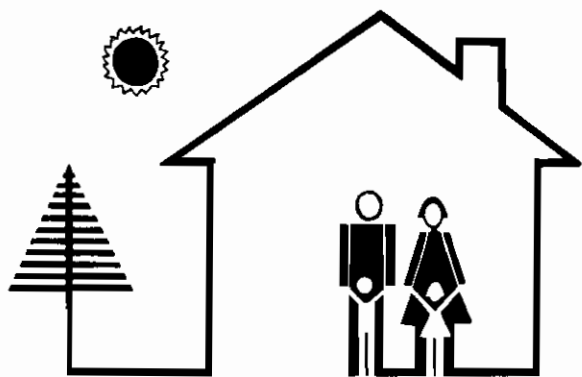


**so
all
may live
in Decency
and
Dignity**



his pamphlet is directed to all those who regard poverty in the world's richest nation as a blot on the American conscience. It contains helpful information, we trust, for both professionals and non-professionals in human services, for community leaders and planners, and everyday citizens, all of whom are witnesses to the existence of poverty and the blight and decay it brings to our society.

There are no final answers here but rather a suggestion of the new avenues open to us if as a nation we are willing to divert the reasonable and necessary share of our resources to the goal of a life of decency and dignity for all. Up to this time, we have applied half measures to the eradication of poverty and they have, at best, half succeeded, sometimes serving only to perpetuate the disease they were supposed to cure.

Social workers, with decades of experience in dealing with problems of the poor, are not inclined to the view that poverty will be conquered in a single stroke. As a profession, however, they have come to the position that full strides, rather than half steps, are now both required and feasible. The first of these is a combined assurance of work and income that would allow no one to be destitute.

There are many roads to this goal and the position of the National Association of Social Workers, included in the following pages, is flexible and subject to further definition. As simply as possible, however, we try here to provide essential points of the widespread discussion now taking place.

CHARLES I. SCHOTTLAND
President

THE WAY TO LIVE IN DECENCY AND DIGNITY

What would it mean if no family in the United States had to live on less than a minimum standard for a decent existence, for example, \$3300 a year for a family of four? Instantly, about 25 million Americans would be lifted out of dire poverty, able to afford at least the barest necessities of life, the minimums of food, shelter, and clothing—of “decency and dignity”—and free of the gnawing fear that this basic level of income might be removed at any moment.

Such an achievement would not magically erase all the effects of past deprivation. The effects of a long legacy of poverty and discrimination on every facet of life—work, competence, education, family stability, housing, nutrition, social status, and self-respect—would not be immediately and magically erased by the assurance of at least enough money for subsistence. On the other hand, there is little question that expanding the income of the poorest of the poor families by one-fourth, one-third or one-half, would have enormous impact on family life, education, consumer spending, and personal security and sense of worth for that sector of the population with whom most of our major social problems reside. Consider the effect on the coming generation in view of the fact that one-half of all people now living below the poverty line are children under 18 years old. Consider the effect on the 2 million persons who now depend on free food from the government through the Food Stamp Plan, on the 9 million families now living in slum housing, on the 7 million persons receiving public assistance grants usually insufficient to support a minimum scale of subsistence, on the migrant workers whose earnings in a recent year averaged \$868.¹

In the course of history, many partial solutions for poverty have been tried and tested: relief, public housing, job training, self-organization of the poor, equal opportunity measures, and many more. All have to some degree served to affect or reduce poverty. None of them is broad enough to affect more than a fraction of the total poor. None of them provides a solid base from which to attack other social ills. As Alan D. Wade, dean of the Sacramento State College School of Social Work, has written:

1. Assured income would improve some living conditions but is unlikely to affect the basic supply and demand problem in rehousing. Those who advocate it are not suggesting that all other social reform efforts should cease.

