁵ but the program eventually died in the Senate in 1972.⁹⁶ As depicted in Part I, governmental welfare benefits were “demonized” by politicians in the ensuing decades, invoking images of sloths and welfare recipients fraudulently collecting payments.⁹⁷ White Americans’ mindsets towards welfare programs often distinguish between “the deserving poor” worthy of support and the “undeserving poor” who are lazy and should work harder, and this distinction is often intertwined with racial attitudes.⁹⁸ As one professor insightfully observed, “[i]n American social policy, judgment and moral evaluation of poverty is very dominant.”⁹⁹

⁸⁹ *Id.*

⁹⁰ Deni Ellis Bécard, *The Basic Question*, STAN. MAG. (Sept. 2021), <https://stanfordmag.org/contents/the-basic-question> [https://perma.cc/G7Q5-VNXG].

⁹¹ NAOMI ZEWDE, KYLE STRICKLAND, KELLY CAPATOSTO, ARI GLOGOWER & DARRICK HAMILTON, THE NEW SCH. INST. ON RACE & POL. ECON., A GUARANTEED INCOME FOR THE 21ST CENTURY 15 (2021), <https://www.newschool.edu/institute-race-power-political-economy/projects-papers/> [https://perma.cc/V9UK-3RCX].

⁹² *Id.* at 12 (quoting MARTIN LUTHER KING, JR., *WHERE DO WE GO FROM HERE: CHAOS OR COMMUNITY?* (1967)).

⁹³ *Id.*

⁹⁴ JAIN FAM. INST., *supra* note 80, at 5; *see also* ZEWDE ET AL., *supra* note 91, at 17 (“Friedman generally opposed a broad social safety net and envisioned [his] system as an ‘efficient means’ of offering minimal redistribution through cash support . . .”).

⁹⁵ JAIN FAM. INST., *supra* note 80, at 5.

⁹⁶ *See* Note, *The Family-Assistance Plan—A Chronology*, 46 SOC. SERV. REV. 603, 608 (1972).

⁹⁷ Bécard, *supra* note 90.

⁹⁸ JAIN FAM. INST., *supra* note 80, at 13 (citing MARTIN GILENS, *WHY AMERICANS HATE WELFARE* (1999)).

⁹⁹ Bécard, *supra* note 90.

Accordingly, the framing of a guaranteed income program to influence public sentiment is as crucial to its adoption and potential success as its methodology.¹⁰⁰ Essentially, the concept of guaranteed income must generate positive associations.¹⁰¹ In a 2020 Pew Research Center poll, 45% of Americans support providing a UBI of \$1,000 per month to every adult regardless of employment status or annual income.¹⁰² Support decreases significantly with age—67% of young adults (ages eighteen to twenty-nine) support a UBI, with only 26% support in those over the age of sixty-five.¹⁰³ A Hill-HarrisX poll compared support for a UBI for a one-year period from 2019 to 2020.¹⁰⁴ According to the survey, large increases of support occurred among younger and Democratic voters (14% and 15%, respectively), with a 7% increase of support among Republican voters.¹⁰⁵ Other recent research has similarly concluded the public's attitudes toward guaranteed income are not as "rigid and polarized" as towards other direct-expenditure welfare programs,¹⁰⁶ where mindsets are typically imbued with negative and racial biases. Another recent survey concluded that conservatives were more responsive to a UBI framed as "promoting autonomy and getting government out of Americans' decisions" than as a program framed as "promoting financial stability and protecting citizens from job losses."¹⁰⁷

Others opine that for UBI to gain broad public support and eradicate the stigma of receiving welfare-like benefits, it must truly be universal—payments to everyone, including the wealthy who can pay back their benefits through higher taxes.¹⁰⁸ Although UBI's payments to everyone can be viewed as inefficient, the removal of stigma is a crucial component to UBI's appeal, rendering it more likely to empower rather than shame its recipients.¹⁰⁹

C. Existing Guaranteed Income Programs & Their Effectiveness

Poverty is pervasive in the United States. According to recent U.S. Census Bureau projections, more than thirty-eight million Americans (approximately 12% of the population) were living below the federal poverty line in 2018.¹¹⁰ Of these, approximately 15.7 million were white (8.5% poverty rate); 8.9 million were Black (20.8%); 10.5 million were Latinx (17.6%); and two million were Asian (10%).¹¹¹ But the federal poverty line does not capture millions of low-income earners who

¹⁰⁰ See Miranda Perry Fleischer & Daniel Hemel, *The Architecture of a Basic Income*, 87 U. CHL. REV. 625, 706 (2020).

¹⁰¹ JAIN FAM. INST., *supra* note 80, at 8.

¹⁰² Abby Vessoulis & Abigail Abrams, *Inside the Nation's Largest Guaranteed Income Experiment*, TIME (Sept. 16, 2021, 7:00 AM), <https://time.com/6097523/compton-universal-basic-income/> [<https://perma.cc/F92N-AKQC>].

¹⁰³ JAIN FAM. INST., *supra* note 80, at 7.

¹⁰⁴ Gabriela Schulte, *Poll: Majority of Voters Now Say the Government Should Have a Universal Basic Income Program*, THE HILL (Aug. 14, 2020), <https://thehill.com/bills/what-americas-thinking/512099-poll-majority-of-voters-now-say-the-government-should-have-a> [<https://perma.cc/C5GU-A6NW>].

¹⁰⁵ *Id.*

¹⁰⁶ JAIN FAM. INST., *supra* note 80, at 9.

¹⁰⁷ *Id.*

¹⁰⁸ Béchard, *supra* note 90.

¹⁰⁹ See JAIN FAM. INST., *supra* note 80, at 12.

¹¹⁰ ZEWDEET AL., *supra* note 91, at 5.

¹¹¹ *Id.*

live just above that line but nevertheless experience significant adversities such as unemployment or health issues that could easily cause them to slip below the line.¹¹² A 2018 study calculated the number of poor or low-income Americans living just above the poverty line to be around 140 million.¹¹³ Of these, sixty-six million are white, twenty-four million are Black, thirty-eight million Latinx, eight million Asian, and two million Indigenous.¹¹⁴ No race, color, or ethnicity is exempt from the grip of poverty. And, though people of color are disproportionately poor, the absolute number of white people living in poverty is the highest of any racial/ethnic group.¹¹⁵ A guaranteed income policy presents a crucial opportunity to substantially reduce poverty across each of these racial groups¹¹⁶—a genuine interest convergence as we discuss in Part IV.

