

# Can This Millennial Mayor Make Universal Basic Income a Reality?

Michael Tubbs is the 27-year-old leader of one of California's biggest cities. And he's using that position to try out some truly radical policy ideas.

[EDWARD-ISAAC DOVERE](#) April 24, 2018



Cindy Ord/Getty Images for the 2014 Tribeca Film Festival

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Out in Stockton, California, there's an experiment underway in millennial-led government that's trying to pull a city back from the brink using what is essentially privately funded socialism.

The experiment's name is Michael Tubbs.

The 27-year-old mayor of a city of 307,000—26 when he knocked out the Republican incumbent, the same night Donald Trump won, in his own status

quo-bulldozing election—is looking to redefine the sense of what works through redefining how people think about work.

It's not just the \$500 checks that will soon start going out to 100 residents monthly in a universal basic-income pilot program. It's about transforming the entire posture of city government.

Stockton declared bankruptcy in 2012 after years of big spending on showcase projects, like a sparkling new marina where yachts could dock. Meanwhile, the city had a murder rate that had sped past Chicago's.

“So much of the investment strategy in the past was, ‘Let's create this image of the city,’ while really neglecting investing in people,” Tubbs told me in a conversation for POLITICO's Off Message podcast.

The formula was off, Tubbs said, and everyone he knew was living out the consequences.

Tubbs' mother was poor and 17 years old when he was born. Tubbs has met his father only a few times, and he doesn't even know which crime was the third strike that landed his dad in prison. He thinks about the Stockton mothers who are now living through what his mother did, and what sort of difference an extra \$500 each month would make.

“There's this interesting conversation we've been having about the value of work,” Tubbs said. “Work does have some value and some dignity, but I don't think working 14 hours and not being able to pay your bills, or working two jobs and not being able—there's nothing inherently dignified about that.”

He learned about universal basic income through reading Martin Luther King Jr., but he'll happily cite comments that Richard Nixon and godfather of conservative economics Milton Friedman made in support of the idea. He's determined to make the pilot program work, expand it, and make it the first of many infusions of outside cash directly into policy conversations about

generational poverty, violence and education.

Tubbs himself had a ticket out of that cycle—a scholarship to Stanford, internships at Google and the Obama White House—and could've left Stockton behind. Then, one day in November 2010, while he was at work in the West Wing, his mother called him: his cousin, seven months older and living a parallel life, had been shot dead at a Halloween party.

Back home for winter break in 2011, Tubbs was asked by a community activist what he was planning to do once he graduated from college. When Tubbs confessed that he wasn't sure, the activist posed a pointed question: "How many people have to die before you feel ready to come back?"

Tubbs went directly from his senior year at Stanford to winning a campaign for Stockton City Council at 22. That now makes him almost an elder statesman for the rush of young candidates seeking office. (He's also an elder statesman among Obama alumni who've run for office. Among the many who are running this year, Tubbs is one of the rare alums, along with people like Chicago Mayor Rahm Emanuel and Massachusetts state Senator Eric Lesser, who ran for office while President Barack Obama was still in the White House.) And as younger Americans start wielding their political might—by the midterm elections in November, more millennials will be eligible to vote than baby boomers, and that proportion will just keep shifting—Tubbs says we can expect the rise of a new type of politics reflected in, for example, the aggressive, impatient, insistent approach of the student activists from Parkland, Florida.

"I tell people all the time, the status quo is so untenable to me. Like literally, I have no patience for it. And that's why I might move a little bit quickly. But also with large systems, you have to do things kind of slowly and progressively, but sometimes you also have to jolt and shock it to get it to move even slowly," Tubbs said.

Not everyone is a fan. A recall effort is collecting signatures to try to keep

Tubbs from finishing his term, charging that he's been fiscally irresponsible, raised taxes and overseen a spike in crime. His efforts to integrate private money are central to the complaints, with claims that he's violated transparency laws, oversold the accomplishments and personally benefited from the foundation he set up.

One example from the Save Stockton recall group's talking points argues that the Advance Peace organization—which provides mentors and stipends for reformed violent criminals, and with which the city renewed its partnership in January at Tubbs' urging—is “a statistically unproven program that shields criminals from police, pays them up to \$1,300 per month not to shoot each other, and takes them on trips to places like Disneyland. The city pays Tubbs' nonprofit, Reinvent Stockton Foundation, \$250,000 per year just to administrate the program in spite of his fraudulent claims that no tax payer money would be used.” (“This claim is completely false,” according to Daniel Lopez, a spokesperson for Mayor Tubbs. “Funding for Advance Peace is coming from private dollars and is certainly, not going to the Reinvent Foundation.”) The program is indeed unproved, which is part of the point: The money involved is all part of the experimental effort to tackle crime in ways that haven't been tried before, including with the money for the stipends.

