

NCH Public Policy Recommendations **Universal Livable Incomes**

RECOMMENDATIONS

Ensure that each American receives a livable income -- an annual wage or public income security assistance amount that is set at a level sufficient to obtain and maintain safe and decent permanent housing and other basic human needs. The livable income level should vary for individuals and families and be indexed to the cost of affordable housing in the geographic area in which they reside.

U.S. Representatives – Introduce or co-sponsor legislation to guarantee each American a universal livable income.

U.S. Senators – Introduce or co-sponsor legislation to guarantee each American a universal livable income.

ISSUE STATUS

For decades, workers, worker representatives, grassroots social and economic justice advocates and activists, and some policymakers have held rallies, lobbied their elected officials, or published editorials urging their government to guarantee a livable income for all Americans, thereby ensuring that all Americans can afford permanent housing and other basic human needs and reduce their dependence on public income security assistance.

WHY THIS MATTERS

- “Universal Livable Income” is term to describe an annual wage or public income security assistance amount that is set at a level sufficient to obtain and maintain safe and decent permanent housing and other basic human needs.
- In no part of the country do full-time workers earning a federal minimum wage or people receiving TANF or SSI assistance receive an income sufficient to afford decent and safe permanent rental housing.
- Such individuals ordinarily spend a disproportionate amount of their income on housing, seek public income assistance, or become homeless.
- Of the approximately 3.5 million people who experience homelessness in the United States each year, 42 percent are working at least part-time, an indication that their incomes are insufficient to afford decent and safe permanent housing.
- Because of the wide variance in housing costs across the country, it does not make sense to establish a single, arbitrary income floor to attempt to meet the basic human needs of each American.
- The National Coalition for the Homeless, Universal Living Wage Campaign, and others recommend that this livable income level should vary for individuals and families and be indexed to the cost of affordable housing in the geographic area in which they reside.
- The federal government has already acknowledged that the costs of housing vary by geography. For example, it has established a system of “locality pay” differentials for federal employees. It has also adopted a geographically-sensitive Basic Allowance for Housing for military servicemembers.
- Increasing personal incomes to livable levels helps Americans bridge the gap between incomes and housing costs at no direct cost to taxpayers or government treasuries.
- Ensuring every American a livable income would reduce public expenditures on Temporary Assistance for Needy Families payments, Supplemental Security Income payments, Supplemental Nutrition Assistance Program payments, low-income tax credits, and other forms of public assistance.

- With the national economy in turmoil and workers and public assistance beneficiaries harder pressed than ever to make ends meet, the United States is more poised than ever to enact a public policy of universal livable incomes.

BACKGROUND

The federal minimum wage was first implemented by Congress in 1938 as a means of ensuring that workers received compensation sufficient to meet basic human needs. Since that time, the minimum wage has been a pillar of labor rights and economic justice in our country.

The Congress of 1938 could not have anticipated that in the modern era, vast disparities in costs of living between geographic areas would emerge. Unfortunately, the federal government has yet to adjust the minimum wage standard or public income assistance payment levels to account for these variations.

The National Coalition for the Homeless supports efforts to establish as national public policy that each American should receive a universal livable income – an annual wage or public income security assistance amount that is set at a level sufficient to obtain and maintain safe and decent permanent housing and other basic human needs. This livable income level should vary for individuals and families and be indexed to the cost of affordable housing in the geographic area in which they reside

Our proposal for establishing minimum income standards that are sufficient for meeting basic human needs and that are indexed to the variable cost of housing by geographic area combines three established principles already used by the federal government:

- As determined by the government’s definition of a standard work week, a worker need not work more than 40 hours per week.
- As determined by the “Brooke Rule,” a standard that the U.S. Department of Housing and Urban Development employs when providing rental assistance through the Section 8 Housing Choice Voucher Program, a household need not spend more than 30 percent of its income on housing.
- In keeping with HUD’s existing formula for determining “Fair Market Rent” (FMR) in a particular geographic area, a person needs to earn or receive an income sufficient to afford decent housing at FMR.

To minimize the potential short-term negative repercussions on implementing a universal livable income indexed to variations in the cost of housing among geographic areas, universal livable income advocates propose that the new income standard be phased in over a ten year period. Additionally, such a policy must be implemented concurrently with increases in the supply of affordable housing and the universal availability of comprehensive health insurance.

Adoption of a public policy guaranteeing each American a universal livable income is a matter of social and economic justice. For example, Rev. Dr. Martin Luther King, Jr., once said, “There is nothing but a lack of social vision to prevent us from paying an adequate wage to every American citizen. ... There is nothing except shortsightedness to prevent us from guaranteeing an annual minimum and livable income for every American family.”

For further information on the public policy recommendations of the National Coalition for the Homeless, contact the NCH public policy staff at info@nationalhomeless.org or 202.462.4822, or visit www.nationalhomeless.org.