The Stockton Economic Empowerment Demonstration (SEED) was the country's first mayor-inaugurated guaranteed income program. SEED was launched as a pilot guaranteed income program in February 2019 by then Mayor Michael D. Tubbs and funded entirely by private donors including the Economic Security Project co-chaired by Chris Hughes, a Facebook co-founder.¹¹⁷ SEED randomly selected 125 residents of Stockton, California living in neighborhoods with average incomes lower than the city median of \$46,000 a year and provided them with \$500 per month for two years with no conditions or restrictions.¹¹⁸ A study of the program's first year revealed that the payments "measurably improved participants' job prospects, financial stability and overall well-being."¹¹⁹

Conducted by independent researchers, the study determined that SEED recipients benefited from increased full-time employment (from 28% to 40% in one year), contradicting critics' concerns that the program would eliminate the incentive to work.¹²⁰ Recipients also demonstrated improved financial, physical, and emotional health.¹²¹ As to improved financial health, the study revealed that recipients suffered less income volatility—the percentage of SEED recipients who

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Poverty Rate by Race/Ethnicity*, KAISER FAM. FOUND., <https://www.kff.org/other/state-indicator/poverty-rate-by-raceethnicity/?dataView=1¤tTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D> [perma.cc/2PVT-Y8PM].

¹¹⁶ ZEWDE ET AL., *supra* note 91, at 24.

¹¹⁷ Rachel Treisman, *California Program Giving \$500 No-Strings-Attached Stipends Pays Off, Study Finds*, NPR (Mar. 4, 2021, 10:49 AM), <https://www.npr.org/2021/03/04/973653719/california-program-giving-500-no-strings-attached-stipends-pays-off-study-finds> [https://perma.cc/JSX8-RTAZ]; *Who We Are*, ECON. SEC. PROJECT, <https://www.economicsecurityproject.org/team/> [https://perma.cc/3PQT-XNZV].

¹¹⁸ Treisman, *supra* note 117; Annie Lowrey, *Stockton's Basic-Income Experiment Pays Off*, ATLANTIC (Mar. 3, 2021), <https://www.theatlantic.com/ideas/archive/2021/03/stockton-basics-income-experiment-pays-off/618174/> [perma.cc/3WTP-QAMF].

¹¹⁹ Treisman, *supra* note 117; accord STACIA WEST, AMY CASTRO BAKER, SUKHI SAMRA & ERIN COLTERA, STOCKTON ECON. EMPOWERMENT DEMONSTRATION, PRELIMINARY ANALYSIS: SEED'S FIRST YEAR 22 (2021), https://static1.squarespace.com/static/6039d612b17d055cac14070f66050294a1212aa40fda7773a1615866187890/SEED_Preliminary+Analysis-SEEDs-First+Year_Final-Report_Individual-Pages+.pdf [https://perma.cc/U9LP-KENC].

¹²⁰ WEST ET AL., *supra* note 119, at 19–20.

¹²¹ Treisman, *supra* note 117.

covered an unanticipated expense with cash or a cash equivalent rose from 25% at the start of the program to 52% at the end of the first year.¹²² Essentially, SEED demonstrated that “a lack of resources is its own miserable trap.”¹²³ Overall, the program “alleviated financial strain across fragile networks and generated more time for relationships.”¹²⁴

The Stockton experiment led to Tubbs’s founding of Mayors for a Guaranteed Income, resulting in forty mayors advocating for, and adopting, guaranteed income programs in cities across the country.¹²⁵ Pilot programs are in progress in over 70 cities, including Durham, North Carolina; New Orleans, Louisiana; and Gary, Indiana, among others.¹²⁶ As an additional boost, “[t]he COVID-19 pandemic exposed how many Americans are close to the brink and lack sufficient resources to weather emergencies.”¹²⁷ The ensuing stimulus checks received under both the Trump and Biden Administrations demonstrated the utility of unconditional payments; early data reveals that most families used the stimuli to buy basic necessities such as food and fuel.¹²⁸

A smaller but equally impactful program was instituted in Jackson, Mississippi, a state where nearly half of Black children are in households living below the poverty line (as compared to only 17% of white children).¹²⁹ Springboard to Opportunities, a local nonprofit organization that supports affordable-housing residents by providing after-school programs for children and job-preparedness support for parents, founded Magnolia Mother’s Trust, a pilot guaranteed income program in 2018.¹³⁰ The program began with only twenty women receiving \$1,000 monthly in the first year.¹³¹ A second cohort the following year expanded participants to 110 women total.¹³² A third cohort of one hundred women commenced in April 2021.¹³³

¹²² WEST ET AL., *supra* note 119, at 16.

¹²³ Lowrey, *supra* note 118.

¹²⁴ WEST ET AL., *supra* note 119, at 12; accord Harrison Freuck & Zhen Wang, *Could Guaranteed Income Close Racial Wealth Gap?*, URB. MILWAUKEE.COM (Aug. 19, 2021, 1:43 PM), <https://urbanmilwaukee.com/2021/08/19/could-guaranteed-income-close-racial-wealth-gap/> [<https://perma.cc/F3NT-ZNL4>] (reporting that recipients of the program could afford to spend free time with friends and family).

¹²⁵ Anagha Srikauth, *How Mayors for a Guaranteed Income are proving the ‘welfare queen’ stereotype wrong*, THE HILL (Mar. 3, 2021), <https://thehill.com/changing-america/respect/poverty/541448-how-mayors-for-a-guaranteed-income-are-proving-the-welfare/#:~:text=Mayors%20for%20a%20Guaranteed%20Income%20is%20a%20coalition%20of%2040,recipient%20are%20working%20full%20time> [<https://perma.cc/MH7S-9H7U>].

¹²⁶ See <https://www.mayorsforagi.org/about>.

¹²⁷ Jeremy Rosen, *Guaranteed Income: An Economic Support Whose Time Has Come*, SHRIVER CTR. ON POVERTY L. (June 21, 2021), <https://www.povertylaw.org/article/guaranteed-income/>. [<https://perma.cc/S6W8-2XGF>].

¹²⁸ *Id.*

¹²⁹ Courtney E. Martin, *Baby Steps Toward Guaranteed Incomes and Racial Justice*, N.Y. TIMES (May 8, 2019), <https://www.nytimes.com/2019/05/08/opinion/baby-steps-toward-guaranteed-incomes-and-racial-justice.html> [<https://perma.cc/T25S-KWML>].