*"While the provision of adequate income is by no means a panacea or a sufficient condition for the elimination of major social problems, it is at the same time an absolutely necessary condition and one that must be fulfilled before ameliorative and curative efforts can succeed."*²

Because widespread poverty remains despite social security, unemployment insurance, public assistance, and the much heralded "War on Poverty" under the Economic Opportunity Act, public discussion is turning more and more toward measures that a nation with unparalleled economic capacity can use to finally cut the Gordian knot of poverty. The idea of a guaranteed minimum income has been gaining ground among economists, social workers, sociologists, leaders in industry and labor, government officials, and others. The fourteen-member National Commission on Technology, Automation and Economic Progress, which includes such prominent citizens as Thomas J. Watson, Jr., of IBM and Walter P. Reuther of the United Auto Workers, made it a key recommendation to the President and Congress, and President Johnson, in his 1967 Economic Report to Congress, labeled a guaranteed minimum income worthy of further study.

In 1961, the National Association of Social Workers, through its Delegate Assembly, voted in favor of the principle of

"income as a matter of right in amounts sufficient to maintain all persons throughout the nation at a uniformly adequate level of living"

and

"the provision of payment in the most dignified and efficient manner possible."

In 1967, this Association of 50,000 professional social workers adopted, by action of its Delegate Assembly, a proposed four-point program for income maintenance that includes alternative ways to achieve a guaranteed minimum income. By this action, social work became the first profession to commit its support to a national program for a guaranteed income. This pamphlet, in the pages following, reports the NASW position and the rationale for its adoption as an addition to the Association's *Goals of Public Social Policy*.³ Further, it attempts to provide short answers to some of the questions commonly raised around the question of a guaranteed income.

2. Alan Wade, *Lifting the Poor Out of Poverty: A Background Paper* (New York: National Association of Social Workers, 1966) p. 4.

3. Rev. ed.; New York: National Association of Social Workers, 1967, 60 pp., \$1.00. It sets forth the official policy goals of the Association in seventeen areas of social concern including health, education, juvenile delinquency, housing, civil rights, family planning and income maintenance.

A position statement of the organized social work profession, adopted as an addition to the Goals of Public Social Policy of the National Association of Social Workers by the NASW Delegate Assembly, Detroit, Michigan, April 1967.

Modern industrial organization, with its dependence on a money economy, creates special economic hazards for those individuals who are either unable to enter the labor market or for whom remunerative work is not available or for whom only underemployment is available. While these hazards have been present for generations, unprecedented changes in the organization of production through specialization of skills and automation threaten not only to accelerate and to multiply them, but to change their very nature by the development of an increasingly unstable relationship between man and the market place. It is not possible to predict the tempo of these changes or to define with precision the form of industrial organization that will emerge in the next few decades. It seems clear, however, that new social arrangements are required that will enable men to lead lives of expanding freedom and creativity. An essential element of such arrangements is a program of income maintenance that meets the needs of our times.

After three decades the social insurance programs—old age, survivors', and disability insurance, unemployment and workmen's compensation—still do not provide an adequate level of benefits and, of course, are available only—with a minimum exception—to persons with an employment record. Public assistance programs presumably designed to meet an individual's needs at a level that will maintain his health and decency are characterized by seriously inadequate benefits and restrictive procedures and requirements. The means test [in public assistance]—a comprehensive examination of means and resources, applicant by applicant, as a basis for financial assistance to millions of people—nullifies the ob-

jectives of guaranteeing to every individual in our society the right to an adequate and certain income, and does violence to basic human values. We stand for the abolition of the means test in the archaic form in which it is applied in state and local administration of public assistance.

While recognizing that in a society in which there are not enough jobs for all, or in which many are not prepared to do the kinds of work that need to be done, or in which broad areas of underemployment exist, new forms of creative activity must be identified and developed in order to provide both for self-fulfillment and the assumption of social responsibility, a first and basic requirement in any program of self-fulfillment is the provision of an adequate standard of living as a matter of right for all Americans. For those for whom this cannot be achieved by employment there must be a program of income guarantee that assures such income as a matter of right at a uniformly adequate level and with payments provided in a dignified and appropriate fashion. It is recognized that a combination of approaches will be necessary to achieve these objectives, and the following are recommended:

1. Expansion of the general economy and of public service employment is required since work will continue to constitute the major source of income for most American families in the foreseeable future. Adequate minimum wage legislation should provide a floor for all earnings.