Tubbs' supporters are higher profile. He was one of just a handful of featured speakers on the main stage at the Obama Foundation launch last fall in Chicago, after which he had his first-ever conversation with Obama. The Democratic National Committee hosted him as a guest at its IWillVote gala dinner in March. And he's one of just three candidates Oprah Winfrey has ever endorsed (the others are Obama and New Jersey Sen. Cory Booker). She wrote him a \$10,000 check for his City Council run, which doubled his entire fundraising haul up to that point.

He'd be happy to return the favor if Oprah does decide to get into the 2020 race.

“If she runs and happens to win, I would be happy to be secretary. I would intern again, actually. I’ll be fine with that,” he said.

In the meantime, his own adjustment process continues. Tubbs is working through a laundry list of policy goals—aside from universal basic income and anti-violence programs, there’s the considerable task of trying to improve the city’s failing schools so that they will be good enough that he will be comfortable sending his own kids there. (He doesn’t have children yet—he just got married in December, and for now his wife is commuting to Cambridge University, where she’s a Gates scholar pursuing a Ph.D. in sociology.)

And for its part, the city government is still adjusting to its millennial leader. Even the 69-year-old Stockton city councilman who serves as vice mayor—and supports Tubbs—sometimes can’t stop himself from reminding the mayor how young he is.

“He always says, ‘I have shoes older than you,’” Tubbs said. “I’m like, ‘You need to get new shoes.’”

*CLARIFICATION: An earlier version of this piece imprecisely characterized a charge made by a group aiming to recall Michael Tubbs from office. The story has been updated with a rebuttal from a member of Tubbs’ staff.*

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# An exclusive look at Cory Booker's plan to fight wealth inequality: give poor kids money

Baby bonds, explained.

[Sarah Kliff](#) Oct 22, 2018, 6:00am EDT

Sen. Cory Booker (D-NJ) is introducing legislation to assist low-income Americans impacted by generational poverty.

*KK Ottesen for the Washington Post via Getty Images*

America has a massive, growing racial wealth gap. The median white family today holds nearly [10 times the wealth](#) of the median black family.

Sen. Cory Booker (D-NJ) is introducing a bill aimed at closing that gap. His idea is to give lower-income kids a sizable nest egg (nearly \$50,000 in some cases) that they could use for wealth-building purchases, like a down payment on a house or college tuition.

These “opportunity accounts” would, theoretically, make sure all children have significant assets when they enter adulthood, rather than just those who grow up in wealthier homes.

Booker meets with eighth graders from the Princeton Academy of the Sacred Heart in the atrium of the Hart Senate Office Building on May 24, 2016.

*Al Drago/CQ Roll Call*

“It would be a dramatic change in our country to have low-income people break out of generational poverty,” Booker said in an interview with Vox. “We could rapidly bring security into those families’ lives, and that is really exciting to me.”

Similar ideas have swirled around [think tanks](#) since the early 2000s, but

Booker appears to be the first high-profile senator to introduce legislation to create such a program. As possible 2020 presidential nominees like Booker begin to unveil ambitious policy ideas — like Sen. Bernie Sanders’s (I-VT) Medicare-for-all plan or Kamala Harris’s (D-CA) new [cash assistance](#) plan — Booker appears ready to focus on racial inequality in America, and how to solve it.

## **Opportunity accounts, explained**

America’s wealth gap grew rapidly through the late 20th century. In 1963, families at the top of America’s wealth distribution had six times the wealth of those in the middle. By 2012, the wealthiest had [12 times](#) the assets of middle-income families.

Specific government policies have driven the racial gap by making it specifically harder for minorities to accrue wealth. The decades-long practice of the Federal Housing Authority [refuse to underwrite housing loans](#) to many black families, for example, made it difficult for those families to pass on the earnings of real estate to their children the way a white family might.

Booker notes that his own parents, who are African American, essentially had to pose as a white couple to purchase a house in a predominantly white neighborhood in 1969. They had a white couple put in the offer on the house, but Booker’s parents then showed up to the closing. (Booker recounts this story in greater detail in [an episode of Vox’s show on Netflix, \*Explained\*](#)).

Sen. Cory Booker’s father, Cary Booker.