¹³⁰ See *Magnolia Mother’s Trust*, SPRINGBOARD TO OPPORTUNITIES, <https://springboardto.org/magnolia-mothers-trust/> [<https://perma.cc/7ZZ9-J3C6>].

¹³¹ *Id.*

¹³² *Id.*

¹³³ *Id.*

Like SEED, the Trust is funded fully by charitable donations.¹³⁴ Although Trust recipients experienced a reduction of other benefits such as the Supplemental Nutrition Assistance Program (SNAP) or rental assistance due to their receipt of Trust payments, they still experienced a net gain overall.¹³⁵

The Trust's focus is on challenging single Black mothers "to see themselves anew"¹³⁶—rather than only on changing how others perceive them. While analysis of the program's effects is not yet complete, the tangible results to date are encouraging.¹³⁷ Trust beneficiaries are 40% less likely to incur debt via emergency loans, seek more professional medical help, and experience both decreased food insecurity and increased ability to meet basic needs.¹³⁸ The results thus far also suggest that the school performance of Trust recipients' children has improved.¹³⁹

The Compton Pledge in Compton, California, is the country's largest city-based pilot program in terms of the number of people served.¹⁴⁰ The Pledge's website, which sets the stage for Compton's need for a guaranteed income program, also speaks to the country as a whole:

The case for guaranteed income nationally and in Compton is undeniable. Compton, a city of 95,000 residents, acutely faces many of the issues that have defined the national conversation about racial injustice and structural inequality. Many of Compton's residents, of whom 30% are Black and 68% are Latino, are either unemployed, poorly paid, or ineligible for government assistance. Upwards of 1 in 5 Comptonians live in poverty—double the nationwide average. Local housing assistance in Compton is at capacity, presenting unaffordable hardships for a city where 46% of residents are renters.¹⁴¹

The Pledge is grounded in the conviction that guaranteed income "creates a true safety net" that enables individuals to survive financial and other crises and provides government and philanthropists a genuine opportunity "to invest directly in the path towards economic justice and reparations."¹⁴² Like other guaranteed income programs, the Pledge's pilot program is funded by private and charitable donors, with \$9.2 million raised to be distributed in recurring payments.¹⁴³

From late 2020 to the end of 2022, the Pledge will provide approximately eight hundred individuals with up \$7,200 annually without any conditions or

¹³⁴ Oscar Perly Abello, *Guaranteed Income in Jackson Designed by Black Moms for Black Moms, Showing Results for Black Moms*, Next City (Mar. 23, 2021), <https://nextcity.org/urbanist-news/guaranteed-income-in-jackson-designed-by-black-moms-for-black-moms> [<https://perma.cc/3GD3-MGX3>].

¹³⁵ *Id.*

¹³⁶ Martin, *supra* note 129.

¹³⁷ Abello, *supra* note 134.

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ *Guaranteed Income: A Community's Vision for Freedom*, COMPTON PLEDGE <https://comptonpledge.org/about/> [<https://perma.cc/P62C-YUZA>].

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ Vesoulis & Abrams, *supra* note 102.

requirements.¹⁴⁴ The Pledge widens the safety net to undocumented immigrants and formerly incarcerated individuals, contrary to traditional welfare programs.¹⁴⁵ The organization administering the Pledge, Fund for Guaranteed Income, utilizes a web-based payments platform, providing participants a variety of means to receive support payments.¹⁴⁶ Like other guaranteed income programs, the Pledge is essentially an experiment to determine whether providing a “financial cushion” to poor individuals and families results in “demonstrable impact on their physical and psychological health, job prospects and communities.”¹⁴⁷ Several Compton Pledge recipients have already embarked on pay-it-forward endeavors, including a homeless outreach service and a prison-to-society reentry effort.¹⁴⁸

D. Hurdles to Implementing a UBI

Although national attitudes with respect to guaranteed income programs, particularly UBIs, are warming,¹⁴⁹ the political risks to supporting such a program are real. In 2020, after launching SEED, Stockton Mayor Michael Tubbs lost reelection to a Republican challenger by thirteen points in a city otherwise considered a Democratic stronghold.¹⁵⁰ Although Tubbs’s loss cannot be directly attributed to the launching of SEED, it was one of his many decisions that a local social media program used in relentless attacks against him.¹⁵¹ Despite growing bipartisan support,¹⁵² guaranteed income payments continue to revive long-standing debates regarding “deserving” and “undeserving” poor, as previously discussed, which “remain deeply embedded in the United States’ cultural narrative.”¹⁵³ Similarly, deeply ingrained class and race biases about the ability of the poor to spend their money prudently resurface as well.¹⁵⁴

Opponents frequently question whether these guaranteed payments will reduce recipients’ participation in the labor market, although programs like SEED are yielding evidence that counters this challenge.¹⁵⁵ Critics also question whether results from small pilot programs can “translate into the real world.”¹⁵⁶ Clearly, more

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ LAWT News Service, *Compton Pledge Delivers \$1 Million to Residents*, L.A. SENTINEL (Apr. 22, 2021), <https://lasentinel.net/compton-pledge-delivers-1-million-to-residents.html> [https://perma.cc/MFU5-WUTV].

¹⁴⁷ Vesoulis & Abrams, *supra* note 102.

¹⁴⁸ Melissa Chadburn, *Compton Fights Inequality With Universal Basic Income*, CAP & MAIN (Nov. 19, 2021), <https://capitalandmain.com/how-comptons-experience-with-universal-basic-income-is-unfolding> [https://perma.cc/M632-J78J].

¹⁴⁹ See *supra* notes 102–107 and accompanying text.

¹⁵⁰ David Siders, *The Fall of Michael Tubbs*, POLITICO (Dec. 23, 2020, 4:30 AM), <https://www.politico.com/news/magazine/2020/12/23/the-fall-of-michael-tubbs-449619> [https://perma.cc/K8F7-YVHD].

¹⁵¹ *Id.*

¹⁵² See *supra* notes 104–107 and accompanying text.

¹⁵³ Roselyn Miller, Rachel Alexander & Lauren Hall, *Guaranteed Income and the Safety Net*, NEW AM. (Sept. 3, 2021), <https://www.newamerica.org/ca/reports/guaranteed-income-and-the-safety-net/> [https://perma.cc/K4WD-4RW8].

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*

¹⁵⁶ Béchard, *supra* note 90.

research and conclusive findings on the benefits of guaranteed income payments need to accrue, especially in the context of larger programs such as the Compton Pledge. California approved the nation's first state-funded guaranteed income pilot program in July 2021, with a budget to disperse \$35 million in monthly cash payments to pregnant women and youth who recently aged out of the state foster care system.¹⁵⁷ Evaluations flowing from this state-wide pilot program will undoubtedly garner close attention.

