

# Forget the GOP tax plan. Stockton has a real solution for poverty – free money

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Republicans in Congress certainly talk a good game about helping the poor and middle class, arguing, however unconvincingly, that their rewrite of the tax code will amount to more than just a giveaway to the rich. But all their shameless maneuvering is really doing is making once-crazy, semi-socialistic economic ideas, such as universal basic income, seem sane.

Take the city of Stockton.

For weeks now, Michael Tubbs, the mayor of this rough-and-tumble Central Valley city, has been making headlines for jump-starting a government-run pilot project that will give dozens of families \$500 every month, no strings attached and regardless of employment status.

“People deserve an economic floor,” explained Tubbs, who was recently named to Forbes magazine’s “30 Under 30” list. “We have to update our existing social safety net to thrive.”

To fund the program, Stockton beat out 30 other cities last month to land a \$1 million investment from the Economic Security Project, a task force of sorts run by Facebook co-founder Chris Hughes and Black Lives Matter co-founder Alicia Garza, among others. Last week, the mayor’s team added to the haul with another \$250,000 in matching donations from the Goldhirsh Foundation.

If all goes well, checks should start rolling out to residents by late 2018.

Although universal basic income gets derided as socialism, Tubbs sees it as a tool, like the earned income tax credit, for helping poor people stay afloat and keeping middle-class people from sliding into poverty.

Stockton already ranks 18th in the nation for child poverty and a quarter of residents live below the poverty line. The unemployment rate is stuck at 7 percent, and with rising housing prices, homelessness is on the rise, too.

But most of the time, it’s wealthy Silicon Valley types who see basic income as a solution. The Mark Zuckerbergs and Elon Musks of the world rightfully worry their inventions could worsen prospects for people who can’t support themselves without a decent job. By some estimates, automation and artificial intelligence could eventually send millions to the unemployment line in industries such as trucking and manufacturing.

So, in gentrified Oakland, for example, the tech startup incubator Y Combinator gave a small number of residents basic income in 2016 to test how the infusion of cash would affect their behavior. Now Y Combinator is planning a second trial in the city, this one involving 3,000 families.

What makes Stockton’s basic income program different is the mayor’s plan to challenge the narrative of poverty, telling the stories of recipients who use the money to help themselves.

That’s why the amount will be \$500. In many cases, Tubbs found that people got evicted because they couldn’t afford a rent hike of \$400 or \$500. He also estimates that \$500 is about a month of utility bills.

Stockton also is the only city in the country to directly involve local government in the management of its basic income program, using a public-private-partnership model dubbed the Stockton Economic Empowerment Demonstration.

While some may find this to be a little too close to “government handouts,” Tubbs is unfazed.

“I don’t mind putting my neck on the line being called socialist or whatever. ... People who are making \$60,000 or \$70,000 (a year) and can’t afford a house? It’s ridiculous.”

“The title I’m most interested in is effective,” he added.

At 27, Tubbs is a millennial, and in many ways, it makes perfect sense that so many younger Americans are drawn to the egalitarian message of universal basic income, free college and single-payer health care.

Millennials are already the generation stuck with the most college debt, some of the poorest prospects for ever owning a home – especially here in California – and career paths destined for stagnant wages as they wait for older workers to retire or quit. Many of them were graduating from college, just as the limits of capitalism were being made plain in the financial crisis of 2008.

A recent survey from YouGov found that 44 percent of millennials would prefer to live in a socialist country. Another 7 percent would pick a communist country. The reason? Because, more than half of them said, the U.S. economy “works against me.” In other words, it’s “rigged.”

This is kind of a big deal since millennials, those born after 1982, are now the largest generation in America. Their disenchantment with capitalism, always an almost sacred economic system in this country, could have profound effects in coming years, especially as more of them start getting elected to public office.

So what’s a millennial to do? Other than support Bernie Sanders, I mean. How about some experimentation with socialism?

“I don’t think a tax cut to the rich is the way to provide a floor for the poor and the middle class,” Tubbs said.