



Written by [David Kelly](#) on September 19, 2022

Denver to Give “No Strings Attached” Taxpayer Funds to Homeless Women, Trans, and Nonbinary People

Last week, the Denver City Council [approved a contract](#) that will provide \$12,000 per person in no-strings-attached cash for 140 homeless women and transgender and non-gender-conforming people in an effort to help them find housing. This is part of a program testing taxpayer-supported universal basic income, which is one solution brought forth by the city of Denver’s [Department of Housing Stability](#) (HOST) to combat the city’s overwhelming homelessness problem.



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The contract, which will most likely be approved at the October 3 City Council meeting, is now under a standard 30-day review and would have the city of Denver provide direct cash assistance to the randomly selected applicants as part of the Denver Basic Income Project. To fund the Denver Basic Income Project (DBIP), [Denver will infuse](#) almost \$2 million of the city’s nearly \$200 million of [uncommitted](#) Covid relief from the American Rescue Plan Act (ARPA).

“The pandemic has had a really big impact on the state of homelessness in our community [and] we’ve seen increased numbers of families seeking shelter, as well as [increased] numbers of women using our shelter system,” [said](#) Angie Nelson, deputy director of HOST.

Denver 7 [reported](#):

Mark Donovan, founder of the Denver Basic Income Project, said the organization will begin collecting applications next month, and then there will be a random selection process.

“People will be placed into three different groups. One group will get \$6,500 upfront and then \$500 a month for 11 months. A second group will get a \$1,000 a month for 12 months,” Donovan explained.

In addition, Donovan said there will be a comparison group of 300 people that will receive \$50 a month for 12 months for completing surveys so the organization can analyze how the program works and build upon the feedback.

In addition to their “free money,” the Denver participants will get a free cell phone with a year of service.



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The DBIP defines basic income as “an unconditional, no-strings-attached approach to provide a basic level of income to our most vulnerable neighbors. Direct payments are provided to program participants to help them more quickly achieve stability. Through such direct cash payments, basic income helps provide the stability needed for residents, including people experiencing homelessness, to more quickly get back into housing, reducing income volatility and providing an opportunity for stable employment.”

DBIP claims that direct cash payments to the homeless are shown to empower individuals to make decisions that best suit their needs and provide dignity and agency over their lives. They think giving a small amount of basic income will help lift people out of homelessness more quickly and cost-effectively than providing 24/7 shelter.

Denver is not the first city to offer a basic income plan to homeless people. Cities including [Los Angeles](#), [Chicago](#), New York, and Vancouver have similar plans in place that give guaranteed income to assist poor and homeless people. Chicago is distributing \$30 million among 5,000 participants in \$500 monthly installments. Los Angeles launched their program in August, giving 1,000 participants \$1,000 a month for three years.

[Colorado Coalition for the Homeless](#) will track how people use the money, as well as help participants get the things they need, such as furniture, kitchen supplies, and places to stay.

But will this cash handout really work? Will the basic income become just another welfare-system boondoggle, and lead people to take advantage of the system?

A Vox [study](#) on basic income shared Alaska’s success in “effectively wiping out extreme poverty”:

Since 1982, the state has given each citizen an annual check just for being alive, effectively wiping out extreme poverty. The money — which can range from around \$2,000 per person when oil prices are high to \$1,000 in cheaper gas years — comes from the Alaska Permanent Fund, a state-owned investment fund financed by oil revenues.

Economists investigated whether the payment was leading people to work less and found that “the dividend had no effect on employment” overall.

Granted, \$2,000 a year is much less than what is being given in Denver and other cities, but the question remains, will Denver’s basic income plan reap benefits similar to Alaska’s? Or will Denver and Democrat-controlled Colorado, which has been soft on crime, drug use, and homelessness for years, continue on a path of despair caused by their leftist, big-government, woke policies?

Perhaps a more important question is: Regardless of a basic income plan’s “success,” is it morally right for the state to take money from those who have earned it (via taxation) and give it to those who have not?



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