The biggest hurdle to implementing a guaranteed income program is its cost.¹⁵⁸ If a UBI was adopted providing \$1,000 per month for every American adult, the estimated annual expenditure weighs in at over \$3 trillion.¹⁵⁹ The *net cost* of a UBI, however, would be significantly less because many UBI recipients would pay back some of the benefit in their taxes.¹⁶⁰ Additional cost savings would likely be achieved through reduced health care and other costs incurred in an overall healthier society.¹⁶¹ Pervasive poverty is expensive to local communities, states, and the federal government. When individuals are lifted out of poverty, societal costs associated with poverty are reduced and the assisted individuals can contribute more to the market economy through consumption.¹⁶²

E. A UBI As a Path Forward

Of the various guaranteed income programs, a UBI most directly addresses both the economic inequality that exacerbates the racial wealth gap and the racialized social and political frame that underlies the policies put in place over the past forty years. Both the political frame and ensuing policies have brought us to the level of economic inequality we are experiencing today. As we discuss in Part III, a UBI sweeps everyone—white, Black, and other people of color—into a single class devoid of socio-economic status. We acknowledge that a UBI will neither solve all economic insecurity challenges nor eradicate entirely the racial wealth gap and other systemic inequalities. A UBI, however, can provide a much-needed minimum safety net for millions of families, restore more robust communities, and begin to chip away at the many structural barriers that have long been institutionalized.¹⁶³ Because Black citizens and other people of color make up a disproportionately high percentage of poor families, they would be disproportionately benefited by these broad-based anti-poverty programs.¹⁶⁴

¹⁵⁷ *Guaranteed Income Pilot Program*, CAL. DEP'T OF SOC. SERVS., <https://www.cdss.ca.gov/inforesources/guaranteed-basic-income-projects> [https://perma.cc/375Y-VJ3V].

¹⁵⁸ Richard Morrison, *The Case Against a Universal Basic Income*, PITT. POST-GAZETTE (July 11, 2021, 12:00 AM), <https://www.post-gazette.com/opinion/insight/2021/07/11/the-case-against-a-universal-basic-income/stories/202107110002> [https://perma.cc/F8ND-JVKA].

¹⁵⁹ Béchard, *supra* note 90.

¹⁶⁰ *Id.*

¹⁶¹ *Id.*

¹⁶² *Id.*

¹⁶³ ZEWDEET AL., *supra* note 91, at 19.

¹⁶⁴ *Id.* at 24.

III. A UBI OFFERS A DIFFERENT MENTAL MODEL FOR U.S. ECONOMICS & POLITICS

Human social systems run on stories or, in systems language, mental models.¹⁶⁵ The mental model reflects the purpose or function of the system, and the people and institutions within the system self-organize around that mental model to accomplish that purpose.¹⁶⁶ Historian Rutger Bregman identifies the mental model of neo-liberal economics in which much U.S. policy has been grounded over the past forty years as one of selfishness and cutthroat competitiveness.¹⁶⁷ The siren call of this story closes our ears to other stories of trust and cooperation, stories that Bregman highlights as more accurately capturing the way most people are and the characteristics that have led to our success as a species.¹⁶⁸ Most important for the purposes of this Article, Bregman observes that when people are immersed in the economics story of the undiluted self-interest of individuals, that story acts as an attractor for their actions.¹⁶⁹ We become the stories we hear.

As described in Part I, the economic policies that grow from these neo-liberal economic stories have increased wealth inequality overall since 1980—an increase that has had disproportionately negative effects on Black citizens and other people of color. These policies are extractive, they are disguised, and they are anti-government. In our view, one of the most inspiring aspects of a UBI is that it beckons toward a different set of policies—policies that center on investment in people rather than extraction and exploitation, policies that are open rather than surreptitious, and policies that recognize the essential role of government in providing public goods and looking out for the general welfare. In each of these aspects, the path forward that a UBI represents is illuminated by a mental model of human value, trust, and cooperation. In this Part, we explore this underlying story.

A. A UBI Highlights Investment in People

Some years ago, when one of the authors of this Article was doing research for an article reflecting on the system of public education in the United States sixty years after *Brown v. Board of Education*,¹⁷⁰ she became fascinated by the Finnish education system, which is widely viewed as one of the best in the world—best in terms of being equitable and rigorous and also human-centered for both students and

¹⁶⁵ Strand, *supra* note 12, at 837.

¹⁶⁶ *Id.* at 818–19.

¹⁶⁷ *People Are Basically Good (with Rutger Bregman)*, PITCHFORK ECON. (June 23, 2020), <https://pitchforkforeconomics.com/episode/people-are-basically-good-with-rutger-bregman/> [<https://perma.cc/XXP7-2PNC>].

¹⁶⁸ *See id.*

¹⁶⁹ *Id.*; see also Bruno S. Frey, *A Constitution for Knaves Crowds Out Civic Virtues*, 107 ECON. J. 1043, 1048 (1997) (“Civic virtue is bolstered if the public laws convey the notion that citizens are to be trusted...In contrast, a constitution that implies a fundamental distrust of its citizens and seeks to discipline them tends to crowd out civic virtue.”).

¹⁷⁰ Palma Joy Strand, *Is Brown Holding Us Back? Moving Forward, Six Decades Later: Visionary States, Civic Locals, and Trusted Schools and Teachers*, 23 KAN. J.L. & PUB. POL’Y 283 (2014).

teachers.¹⁷¹ Delving into the history of how this system evolved, she was surprised to learn that until World War II, education in Finland was far from world-class. Then, in the 1960s, Finland convened a commission that shifted the paradigm, arriving at the view that the nation's population was its most valuable resource and that investing in its people was the best investment it could make.¹⁷² This conclusion, this paradigm, this mental model, led to Finland investing in its teachers, in its schools, in its system of education. In Finland, as a result, schools are well-funded and teaching is a high-status profession. There is a path for all students to university as well as a path to other occupations that do not require post-secondary education.

