



Stanford PACS
Center on Philanthropy
and Civil Society

REFLECTIONS ON PHILANTHROPY

FROM THE 2017 PHILANTHROPY INNOVATION SUMMIT

ABOUT STANFORD PACS

Stanford PACS is a research center for students, scholars, leaders, and practitioners to explore and share ideas that create social change. Its primary participants are Stanford faculty, visiting scholars, postdoctoral fellows, graduate and undergraduate students, and philanthropists, nonprofit, and foundation practitioners.

Stanford PACS has relationships with five schools at Stanford University (Humanities & Sciences, Engineering, Education, Business, and Law) and more than 15 departments, and we leverage the intellectual assets of a diverse, world-class faculty across the university. This provides a unique platform to create knowledge and share it with the nonprofit and for-profit communities in Silicon Valley and globally.

Stanford PACS offers postdoctoral fellowships, PhD fellowships, and financial support for undergraduates completing honors thesis work. Additionally, Stanford PACS sponsors regular public speaker programs and symposia and philanthropy salons that include speakers who are well-known public intellectuals, philanthropists, and academic, foundation, and nonprofit leaders.

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ABOUT STANFORD SOCIAL INNOVATION REVIEW

Stanford Social Innovation Review (SSIR), published by Stanford PACS, informs, energizes, and motivates social change leaders from around the world and from all sectors of society —nonprofits, foundations, businesses, academia and government. Through an array of channels—daily online content, a quarterly print publication, monthly webinars, thematic conferences, podcasts, asynchronous learning assets, and more—*SSIR* bridges research, theory, and practice, and addresses a wide range of social issues (including economic development, human rights, public health, and education) and solutions (like impact investing, social entrepreneurship, and nonprofit business models). *SSIR*'s award-winning content is created for and by current and future social change leaders.

It is *SSIR*'s mission to advance, educate, and inspire the field of social innovation.

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EXECUTIVE SUMMARY

Every two years, the Stanford Center on Philanthropy and Civil Society hosts a Philanthropy Innovation Summit. At this day-long event, peer philanthropists, Stanford faculty, scholars, and leaders share their inspiration and expertise, authentic stories of successes and struggles, and results-oriented approaches to social change.

At this international convening, individual and family philanthropists connect in order to brainstorm with one another, leverage Stanford PACS research to catalyze effective philanthropy, and take away actionable ideas, best practices, new strategies, and new networks with which to amplify one's impact as a philanthropist.

This collection of articles, written by individuals at the Philanthropy Innovation Summit, expresses key themes, learnings, and questions that emerged throughout the day. By sharing these reflections, we hope philanthropists and social change leaders around the world will be better informed and even more motivated to leverage strategic philanthropy in tackling society's most pressing challenges.

Videos and additional materials from the Philanthropy Innovation Summit are available at: pacscenter.stanford.edu/summit2017learning

UNIVERSAL BASIC INCOME: SAFETY NET 2.0

By Juliana Bidadanure

Universal basic income (UBI) is a policy proposal of a monthly cash allowance given to all members of a community without means test and with no strings attached. It is an old idea with roots in Thomas Paine, Milton Friedman, and Martin Luther King Jr. The policy has been on the news a lot lately. It is currently being tested in Finland and Ontario, and countries throughout the world are debating whether it could be part of the way toward a more humane society and a saner economy. In the United States, Y Combinator Research is running a basic income experiment in Oakland, California; and the city of Stockton, California, led by Mayor Michael Tubbs, has just announced the first city-led demonstration of a guaranteed income, drawing on MLK's legacy. Hillary Clinton also reported in her new book that she regretted not running on universal basic income during her presidential campaign. But can UBI really be part of the solution to technological unemployment, financial insecurity, precariousness, and inequalities, as some of its proponents claim?

Universal basic income is a cash allowance given to all members of a community without means test and with no strings attached. The amount of the UBI payment varies from one proposal to the next, but a proposal often discussed in the United States is set at \$1,000 a month for each adult individual. The idea has been growing in Europe and the developing world for decades, but it took longer to pick up in the United States. In Europe, the policy has gained traction as an enhancement of the welfare state—a way to ensure access to cash benefits for all individuals in a context where unemployment is structural and where precarious, underpaid, and unwaged labor make it impossible for so many to make ends meet. In emerging and developing

economies such as India, Kenya, South Africa, and Namibia, unconditional cash has been debated and tested as a poverty alleviation mechanism with the potential to raise millions from abject poverty. In the American context, it is principally the fear of technological unemployment and the worrisome estimations by some researchers that up to 40 percent of jobs could disappear in the next 50 years that have made the idea seem more fitting and its discussion more pressing.

