

Opinion: Will guaranteed income play in California?

By Jerry Nickelsburg

In 1797 Thomas Paine, one of the Founding Fathers of the United States, proposed that a “citizen dividend” be paid to each American and funded by a tax on land. Paine’s proposal—now dubbed Universal Basic Income (UBI) or guaranteed minimum income—is, some 220 years later, coming to California.

Specifically, it is coming to Stockton, a city that declared bankruptcy just five short years ago. Stockton Mayor Michael Tubbs, armed with a \$1 million grant funded in part by the tech industry luminaries, is about to engage 100 or so of his constituents in the first municipal-run experiment of UBI in this part of the world.

UBI is not a new idea. Writing on it stretches back to at least 1516, when Thomas More discussed it in “Utopia” as an alternative to poverty and to petty theft, a crime that sent many hungry people to the gallows. The idea also has had modern proponents, from conservative economist and Nobel Laureate Milton Friedman, to liberal economist and Nobel Laureate James Tobin. Martin Luther King Jr. argued in 1967 that a guaranteed income was a moral imperative for a capitalistic society. Modern entrepreneurs Elon Musk and Mark Zuckerberg, following Kurt Vonnegut’s novel “Player Piano,” advocate UBI as a way to protect the workers who lose their jobs to robots.

But for all of the discussion through the years, including serious consideration during a welfare overhaul under President Richard Nixon, there remains no solid empirical evidence on the impact of “money for nothing.” This is

important because UBI discussions have hit the serious policy sphere. The idea made the ballot (and lost) in Switzerland in 2016, entered into the 2017 French presidential election, and is now part of the platform of the left-right PAN/PRD coalition, which has a good chance of winning the upcoming 2018 Mexico presidential election.

All of which might make the experiment in Stockton quite important. In this San Joaquin River town, where the median income is substantially below that of other California places, the UBI transfer will go to some low-income folks who can certainly use the added \$500 per month.

The idea of this and other small experiments now under way is to gather evidence on how people respond to UBI. The trouble is that this approach – which mirrors an earlier study in Finland – is doomed to failure because it cannot reproduce the surprising economic realities of how UBI would work in practice. Thus, it won't really reckon with the arguments surrounding it.

The case against universal basic income was made recently in the "National Review" by Oren Cass, a former advisor to Mitt Romney. Cass states that UBI "would make work optional," "create an underclass dependent on government handouts," and therefore "erode the foundational institutions of family and society."

Is he right that free money would end the incentive to work? The answer lies in the psychology of work. In his 2015 book "Why We Work," Swarthmore College's Barry Schwartz shows there are other compensations for work—including social interaction with co-workers, the feeling of doing something worthwhile, and the sense of being part of a greater enterprise. Schwartz argues that people don't just work for money; often money is not even the principal reason they head out into rush hour each day.

To be sure, there is stultifying work that people do for money and nothing else. But most work in the 21st century, when technology has taken over mundane tasks, is not this. Today, it is the absence of work that angers and frustrates people, as the 2016 presidential vote illustrates.

This points to another problem with Cass's analysis: his prediction that UBI would create an American underclass leading to social breakdown. UBI can't create such an underclass, because one already exists—you see it in the torn fabric of American society emanating from the ongoing transformation of the U.S. economy. In their 2014 book "Marriage Markets: How Inequality is Remaking the American Family," University of Minnesota Professor June Carbone and George Washington University Professor Naomi Cahn documented the breakdown of the family among lower-income individuals. In their analysis, the rising inequality in the United States—and the decline of opportunity for those who 50 years ago might have found work in a factory—has resulted in a dramatic deterioration of family, values, marriage and relationships.

Other researchers have made similar findings. Princeton professor Ann Case and Nobel Laureate in economics Angus Deaton, who documented the breakdown in their study of mortality rates by class, race and age, described the falling life expectancy among lower income Americans as "deaths of despair." The opioid crisis in America is a stark symbol of just how torn the social fabric already is.

