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Oakland's guaranteed income program caught up in debate over race and equity

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With many low-income families devastated during the pandemic by job loss, hunger and housing insecurity, some Bay Area politicians have embraced guaranteed income as a way to cushion these blows.

But just who and how to help is now swept up in fraught conversations about race and social justice with families of color disproportionately hurt by the pandemic and systemic inequities.

Critics pounced after Oakland announced one of the largest guaranteed income pilot programs in the country last week that would send \$500 checks monthly — with no strings attached — to 600 families who were Black, Indigenous or other people of color. The city originally said it was limited to people of color.

Within a day, the move was criticized on social media and a few conservative news sites, where opponents argued the program is racist because it would exclude white families living in poverty.

In the wake of the criticism, Mayor Libby Schaaf told The Chronicle the program will be open to anyone whose income qualifies and defended the city and its nonprofit partners for prioritizing people of color.

If Oakland's program was limited to Black, Indigenous and people of color, it would likely have been legal since the program is funded entirely by private donations, experts said. Any government-funded program limiting participants based on race could face legal challenges.

Ian Rowe, a resident fellow from American Enterprise Institute, said that limiting a program based on race would be a “blatant violation of the Civil Rights Act” if public dollars were used. The Civil Rights Act was passed to eliminate discriminatory practices against African Americans, including the desegregation of schools.

“The people who segregated water fountains thought they were doing the right thing as well,” he added.

Rowe asked “What does their color have to do with their income status?”

Another critic of the program said the root causes of poverty are the same for Black and white families.

“It’s somewhat misplaced in the sense that there isn’t much difference between white and Black poverty,” said Robert Rector, a senior research fellow at Heritage Foundation, a conservative think tank in Washington, D.C.

Rector denied that systemic racism is a cause of poverty for the Black community.

“I don’t think that saying that we want to target this to one group or another is really very helpful,” Rector added.

But Schaaf said the idea was to focus on families who are most harmed by the racial wealth gap. In response to the backlash, Schaaf said she’s not concerned about the criticism.

“It is another example of race continuing to be a divisive issue in America,” Schaaf said.

Justin Berton, a spokesman for the mayor, said though anyone can apply, the program will still prioritize people of color.

“We have not changed the program; we have had to clarify that while no family is prohibited from applying, this pilot is intentionally designed to serve and support BIPOC families,” he said.

The program, which plans to send the first payments this spring, will randomly select families whose income is at or below 50% of area median income — about \$59,000 per year for a family of three. Half of the spots are for families who earn below 138% of the federal poverty level, which is \$30,000 per year for a family of three.

A 2018 study showed the median income for white households was the highest of any race in Oakland, at \$110,000 per year, followed by Asian households at \$76,000, Latinos at \$65,000 and Black families at \$37,500.

The poverty rate of white residents in Oakland is below that of the national average — 8.9% — meaning fewer than 10,000 white people live below the poverty line, according to Welfare Info. The poverty rate of Black residents in Oakland is higher — about 24%, or nearly 26,000 residents, live below the poverty line.

Other guaranteed programs throughout the Bay Area also limited participants based on race. San Francisco’s privately funded Abundant Birth Project gives \$1,000 payments per month to Black and Pacific Islander expectant mothers since those communities suffer higher rates of premature birth and infant mortality.

Marin County announced a program on the same day as Oakland that will give \$1,000 monthly grants to 125 low-wage women of color who are raising at least one child. The program, which will be partly funded by the county, could be subject to legal challenges, said Mike Tanner, a senior fellow at the Cato Institute, a Libertarian think tank. Cities can avoid legal challenges to their programs if they’re privately funded.

Oakland’s program will first target families living in East Oakland before expanding to other parts of the city, as an effort to address past divestment, city officials said.

A history of redlining, a discriminatory practice where banks and other mortgage lenders restrict access to credit in some areas, isolated Black and brown communities. Councilman Loren Taylor, who represents part of East Oakland, said his district doesn’t have a retail bank or a major chain grocery store.

Taylor said the program is about “reversing the harms and the challenges that have specifically plagued central, East and deep East Oakland for decades.”

Aaron Stewart, 39, who was born and raised in East Oakland, would qualify for Oakland’s program. Stewart, who runs a catering business called Mexiq, said he has earned only about \$10,000 over the last year due to the pandemic. Stewart, who is Black, has two teenage children and said the program would help him with rent and other bills.

“I firmly believe it (guaranteed income) should go to Black, Hispanic, Indigenous people because I believe that’s what makes Oakland so great, the different cultures we have,” he said.

Tanner at the Cato Institute said giving cash payments to Black families doesn’t address systemic racism.

“It doesn’t fix the problems that exist today,” Tanner said. “We still have a problem with exclusionary zoning. We still have a problem with police misconduct and so on. Changing those will have a lot more impact going forward than sort of a backward looking compensation package.”

Experts on race and inequity disagree.

Stephen Menendian, the director of UC Berkeley’s Othering and Belonging Institute, said Oakland’s program is “very promising” and “well-tailored” because it uses both income and geography as a qualifier.

Programs like Oakland’s guaranteed income pilot can address systemic racism, he said.

“If you give low-income people, predominantly communities of color additional income support, that’s going to create an infusion of resources in those neighborhoods that have been divested in, that have been harmed through systemic and structural racism,” Menendian said.

Gordon Goodwin, a director at the Government Alliance on Race and Equity, an organization that pushes governments to address equity, said the pandemic further exacerbated inequity.

Goodwin supports Oakland’s decision to focus on people of color.

“Whenever there is an effort made to acknowledge that race still plays a significant role in how well we do in our society, there are people who push back against that,” Goodwin said. “Any efforts to begin to acknowledge that is seen as taking something away from them.”

Former Stockton Mayor Michael Tubbs, who launched a guaranteed income program in February 2019, said problems — like poverty — that are entwined with racism require a racial lens to properly address them. He said Oakland’s Schaaf is trying to rectify racist policies through the program.

“If you target Black, Indigenous and people of color communities, you’re going to get that backlash because in this country some people have a problem when the government actually works for everyone,” he said.