2. Improvement and expansion of the social insurances—old age, survivors, disability and health insurance and unemployment and workmen's compensation—in order to help make the fullest possible contribution to filling the gap that now exists between income from work and decent income for all citizens. Such expansion should include more complete coverage, a substantial increase in benefits, extension of medical care to all, and, with respect to unemployment compensation, in addition the application of federal standards and the lengthening of the period in which payments are made.

3. An expanded and improved system for raising to an adequate income level those persons not in the labor force or those whose work experience is so insubstantial as not to enable them to qualify for adequate social insurance benefits. The two most promising approaches to this objective are the following:

a. A federally administered universal benefit system, possibly using the income tax mechanism, under which all persons would receive payments designed to lift the income of all those below the poverty line to an adequate level.⁴

b. Children's or family allowances and allowances for the aged at an adequate level of income and based solely on such criteria as age, family status, and the like.⁵

4. A reformed and reorganized public assistance program that would provide a federal guarantee that no person's income would fall below a minimum standard of adequacy and be based on financial need as the only criterion for eligibility. Such a criterion would eliminate, among other matters, residence, relatives' responsibility except spouse for spouse and parent for dependent child and the categories of assistance. Administered under conditions that would protect the individual's dignity, privacy, and constitutional rights, this program would serve as a significant interim measure until other programs could be developed and also as the ultimate guarantor that no one because of socioeconomic reasons or the lacks and deficiencies in other income provision arrangements shall be without a decent level of income.

4. ED. NOTE: Such use of the income tax mechanism under a number of plans to provide cash payments to people who fall below the federal personal income taxpaying level is popularly known as the "negative income tax."

5. ED. NOTE: The choice between the above two approaches would depend primarily on which program seems to have the best chance of being adopted, in the reasonably near future, in such a way as to make a contribution to the objective of a guaranteed minimum income for all.

Some Questions People Ask About A Guaranteed Minimum Income

A. Yes, for all those able to work and find employment. The first step toward a guaranteed income should be a guarantee of work. This would require wide extension of work training programs, vocational education, and expansion of work opportunities into new fields of endeavor. Finally, government needs to become the employer of last resort for those unable to obtain private employment.

A. The indigent aged, the physically or mentally handicapped, the chronically ill, children and mothers of young children — all of whom comprise more than 90 percent of the 9.4 million persons dependent on public assistance. In addition, there are at least 18 million persons already supported by jobs, but living on family earnings below the poverty level. They need better paying jobs to raise their incomes.

A. Simply to provide some form of subsidy allowance to reimburse people whose income falls below an official poverty standard.

A. Without them, many millions more would be living in deep poverty. Social Security (OASDHI) paid out more than \$43 billion to 24 million people in 1967-68. The benefit levels without other income, however, are too low to keep families above the poverty line. Unemployment insurance benefits vary greatly between states, cover only temporary unemployment, and are too low in many cases to keep a family from poverty.

Strengthening and expanding the social insurances will help close the poverty gap for half the beneficiaries who are now below the poverty line. If the minimum social security payment for a retired single individual were raised to \$100 and for a couple to \$150, as recommended by the National Association of Social Workers, probably 300,000-500,000 persons could be removed from public assistance rolls. In addition, NASW has urged that all retired

persons, disabled individuals and survivors be given a more adequate share in the steadily rising standard of living by increasing all benefits by an average of 50 percent and lifting the taxable wage basis for social security to \$15,000 to make a decent income for the future retired possible. Over all, however, the social insurances are designed primarily for prevention of poverty resulting from retirement or the loss of the breadwinner's earnings. They cannot be counted on to carry the whole load.