Economists Daron Acemoglu and James Robinson, in their 2012 book *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, present two distinct paradigms that describe institutional arrangements within a nation. One is extractive: "Extractive political institutions concentrate power in the hands of a narrow elite and place few constraints on the exercise of this power. Economic institutions are then often structured by this elite to extract resources from the rest of the society."¹⁷³ Extractive political and economic institutions reinforce each other in a vicious cycle as the extractive economic institutions "in turn support the extractive political institutions, because economic wealth and power buy political power."¹⁷⁴

Contrast this to a virtuous cycle created by inclusive political and economic institutions: "Inclusive economic institutions, in turn, are forged on foundations laid by inclusive political institutions, which make power broadly distributed in society and constrain its arbitrary exercise."¹⁷⁵ Here a very different feedback loop emerges as inclusive economic institutions lead "to a more equal distribution of income, empowering a broad segment of society and making the political playing field even more level. This limits what one can achieve by usurping political power."¹⁷⁶

Applying Acemoglu and Robinson's terminology to the trends described in Part I, the past forty years in the United States have seen our political institutions become less inclusive and our economic institutions become more extractive. Rising wealth inequality is a symptom of the underlying disease, which we can diagnose from U.S. Supreme Court decisions such as *Citizens United* and *Shelby County* as well as from legislative actions that have eased taxes for the wealthy while slashing support for people who are struggling.¹⁷⁷ Extraction is the antithesis of the kind of investment in its citizens that Finland saw as critical to its future.

In the United States, extractive economic and political institutions characterized the South before the Civil War; after the War, "in yet another manifestation of the vicious circle . . . [a] continuation of extractive institutions, this time of the Jim Crow kind rather than of slavery, emerged in the South."¹⁷⁸ During the brief period

¹⁷¹ See PASI SAHLBERG, FINNISH LESSONS: WHAT CAN THE WORLD LEARN FROM EDUCATIONAL CHANGE IN FINLAND? 22–23 (2011).

¹⁷² *Id.* at 21.

¹⁷³ DARON ACEMOGLU & JAMES A. ROBINSON, WHY NATIONS FAIL: THE ORIGINS OF POWER, PROSPERITY, AND POVERTY 81 (2012).

¹⁷⁴ *Id.* at 357.

¹⁷⁵ *Id.* at 82.

¹⁷⁶ *Id.* at 309.

¹⁷⁷ *Citizens United v. FEC*, 558 U.S. 310 (2010); *Shelby County v. Holder*, 570 U.S. 529 (2013).

¹⁷⁸ ACEMOGLU & ROBINSON, *supra* note 173, at 353.

of Reconstruction when Black votes helped to elect Black representatives to public office, government initiatives invested in inclusive institutions such as education and hospitals and in infrastructure.¹⁷⁹ The white Southern elite resisted, contending that “Black men were voting for programs that redistributed wealth from hardworking white people to Black people, since hospitals and roads would cost tax dollars and white people were the only ones with taxable property in the Reconstruction South.”¹⁸⁰ “Socialism” was the accusation these elites used to block departure from the vicious extractive cycle.¹⁸¹ “Socialism” as a racially-coded epithet for inclusive investment continues to the current day, as seen in partisan condemnations of the recently passed 2021 infrastructure bill.¹⁸²

One salutary characteristic of a UBI is that it is explicit about investing in people—in everyone regardless of their income level. That investment recognizes the value of the nation’s people and rests on a level of trust in them overall—in comparison to most public benefit programs, which exercise substantial control in terms of what will be provided. Instead of viewing people who are struggling as liabilities, a UBI treats them as potential assets.

B. A UBI Trumpets Inclusiveness

A UBI also has the courage of its convictions. The United States today, write political scientists Christopher Ellis and Christopher Faricy in their 2021 book *The Other Side of the Coin: Public Opinion Toward Social Tax Expenditures*, “provides economic security to citizens through a divided welfare state in which citizens receive benefits through both direct public programs and indirect tax subsidies.”¹⁸³ Together, these benefits help citizens with essentials of life including health care, education, housing, security in old age, and child care.¹⁸⁴

While the social welfare programs of the New Deal and the Great Society took the form primarily of direct public spending, indirect subsidies through offsets to tax revenues—also known as tax expenditures—have surged in recent decades.¹⁸⁵ Today, federal tax expenditures amount to \$1.6 trillion annually—of a total formal budget of \$3.9 trillion in 2016.¹⁸⁶ (Social Security and Medicare combined add up to \$1.5 trillion).¹⁸⁷

¹⁷⁹ Heather Cox Richardson, *November 6, 2021*, LETTERS FROM AN AM. (Nov. 6, 2021), <https://heathercoxrichardson.substack.com/p/november-6-2021> [<https://perma.cc/5CHB-9W3S>].

¹⁸⁰ *Id.*

¹⁸¹ *Id.*

¹⁸² *Id.*; Max Boot, *There They Go again. For 90 Years, Republicans Have Been Crying Wolf About Democratic ‘Socialism’*, WASH. POST (Nov. 2, 2021, 2:04 PM), <https://www.washingtonpost.com/opinions/2021/11/02/here-we-go-again-90-years-republicans-have-been-crying-wolf-about-democratic-socialism/> [<https://perma.cc/MLD5-K5VJ>]; see also METZL, *supra* note 31, at 147–55 (discussing the racial implications socialism carried through the Civil rights-era).

¹⁸³ CHRISTOPHER ELLIS & CHRISTOPHER FARICY, *THE OTHER SIDE OF THE COIN: PUBLIC OPINION TOWARD SOCIAL TAX EXPENDITURES 1* (2021).

¹⁸⁴ *Id.* at 35.

¹⁸⁵ *Id.* at 22.

¹⁸⁶ *Id.* at 4–5.

¹⁸⁷ *Id.* at 5.

Tax expenditures make it possible for politicians—and the voters who support them—to have the cake of avowed fiscal austerity while at the same time eating the rewards of providing social benefits. Tax expenditures decrease the size of government and do not require administration by a public bureaucracy. Instead, they direct funds toward the private sector.¹⁸⁸ And, at the federal level, tax expenditures go through a different and less searching legislative process than benefits provided through direct spending.¹⁸⁹

In the United States today, public social benefit programs supported through direct spending “largely benefit one of two groups—the elderly or the poor.”¹⁹⁰ Private social benefits supported through tax expenditures, in contrast, “distribute federal money up the income ladder to wealthier citizens.”¹⁹¹ In fact, if the population is divided into quintiles in terms of income distribution, “[t]he richest families, those in the top 20 percent, receive over half of the total benefits”¹⁹² of tax expenditures.