We do not know how many jobs will actually disappear, and experts disagree on how long it will take for the economy to adapt and for new jobs to be created. What we know for sure, however, is that some workers will inevitably be hit in the recent future and that many workers already struggle in an economy that does not provide enough jobs paying a living wage. It is therefore crucial to find ways to improve our safety nets as soon as possible. But why would we do this with an unconditional, individual, and universal payment like UBI?

The driving justifications for this quite radical alternative to traditional cash benefits can be summarized by appeal to three philosophical notions: equality, freedom, and fairness.

Equality. UBI's unconditional and universal nature serves to undermine the divisive rhetoric that stigmatizes those on public assistance as benefit scroungers who need to be deterred from dependency. Instead, UBI proponents draw on data that shows that the fear of benefit scrounging is primarily discursive and ideological. It is a sociological mistake to believe that those on benefits are free riding at high rates and that they would not pursue productive activities if given a chance. Therefore, delivering benefits

that are insufficient to live on decently in a punitive and stigmatizing fashion is unjustified and unnecessarily harsh. With unconditional and universal benefits, the hope is that public assistance will be normalized and partly de-stigmatized.

Freedom. UBI is designed to empower individuals to make freer choices. A sufficiently high UBI would increase individuals' freedom to say no to bullshit jobs, to abusive relationships, to a second job on top of a first one, or to a job that one finds demeaning. All other things being equal, it would also increase individuals' freedom to say yes—to jobs they like better, even if they pay less; or to a multi-sided existence where one takes more time to care for an aging parent or a child, or to volunteer, go back to school, or get involved in one's community.

Fairness. UBI is also about fairness. It is grounded on the acknowledgment that the wealth of nations has been accumulated as a result of the hard work of previous generations and that at least part of it belongs to all in common. When UBI is framed as a dividend, it is usually seen as a citizen's share of this common wealth. The Alaska Dividend—granted to all Alaska residents on a yearly basis—is a good illustration of this framing of unconditional cash.

In a recent conversation at Stanford with philanthropist Kaitlyn Kreiger, who leads the Income Security and Criminal Justice programs at the Future Justice Fund, she explained, "As we dug into UBI research, three characteristics of cash transfers and basic income resonated." She explicated why she believes foundations and donors should pay particular attention to research and advocacy around basic income. "First, it is effective: Randomly controlled trials have shown how cash

transfers improve health, economic, and psychological indicators for people living in poverty. Second, it's efficient: UBI does not require bureaucracy to assess eligibility or compliance. Third, it's respectful: It grants people the dignity to make their own choices about where to allocate resources, rather than imposing an outsider's assessment of what's best for them. This last point is also critical to how we design a basic income—we must bring diverse voices to the table and honor the insights of people who have lived in poverty.”

But can UBI really happen in the United States, or is it far too utopian to stand a chance? After all, both the idea of giving unconditional cash to individuals without requiring any work in exchange and the concept of expanding public welfare are far from aligned with American values. For Natalie Foster, co-chair of the Economic Security Project—a fund to support emerging guaranteed income projects, “It will take resources and focus to channel the basic income ‘moment’ into a ‘movement.’” She invites other philanthropists to join the effort to make the right to an income for all a reality by funding research around UBI. There is significant data on the impacts of cash transfers on people from experiments conducted in Canada, India, Namibia, Kenya, and many other places. But more basic income pilots in the United States at the city level could be an important step to further understand how UBI could be implemented and what it could help us achieve. The Economic Security Project's recently released report on the growing popularity of the Alaska Dividend, for instance, offers some interesting views on changing popular attitudes about UBI.

The time of purely utopian thinking on UBI thus seems to have in fact passed,

to be replaced by a phase of empirical research and experiments to see how UBI would work. Between the city of Stockton, Y Combinator Research, the province of Ontario, Finland, and GiveDirectly, the pursuit of new evidence on universal basic income is steady. There is indeed a need for more studies and more pilots, but so far, the evidence overwhelmingly suggests that unconditional cash does not cause a massive withdrawal from the labor market, that recipients use the cash wisely, and that it makes their lives better overall.

Juliana Bidananure is the Director of The Basic Income Lab at Stanford, which serves to stimulate research and teaching on UBI at Stanford; advise those who are developing UBI policies and carrying out UBI experiments; aggregate and disseminate

research findings; and convene scholars, policy makers, and leaders in think tanks, nonprofits, and foundations around the politics of UBI. The Economic Security Project is a two-year collaborative fund put in place to spur research on how cash impacts individuals (such as GiveDirectly and Y Combinator), as well as how UBI can be funded, talked about, and designed (through commissioned research by the Roosevelt Institute and others). The Economic Security Project also advocates around the big idea of universal cash stipends, as well as stepping-stone ideas like a reimagined Earned Income Tax Credit or child allowances.

Learn more at basicincome.stanford.edu



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