A. It could be an important instrument, as the ultimate guarantor against poverty, but it undoubtedly would need drastic revisions. Currently, in federal-state public assistance programs, the average payment is so low as to be itself a major source of poverty. Large numbers of poor are not included because of severe eligibility requirements, and the methods prescribed by states for determining eligibility and payments are often criticized as onerous, confusing, and demeaning for the applicant. Furthermore, burdensome case-by-case investigations generally interfere with the provision of adequate social services that people may need almost as much as money.

Recommendations of the Advisory Council on Public Welfare would correct many of the admitted flaws in public assistance by establishing federal standards for grants, elimination of varying categories of aid, simplifying determination of eligibility, elimination of residence requirements and other changes.⁶ The NASW proposal sees such drastic improvements in public welfare necessary as interim measures during the evolution of other approaches to a national income floor. Once that is achieved, public welfare workers could be freed from unproductive labors in dispersing money to become the major cadre for state and local programs of social services for all who need them.

A. In its simplest form, the negative income tax would involve cash payments from the government to families and persons whose incomes fall beneath

6. See *Having the Power, We Have the Duty*, report of the Advisory Council on Public Welfare (Washington, D.C.: U.S. Government Printing Office, June 1966).

the federal levels at which people ordinarily start paying taxes. In the interest of tax equity, these payments would represent the exemptions and deductions low-income persons would receive if they were actually paying taxes. Or, in another form, the payments made would represent the gap between a family's or person's income and a pre-determined standard for minimum subsistence.

With a negative income tax, everyone would file a federal tax return and those below the poverty line would receive payments in the manner that tax refunds are received now, probably on a monthly basis. Unlike public assistance, such a plan would be largely computerized and self-administered. It would lead to greater fairness in the federal income tax system that presently provides exemptions and deductions the poor nontaxpayer cannot utilize because of his low income. At the same time, it would also serve to offset the sales tax and other consumer taxes that place the heaviest burden on the poor family.

Each of four principal advocates of the negative income tax, with differing philosophical bases and procedures, seeks to reduce, if not eliminate, the gap between current income and the poverty line for 26 million Americans.⁷ That gap is estimated at approximately \$11 billion.

Costs of the various negative tax plans vary greatly, from \$2 billion for the plan designed only to produce greater equity in the tax system to as high as \$30 billion for a plan that would completely close the current poverty gap. The \$30 billion is based on a maximum estimate of loss to total national income by those who might choose just to live on the subsidy rather than work and the loss from the "hidden" poor who now take help from relatives instead of public assistance.

To guard against loss of the work incentive some plans would pay only a part of the difference between income and a subsistence standard. Others would provide amounts sufficient to bring everybody up to a minimum figure and then offer a premium—such as 10 percent—on earnings below that figure.

7. See Robert E. Theobald, *The Guaranteed Income* (New York: Doubleday & Co., 1966); Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962); Edward E. Schwartz, "A Way To End the Means Test," *Social Work*, Vol. 9, No. 3 (July 1964), pp. 3—12; Robert J. Lampman, "Approaches to the Reduction in Poverty," in Louis A. Ferman, Joyce L. Kornbluh, and Alan Haber, eds., *Poverty in America* (Ann Arbor: University of Michigan Press, 1965).

One compromise designed to both provide a reasonable floor over poverty and retain the work incentive would start with a subsidy of \$1,500 for families with no income but reduce it by 75 percent of the first \$1,000 earned, 50 percent of the second \$1,000 and 25 percent of the third. Thus, a \$1,000-income family would receive an additional \$750; a \$2,000-income family would get \$250 and a \$3,000-income family would receive no money. Cost is estimated at \$8 billion.

4. What are some arguments for a system of family and children allowances?

A. Such subsidies are established and accepted social instruments in 62 countries throughout the world, the United States being a major exception.