*Courtesy of Sen. Cory Booker*

“I know the difference it meant for my family to be able to buy that house and accrue that wealth,” he says. “I know the Herculean things they had to do to get into that neighborhood.”

Booker’s proposal is meant to target young children who haven’t benefited from the type of situation he did.

His American Opportunity Accounts Act would give each child born in the United States a savings account with \$1,000. Each year, until the child turns 18, the government would deposit as much as \$2,000 into that account. The size of the annual payments would depend on the child's family income, with lower-income families receiving larger checks.

These accounts would be off limits until the child turns at 18, at which point the child could use them for specific "asset-building" purchases, like a down payment on a house, for example, or college tuition. (Booker hasn't come up with a full list of eligible purchases yet.)

Booker's office estimates that a child who remains in the lowest income bracket of the program (meaning she gets the largest, \$2,000 payments each year) would accrue \$46,215 by her 18th birthday. A child in the highest income bracket of the program (above 500 percent of the poverty line, or \$147,100 for a family of four) would end up with \$1,681 — just the original \$1,000 payment plus earnings accrued from the government investing it in low-risk funds.

They also project that the benefits of the program would go largely to minority children. Their figures suggest that the average black child will accrue \$29,038 in her account and the average Latino child would get to \$27,337. The average white child would end up with about half that (\$15,790).

Booker's proposal looks largely [similar to ideas](#) that have been floated by Darrick Hamilton of the New School and William Darity of the University of North Carolina. They presented a version of their "baby bond" program at the most recent meeting of the American Economics Association.

**Between UBI, Medicare-for-all, and Opportunity Accounts, Democrats are ready to test some new ideas**



One of the things that struck me about Booker's proposal is that it's a much more aggressive and sweeping version of what Hillary Clinton [proposed](#) in her 2008 presidential run: a lump sum of \$5,000 given to every child born in the United States that could be used to pay for college or a down payment in the future.

Booker's version is a much bigger program, and one with different goals: not just making college and housing affordable, but making college and housing affordable to a specific population that has long struggled with higher education costs.

This seems in keeping with the rest of the field of 2020 Democratic hopefuls, who are starting to roll out policies that would greatly expand the public safety net and constitute a significant wealth distribution from the wealthy to the poor.

These range from Sanders proposing a government-run health care system to cover all Americans to Harris's [new plan](#) to give low-income families as much as \$500 in monthly cash assistance.

Booker would pay for his opportunity account program by increasing capital gains and estate taxes — two changes that would target directly America's wealthier families.