Private social spending, moreover, is substantial. In 2018, total national social spending in the United States was 31.2% of GDP. Of this, public social spending comprised 18.7%; private social spending 12.5%.¹⁹³ And the effects of the growth of private social spending are racialized. While 67% of white workers use private-sector health insurance (supported through tax expenditures), only 45.3% of Black workers and 39.2% of Latino workers have employment-based insurance—in large part due to their occupations and socioeconomic status.¹⁹⁴ While Black households represent 13.3% of all U.S. households, their share of the tax expenditures for employer-sponsored health insurance is only 11.1%.¹⁹⁵ Even when Black families earn the same income as white families, one study found that they “have higher tax liabilities because of differential benefits from tax expenditures.”¹⁹⁶ And Black families’ lower overall wealth means that they benefit less from tax subsidies for capital gains and homeownership.¹⁹⁷

Though beneficiaries of the private welfare state may not regard these benefits as welfare or as subsidies¹⁹⁸ they are aware that they do benefit from tax

¹⁸⁸ *Id.* at 29–30.

¹⁸⁹ Leonard E. Burman & Marvin Phaup, *Tax Expenditures, the Size and Efficiency of Government, and Implications for Budget Reform 25* (Nat'l Bureau of Econ. Resch., Working Paper No. 17268, 2011) (concluding that process leads to skew and overprovision of benefits through tax expenditures).

¹⁹⁰ ELLIS & FARICY, *supra* note 183, at 31.

¹⁹¹ *Id.* at 33.

¹⁹² *Id.* at 34.

¹⁹³ *Id.* at 20–21.

¹⁹⁴ *Id.* at 32–33.

¹⁹⁵ Tom Neubig, *Disparate Racial Impact: Tax Expenditure Reform Needed*, TAX NOTES TODAY FED., Mar. 8, 2021, at 1555, 1559, 1561.

¹⁹⁶ *Id.* at 1559.

¹⁹⁷ *Id.* at 1561. Black share of benefits from exclusion of capital gains on assets transferred at death: 7.4%. Black share of benefits from deduction of mortgage interest: 7.1%. Black share of benefits from preferential tax rates on capital gains and dividends: 5.4%. The only specific tax expenditures for which Black citizens receive a benefit that is greater than their share of the overall population are the Earned Income Tax Credit (Black share 18.0%) and the Child Tax Credit (Black share 14.6%). These tax credits are targeted to taxpayers at the lower end of the distribution, where Black families are overrepresented. *Id.*

¹⁹⁸ SUZANNE METTLER, *THE SUBMERGED STATE: HOW INVISIBLE GOVERNMENT POLICIES UNDERMINE AMERICAN DEMOCRACY* 107–08 (2011).

expenditures.¹⁹⁹ Ellis and Faricy conclude that public support for tax expenditures is high in part because this mode of providing social benefits enables citizens to hold anti-government attitudes and receive government support at the same time.²⁰⁰ (More cake-having and cake-eating!) Ellis and Faricy also observe that “people who receive aid through the tax code are perceived as more deserving than people who receive otherwise identical aid directly”²⁰¹ because people who receive aid in this way are viewed as “taxpayers”—as workers and as social contributors.²⁰² In this way, conclude Ellis and Faricy, “tax expenditure spending also serves to dampen some of the racialized thinking often associated with ‘recipients of government aid.’”²⁰³

Thus, we see again the trope of direct public benefits redistributing wealth from white to Black citizens. But we see something even deeper and more insidious—the racialization of people who need or receive help from the government as Black or not-white and, conversely, an understanding of a key attribute of whiteness as not needing or receiving help from the government. Physician Jonathan Metzl, in *Dying of Whiteness: How the Politics of Racial Resentment is Killing America’s Heartland*, describes white men in Tennessee who need health care resisting and rejecting Medicaid expansion because it “link[s] us . . . to them”—the *them* being “welfare mothers, Mexicans, gangs, and other abject others who undermined the system.”²⁰⁴ In Tennessee, “narratives of suspicion, disdain, and rejection prevailed over narratives of inclusion and common gain.”²⁰⁵ White citizens opposed the expansion of Medicaid following passage of the Affordable Care Act even though that expansion would benefit them. Whiteness does not allow for need; whiteness must be kept separate from those who do need.

Ellis and Faricy propose building on the public support for and relatively de-racialized perceptions of tax expenditures to reverse the current effects of redistributing income and wealth upward and increasing economic inequality. They suggest that “those seeking to reduce inequality or provide a stronger social safety net might productively look to the tax code as a way to do it.”²⁰⁶ Yet this approach leaves intact perceptions by white people that they are not receiving government benefits or welfare. This approach leaves intact a bifurcated welfare system, part private and part public. And this approach leaves intact a racialized perception of the two parts of that system and of the citizens who benefit from each part.

A UBI calls for a direct expenditure, from the expenditure side of the budget. A UBI sweeps everyone—white, Black, and other people of color—into a single category.²⁰⁷ A UBI makes an important statement, tells an essential story, not only

¹⁹⁹ ELLIS & FARICY, *supra* note 183, at 47–50.

²⁰⁰ *Id.* at 82–84.

²⁰¹ *Id.* at 112.

²⁰² *Id.* at 102.

²⁰³ *Id.* at 112.

²⁰⁴ METZL, *supra* note 31, at 151; cf. ARLIE RUSSELL HOCHSCHILD, STRANGERS IN THEIR OWN LAND: ANGER AND MOURNING ON THE AMERICAN RIGHT 227 (2016) (“Obama’s help to these groups was not really a betrayal, liberals said. The success of those who cut ahead was not really at the expense of white men and their wives.”).

²⁰⁵ METZL, *supra* note 31, at 165.

²⁰⁶ ELLIS & FARICY, *supra* note 183, at 123.

²⁰⁷ See *supra* notes 83–86 and accompanying text.

about investment but also about inclusivity. In fact, universality as a central aspect of a UBI might be said to trumpet inclusivity.

C. A UBI Affirms the Value of Government

Conservative political operator Oren Cass recently commented on the essence of today's Republican Party:

I think the important starting place is to recognize that what we casually call conservative in America today, is for the most part, not conservative at all, it's libertarian. And what I mean by that is it places almost absolute priority on free markets . . . to the exclusion of a lot of other things that are just really important to human flourishing and a prosperous nation.²⁰⁸

Among those “other things” are the institutions of government.