They are one form of a demogrant—a flat rate allowance paid to all members of a particular social group such as mothers or fathers of all children between birth and 18 years or to all physically handicapped persons over 65. While not precisely aimed at relieving poverty, they do serve as one method of closing the poverty gap.

Supporters of family and children's allowances cite one of their virtues to be that they are based on defined social status not on need. Such allowances, which parents would apply to the cost of rearing each child, would be a contribution to the strengthening of family life generally. Benefits would be considered as taxable income and could, therefore, be returned to the government in some part by those with sufficient income.

A main argument for such allowances is that they would serve to eliminate the means test, which is criticized as a complex and demeaning process in present public assistance programs. Also, families would not be identified as "poor" as they now are on public assistance or as they might be if receiving payments under various income tax programs. Supporters of family allowances also claim such a system is more politically feasible in capitalizing on the public interest to improve the lot of some particular group such as children.

The cost of a system of family and children's allowances could vary greatly according to the size of the benefit. For nominal payments of \$10 per child (all children under age 18), the annual cost of allowances is estimated at about \$8.5 billion; for payments of \$25 per child, the annual cost is estimated at \$21 billion. If older children were to be included in the program, costs would rise accordingly and if the allowances were made taxable, net costs would be lower. Such allowances would, however, represent only a partial solution to poverty.

Q. If we achieved a guaranteed minimum income, would we not have a lot of people who just would not work?

A. In a prosperous society, in which evidence of "the good life" is all about us, very few of those people able to work would be willing to live idly on income that barely provides for food, clothing, and shelter. For the foreseeable future, the income of most Americans will continue to be related to employment. Men work and create because they must, not only to avoid starvation, but because assertion, creative activity, and active engagement are the very stuff of which life is made. We should not anticipate any greater number of idle poor than idle rich if work opportunities for all are provided through the complementary efforts of business and government. The guaranteed minimum income is directed primarily toward those who cannot, or should not, work because of age, disability, or other factors.

Q. Would the guaranteed minimum cure other social ills and eliminate the necessity for many other social programs?

A. It would certainly not be a panacea for all social problems. Many would still remain. A subsistence income would scarcely aid the poor in purchasing better housing or significantly better medical care. We would still find urgent a "War on Poverty" that seeks to motivate the poor to act for themselves, improve skills, eradicate the social and cultural scars of past deprivation. But assured income would strike at the deepest roots of poverty that have remained relatively untouched by other partial approaches. It has been said in relation to poverty, "We've tried everything else, why not try money?"

Q. Would a guaranteed minimum income not bankrupt the country?

A. Even the most extreme estimates of cost are small when compared with a gross national product that will reach the \$1 trillion mark in the next decade. Furthermore, such expenditures would almost immediately be transferred into consumer purchases, thus directly and positively stimulating further economic development, more profits, and more tax revenues.

TOWARD THE FUTURE

Some advocates of a guaranteed income see it as a necessary response to the growth of automation and the prospect of widespread technological unemployment in the future. Others urge the assurance of a modest but adequate income primarily for the minority unable to attain it through employment. They believe that the assurance of a decent standard of living for the great employable majority should come, for the foreseeable future, from a full-employment policy combined with adequate minimum wages. This broadly is the position taken by the National Association of Social Workers.

Just how we choose to erect an economic floor over poverty in the United States, through what combination of guaranteed work opportunities, extension of the social insurances, adoption of family allowances or negative income tax, and reform of the present public welfare system is decided, the ultimate decision will be made through a firm expression of the public will.

The urgency of some means to wipe out poverty, the faults in our past efforts to cure this disease, the alternative ways open to us in the future are the subjects that merit discussion *now* in every community. Community leaders, legislators, civic groups, economists, sociologists, social workers, the press and the poor themselves should all be involved in the opinion-forming process. Poverty takes a vast human toll each day that one-eighth of the nation continues to live below a standard of decency and dignity.

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