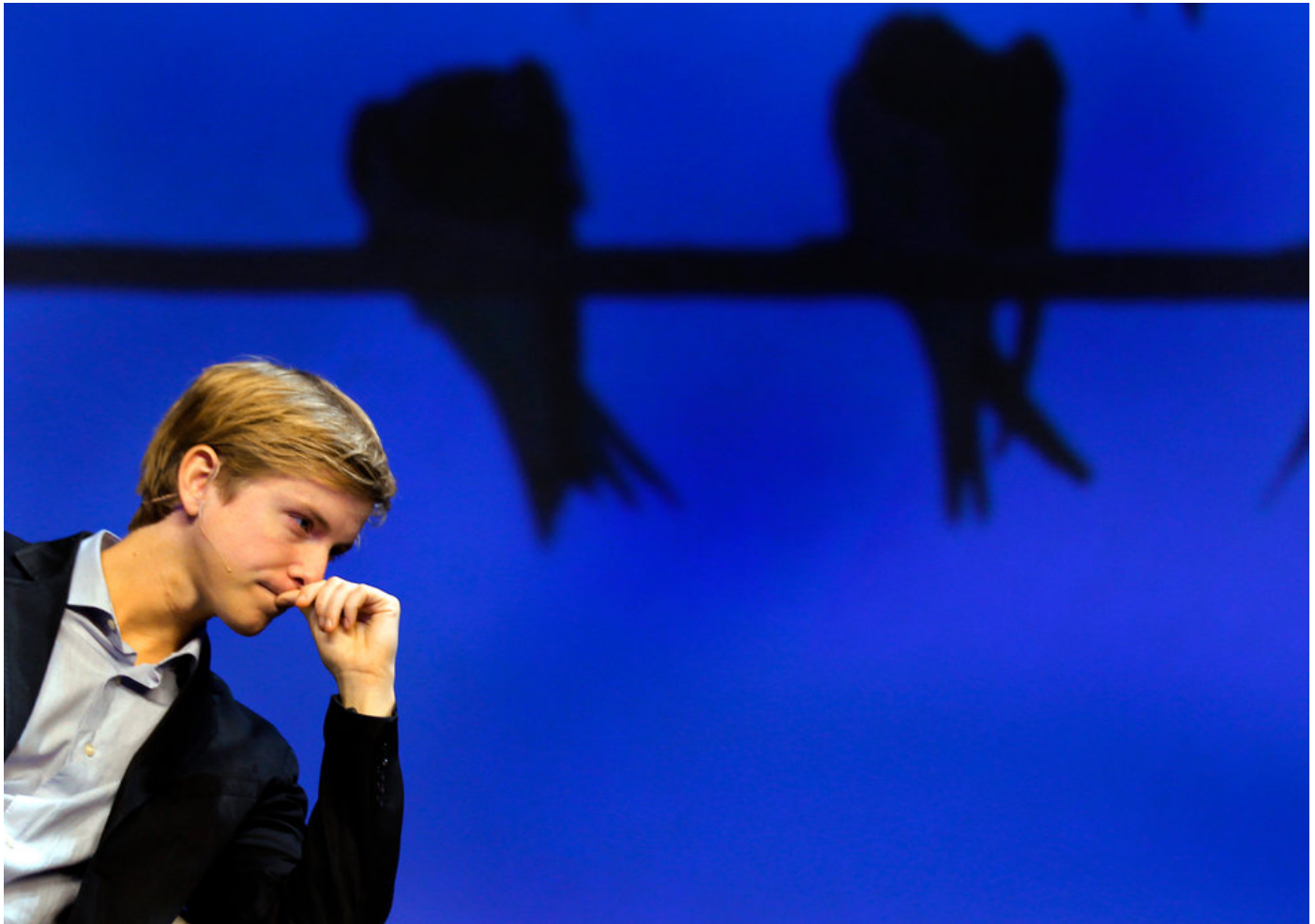
“A lot of aspects of our tax code, the benefits are usually used by the wealthy,” Booker says. “It's time we start to give less-wealthy families the same opportunity.”

Booker meets with eighth graders from Princeton Academy of the Sacred Heart on May 24, 2016. Thousands of middle school students visit the nation's capital each year after after studying US history in school.

*Al Drago/CQ Roll Call*

# Facebook co-founder Chris Hughes wants the richest 1% of Americans to fund a basic income for 90 million people

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Chris Hughes, co-founder of Facebook, listens to a question at the Charles Schwab IMPACT 2010 conference in Boston, Massachusetts October 28, 2010.

REUTERS/Adam Hunger

- **Facebook co-founder Chris Hughes wants to provide 90**

**million Americans with a monthly stipend of \$500.**

- **In a Reddit AMA, he explained that he would want to pay for this by raising taxes on the one percent.**
- **He estimates that the program would cost just under \$300 billion.**

Chris Hughes, a co-founder of Facebook and chair of the [Economic Security Project](#), has a proposal to attack the problem of rising income inequality through a basic income, a system of wealth distribution in which people receive a standard salary just for being alive. And he wants to pay for it by raising taxes on the one percent.

In a [Reddit Ask-Me-Anything](#) session on Tuesday — the same day his new book, "[Fair Shot](#)" launched — Hughes explained how his proposal could be funded.

Hughes wants to give every American making less than \$50,000 a year a monthly stipend of \$500. This would affect 90 million people across the country, according to Hughes.

"We know that when people get modest amounts of cash, they use it smartly, their kids stay in school longer, health outcomes improve, and they're happier," Hughes said on Reddit. "We have the power to rebalance our economic system and provide more opportunity to all — we just have to develop the political will to do it."

To pay for this, Hughes proposes bringing tax rates on the top 1% of earners in the country to 50% — which is in line with the historical average, he said. The idea is to provide people with a reliable income stream that can help provide financial stability. According to the [Institute on Taxation and Economic Policy](#), the top 1% of earners paid a tax rate equivalent to around

34% of their income in 2017.

The income is designed to be a "supplement" to wages earned from working and the social security net, Hughes said. According to Hughes, this could help workers in the gig economy who have unreliable incomes and few benefits — that is, rideshare drivers, part-time workers, and freelance employees — have a predictable income stream.

The program would cost just under \$300 billion, Hughes said.

"If we can afford tax cuts for corporations and the one percent, let's not pretend that we can't afford a boost to the bottom lines of working Americans who haven't seen a raise in decades," he said.