The roots of libertarian thought extend back centuries.²⁰⁹ In the United States, the anti-tax movement that began to gain steam in the United States in the late 1970s and early 1980s²¹⁰ was accompanied by a broader, libertarian-aligned anti-government shift.²¹¹ Threaded into the rise of libertarianism in recent decades is a strong reaction against the civil rights gains of the 1960s. Economic historian Brad DeLong has referred to libertarianism as “a Frankenstein’s monster that got its lightning-bolt juice from massive resistance to the Civil Rights Movement.”²¹² DeLong explains:

Dismantling the New Deal and rolling back the social insurance state were not ideas that had much potential political-economy juice back in the 1950s and 1960s. But if the economic libertarian cause of dismantling the New Deal could be harnessed to the cause of white supremacy—if one of the key liberties that libertarians were fighting to defend was the liberty to discriminate against and oppress the Negroes—than [sic] all of a sudden you could have a political movement that might get somewhere. And so James Buchanan and the other libertarians to the right of Milton Friedman made the freedom to discriminate—or perhaps the power to discriminate?—a key one of the liberties that they were fighting for in their fight against BIG GOVERNMENT. And this has poisoned American libertarianism ever since.²¹³

²⁰⁸ *Restoring Conservative Economics (with Oren Cass)*, PITCHFORK ECON. (Dec. 1, 2020), <https://pitchforeconomics.com/episode/restoring-conservative-economics-with-oren-cass/> [<https://perma.cc/NFL4-T8LL>].

²⁰⁹ See Josh Harkinson, *A Timeline of Libertarian Thought*, MOTHER JONES, <https://www.motherjones.com/politics/2007/12/timeline-libertarian-thought/> [<https://perma.cc/Y29X-E4NP>].

²¹⁰ Strand & Mikay, *supra* note 15, at 291.

²¹¹ See *Distrust, Discontent, Anger and Partisan Rancor: The People and Their Government*, PEW RSCH. CTR. (April 18, 2010), <https://www.pewresearch.org/politics/2010/04/18/distrust-discontent-anger-and-partisan-rancor/> [<https://perma.cc/E9K7-QCYN>].

²¹² Cody Fenwick, *Here's Why Economist Brad DeLong Believes Libertarianism Is Essentially a Form of White Supremacy*, SALON (Jan. 4, 2019, 7:30 AM), https://www.salon.com/2019/01/04/heres-why-this-economist-believes-libertarianism-is-essentially-a-form-of-white-supremacy_partner/ [<https://perma.cc/3H3S-349B>].

²¹³ *Id.*

“Freedom” became associated with resistance to government—and both were racialized white.²¹⁴

This libertarian strain in the nation’s politics kicked up several notches with the founding of the Tea Party movement in 2009, though the Tea Party itself did not last long.²¹⁵ As the *New York Times* observed, “[i]t was a mass uprising based on notions of small-government libertarianism that are popular with think tanks but not so popular with most Americans.”²¹⁶ Aligning with DeLong’s observation about the connection between libertarianism and racism, support for the Tea Party was positively correlated with racial resentment, which was also positively correlated with a preference for smaller government and lower government spending.²¹⁷ More succinctly, one survey-based study found that perceptions of the “decline of whiteness” fueled the Tea Party’s anti-Obama and anti-government activism.²¹⁸

Reflecting these racialized roots, the Tea Party skewed white. A 2012 CBS poll found that 89% of the 18% of U.S. citizens who identified with the Tea Party were white, while only 1% were Black.²¹⁹ One pithy description of Tea Party adherents made this clear: “They’re white. They’re older. And they’re angry.”²²⁰ They were also disproportionately male (59%) and religious, especially Protestant,²²¹ more than half (58%) kept a gun in their house.²²²

The group of people in the United States that identifies today as libertarian or libertarian-leaning exhibits key similar demographic characteristics: a 2013 survey found that 94% are non-Hispanic white, and 68% are men.²²³ They lean religious and Protestant.²²⁴ Unlike the Tea Party, however, 62% were under the age of 50.²²⁵

²¹⁴ *See id.*

²¹⁵ Jeremy W. Peters, *The Tea Party Didn’t Get What It Wanted, but It Did Unleash the Politics of Anger*, *N.Y. TIMES* (Aug. 30, 2019), <https://www.nytimes.com/2019/08/28/us/politics/tea-party-trump.html> [https://perma.cc/7S6M-6HEE].

²¹⁶ *Id.*

²¹⁷ Sean McElwee & Jason McDaniel, *There’s Powerful Evidence That Racial Attitudes Drive Tea Party Support*, *VOX* (Feb. 10, 2016, 9:00 AM), <https://www.vox.com/2016/2/10/10943196/trump-racial-resentment-vs-economic-anxiety> [https://perma.cc/7392-NTJA]; Luigi Leone & Fabio Presaghi, *Tea Party Support, Racial Resentment and Evaluations of Obama: A Moderation Analysis*, 10 *RACE & SOC. PROBS.* 91, 97 (2018).

²¹⁸ Robb Willer, Matthew Feinberg & Rachel Wetts, *Threats to Racial Status Promote Tea Party Support Among White Americans* (Apr. 28, 2016) (unpublished manuscript), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2770186 [https://perma.cc/C2YF-YU4H].

²¹⁹ Brian Montopoli, *Tea Party Supporters: Who They Are and What They Believe*, *CBS NEWS* (Dec. 14, 2012, 6:15 PM), <https://www.cbsnews.com/news/tea-party-supporters-who-they-are-and-what-they-believe/> [https://perma.cc/NDD7-MFRW].

²²⁰ *Id.* (demonstrating three-fourths were over 45 years of age; 29% were over 65).

²²¹ *Id.*

²²² *Id.*

²²³ Daniel Cox, Juhem Navarro-Rivera & Robert P. Jones, *In Search of Libertarians in America*, *PUB. RELIGION RSCH. INST.* (Oct. 29, 2013), <https://www.pri.org/research/2013-american-values-survey/> [https://perma.cc/73FP-XCGL]; see also Jocelyn Kiley, *In Search of Libertarians*, *PEW RSCH. CTR.* (Aug. 25, 2014), <https://www.pewresearch.org/fact-tank/2014/08/25/in-search-of-libertarians/> [https://perma.cc/4PJ-D5AG] (showing 12% of whites, 11% of Hispanics, and 3% of Blacks identify as libertarian).

²²⁴ Cox et al., *supra* note 223.

²²⁵ *Id.*; see also Emily Ekins, *Libertarians Are More Racially Diverse Than Some May Realize*, *CATO INST.* (June 13, 2016, 1:24 PM), <https://www.cato.org/blog/libertarians-are-more-racially-diverse-people-realize> [https://perma.cc/Q3U6-ASLZ] (illustrating racial diversity increases especially among millennials).