Which raises the question: Under UBI, how much worse could it get? I suspect the answer is "not much if at all." Clearly, the current array of social insurance programs has not constituted a solution. But social programs do provide a way that we can validate the economics of UBI and understand what it might and might not do.

Unemployment insurance and workfare programs are designed to get recipients back into the workforce, and thus they have an

expiration date. Other social assistance programs, such as Supplemental Security Income (SSI) disability insurance, do not have time limitations. Because all of these programs are for those without incomes, they limit the amount one can earn and still qualify for benefits. If one is on disability, for example, there is a limited amount of part-time work and income that is allowed before the disability payments are taken away. The same is true with Social Security for those under full retirement age as well as for those on unemployment insurance. This provides a huge disincentive for work.

It's instructive to compare how the current incentives against work might change under UBI. Consider today's system first. Suppose our Stocktonian is earning \$18,000 per year. Under the new tax structure with the standard deduction, the marginal tax rate for the Stocktonian would be 10 percent and the tax bill \$600. So when working, her net income would be \$17,400.

Compare this to payments if the Stocktonian were on disability. In this case, her income would be \$11,000. Consequently, the incentive to work is only \$6,400 (i.e. the difference between \$17,400 and \$11,000), or \$123 per week, not much when you consider commuting costs, work clothes and the time spent at the job.

How would this be different under a UBI of \$10,000? First, the Stocktonian would not be on disability since under UBI that program would not exist. Second, the UBI income would not be taxed and therefore would not go away if she took a job. Thus, the guaranteed payment of \$10,000 would lift her take-home income to \$27,400. The incremental incentive to take the job now jumps from \$6,400 to \$17,400, an almost threefold increase.

In this way, UBI increases the incentive to work relative to the current system. This would be true for all of the welfare and social assistance programs that it would replace. Consequently, there would be more work, more GDP, and more

taxes to fund the program than before.

There would also be social advantages. Those who re-enter the work force will have higher self-esteem, be more attractive as marriage partners, and have a greater stake in society. And UBI would allow for elimination of today's elaborate system of checks on eligibility for social insurance, producing a cost saving in program administration that could be applied to funding UBI.

UBI offers another advantage: Today's system requires that you prove you are unable to work or unable to find work. It is a system in which individuals have to downgrade and disparage themselves. Ask any psychologist whether or not this contributes to depression and low self-esteem (and addiction).

Of course, critics of UBI are right that there will be some individuals who game the system to satisfy their desire to do nothing of value. But by incentivizing work, there will be fewer of such people than there are today. (At least some indolent folks will always be with us if we want to be a society that takes care of our least fortunate.)

Is there a silver lining? Yes, UBI opens up new possibilities for the ambitious. Under the current system, an individual with a great idea for a new product or service who also happens to be a single parent, or have other important family responsibilities, is not apt to strike out on her own to explore that idea, create a new company, and innovate. Such an individual cannot afford the risk. With UBI she can. This means more new businesses, more innovations, higher aggregate productivity and a faster-growing economy. After all, small businesses generate 64 percent of new private sector jobs in the United States.

The biggest obstacles facing UBI involve politics (the instant revulsion to "money for nothing," as the Dire Straits song put

it) – and the lack of data that the current UBI experiments are supposed to give us. So let's drive The 99 to Stockton and ask why this UBI experiment won't tell us much.

The experiment is doomed for two reasons. First, it is temporary. The recipients know that the money will only last two years, and that will incentivize them differently than a true UBI. Second, it is \$500 a month, and even though Stockton has one of the lowest costs of living in California, this is still not much money. Recipients are going to view it as a windfall and not as part of their expected income. As with all UBI experiments to date, the temporary nature of this study pollutes the outcome. "Can I start a small business and live on \$500-a-month knowing that it will go away in two years?" our Stocktonian asks. The likely answer is, "Maybe, but what I'll do if my business goes bust?"

Since we can't learn from such experiments, pursuing UBI as an economic and societal solution will require relying on economic theory, and on the empirical evidence that work is valuable, that people want to work, and that they will work, even in a factory, if the disincentives are removed. The only way to find out if Thomas Paine's idea was the right one is to put it into actual practice.