Ian Haney López describes how *anti-government animus* is intertwined with *obfuscation of the reality of public benefits*, which is intertwined with *racial anxiety and animosity*. He notes that “[r]esponding to the individualistic strain in American culture, New Dealers and their heirs purposefully sought to hide from many beneficiaries how government helped them”—Social Security, for example, wasn’t “welfare,” it was “earned.”²²⁶ As a result, “anti-government sentiment can be mobilized more easily when the public fails to discern government’s helping hand”²²⁷—a failure that has become even more profound vis-à-vis the private welfare state funded through tax expenditures. In reactions against the Civil Rights Movement, “dog whistle racism recast the rugged [individuals] as white, and the shameless [moochers] as black.”²²⁸

This “strategic racism” leads many white citizens to reject not only public benefits but government overall. The result? Wealth and power move upward and away from the middle class as the value of public goods, government’s role in providing public goods, and government itself are discredited. The beneficiaries? Corporations and the people who were already at the top of the economic ladder reap the benefits of increasingly extractive economic and political institutions. The losers? Poor, working, and middle-class citizens of all races and ethnicities work harder and harder just to keep afloat, blinded to the fact that they are all being exploited.

Faced with this swirling murk, a UBI offers a re-set. The UBI story, the mental model that it communicates, is that government exists to help—everyone. Government can help—everyone. We can all use a hand up. Everyone is worth the investment. In this mindset, “I’m from the Government, and I’m here to help” become reassuring rather than terrifying words.

IV. INTEREST CONVERGENCE & REPARATIONS

Interest convergence has gotten something of a bad rap. Derrick Bell, one of the pioneers in the work of Critical Race Theory, observed that things only get better for Black people in the United States when it’s in the interests of white people for things to get better for Black people: “The interest of blacks in achieving racial equality will be accommodated only when it converges with the interests of whites.”²²⁹ Only when white interests converge with Black interests, that is, do things change for Black people.

This aspect of Critical Race Theory has always seemed to overlook the fact that in practical terms democracy is all about interest convergence. Majorities coalesce when the interests of enough people align. When majorities coalesce, things change.

The problem with racism isn’t interest convergence. The problem with racism is that it is designed and functions to obscure realization of interest convergence among

²²⁶ LÓPEZ, *supra* note 65, at 68 (emphasis omitted).

²²⁷ *Id.* at 69.

²²⁸ *Id.* at 74.

²²⁹ Derrick A. Bell, Jr., Comment, *Brown v. Board of Education and the Interest-Convergence Dilemma*, 93 HARV. L. REV. 518, 523 (1980).

non-elites,²³⁰ which prevents a non-elite majority from coalescing, which enables elites to create, maintain, and benefit from extractive economic and political institutions. This was racism's systemic purpose and function in the 1600s; it is racism's systemic purpose and function today.²³¹

Racism accomplished and accomplishes its purpose and function by convincing non-elite people who are designated white that being designated white is a better deal than building coalitions with other non-elite people to take back wealth and power from elites. Historically, the social "wages of whiteness"²³² and the stigma associated with Blackness in particular were high—so high that people designated white generally fell into line racially. In doing so, they effectively acquiesced in a certain degree of exploitation by elites. They also forfeited a share in what Heather McGhee has termed the "solidarity dividend"—what we as a nation together have to gain if we can reach across racial lines.²³³ If we can recognize that our interests actually do converge, that racism is driving the inequality that is harming all of us, then we can break the vicious extractive cycle.

Today, more and more people designated white are questioning their—our—racial privilege and advantage. At the same time, as Haney López observes, "perhaps Bell or his advocates did not appreciate just how much anti-black racism would rob from white folks themselves."²³⁴ Overall, "the material wages of whiteness have turned decisively negative."²³⁵ Rampant economic inequality, eviscerated government support for citizens, and pervasive hostility toward government and each other—these are what strategic racism over the past forty years has produced for all of us. Haney López again:

Today, we live in the wreckage created by white majorities repeatedly voting their racial identities to support politicians like Richard Nixon, Ronald Reagan, George Bush, Donald Trump—and in the process jeopardizing their own futures (and ours). As these voters sought to preserve their status within a racial hierarchy, they elected politicians beholden to the very rich. These politicians then orchestrated a massive transfer of wealth from most of us up into the economic stratosphere, creating levels of economic inequality we haven't seen since the early 1900s, and causing cascading deaths of despair across America.²³⁶

Haney López advocates for "race-class" messages to invite whites to "reject racial division" and "build common cause across racial lines"²³⁷—acknowledging that racism is taking us all down. Reducing economic inequality overall—the goal of a

²³⁰ Strand, *supra* note 12, at 834.

²³¹ *Id.* at 818.

²³² Fitch, *supra* note 2.

²³³ HEATHER MCGHEE, THE SUM OF US: WHAT RACISM COSTS EVERYONE AND HOW WE CAN PROSPER TOGETHER 273 (2021).

²³⁴ Fitch, *supra* note 2.

²³⁵ *Id.*

²³⁶ *Id.*

²³⁷ *Id.*; see also IAN HANEY LÓPEZ, MERGE LEFT: FUSING RACE AND CLASS, WINNING ELECTIONS, AND SAVING AMERICA 7 (2019) (proposing that the left must "fight for racial justice and for economic fairness [together] because they are inseparably connected").

UBI—is an interest-convergent, solidarity-dividend approach to beginning to close the racial wealth gap.

This kind of interest-convergent approach, which recognizes the close connection between high levels of economic inequality overall and the racial wealth gap, is complementary with “direct race-specific initiative[s]” such as reparations.²³⁸ This approach invites people designated white to realize that all of us – of whatever racial identity – are all in this together, that our economic fortunes are connected, that our interests converge. This kind of interest convergence goes hand-in-hand with increasing openness on the part of the white-designated population of the United States to acknowledge the nation’s history of racial exploitation and to engage in understanding the past in order to imagine the future.

McGhee observes that “the laws we make are expressions of a root belief, and it is time to face our most deep-seated one: the great lie at the root of our nation’s founding was a belief in the hierarchy of human value. And we are still there.”²³⁹ Before we can move forward, we need to name that lie. Acknowledging our history and naming that lie are foundational steps toward creating an interest-convergent coalition to tangibly recognize the contributions made by Black Americans to our nation, contributions that have rarely been celebrated and never rewarded.

²³⁸ DORITY ET AL., *supra* note 11, at 4.

²³⁹ MCGHEE, *supra* note 233, at 288.