Jerry Nickelsburg, an economist at UCLA Anderson School of Management, writes the Pacific Economist column.

Hidden homelessness among high school students

By Stacey Havlik, The Conversation

One in 30.

That's what a new first-of-its-kind study found was the number of students ages 13 to 17 who have experienced homelessness in the past year. The figure represents about 700,000 young people nationwide.

When a student is homeless in high school, it can cause high levels of stress and anxiety. While other students are able to focus on getting good grades and planning for college, students who are homeless often worry about basic necessities, such as food, clothing and shelter.

In order to turn things around and help homeless students succeed and have a decent shot at college, school counselors should be seen as our first line of support. I say that based on years of experience as a researcher who has focused on the critical role that school counselors play in helping low-income and first-generation college students make it to college.

Unfortunately, what I have found through my research is that school counselors often feel helpless despite their desire to help students who are experiencing homelessness. They also feel underprepared to support the needs of such students. With increased preparation and knowledge on homelessness, school counselors would be in a much better position to help homeless students succeed.

School counselors may meet homeless students' basic needs by collecting school supplies, clothing or food items for students in need. This can be done by coordinating community or school donation programs, collecting monetary donations from the community, or applying for grants through the Department of Education. They may also identify resources in the community and collaborate with stakeholders, such as social workers and teachers to form a supportive system. But my research has found that school counselors often lack

knowledge about students who are homeless, and have limited training to support their needs. This in turn puts the educational future of students experiencing homelessness in jeopardy.

One of the reasons homeless students can be difficult to identify is because homelessness is often thought of as individuals living on the street or in a shelter. The reality is that homelessness can also take many other forms. In fact, the federal definition of homelessness includes those who lack a “fixed, regular, and adequate nighttime residence.” This includes individuals and families who are living with others due to a loss of housing, often referred to as “doubling up.” Those living in shelters or locations such as motels, hotels, trailer parks or campgrounds because they lack other consistent housing options may also be considered homeless. Individuals who are under 18 and living without a parent or guardian and lack consistent housing are considered “unaccompanied homeless youth.” Through having a clear understanding of the various definitions, school counselors can identify students experiencing homelessness quickly and educate others so that if there is a housing loss, students can be provided with the supports they need.

Counselor contact is critical

Research indicates that students from low-income backgrounds are more likely to go to college after they graduate when they have a series of contacts with their school counselors, as opposed to seeing their counselor only once. Unfortunately, my work suggests that school counselors are often forced to focus on meeting homeless students’ basic needs. This leads counselors to offer homeless students the kind of general college support that they would give all students. Consequently, many counselors may neglect the highly specialized college planning needs of students who are homeless. Further, one report suggests that although school counselors are in a position to positively impact students’

career and college readiness, they need more extensive graduate and in-service training on college and career counseling.

Generally speaking, students who are homeless face emotional distress in the form of anxiety or low self-esteem and lower academic achievement. School can be a place of consistency that can support their postsecondary planning, but only if schools are mindful of the unique needs of high school students experiencing homelessness. Schools must provide individualized support that focuses on enhancing students' expectations of college attendance and their belief in their ability to attend.

When they are identified, students experiencing homelessness can be supported through the McKinney-Vento Homeless Assistance Act. The federal law includes provisions meant to remove barriers, such as by providing transportation for students who move out of a district because they became homeless. It also allows for quick enrollment for students experiencing homelessness regardless of the required paperwork, and funding for programming such as academic support or after school programs. It also allows for a local liaison to ensure students are identified and receiving supports they need. Further, when McKinney-Vento was recently revised under the Every Student Succeeds Act, it specifically stated that school counselors and local liaisons must provide "individualized" college support for students who are homeless. But ultimately, the federal law by itself won't do anything to help students experiencing homelessness. It's all about how well the law is executed at the school level.

Information is crucial

Schools should also include information about McKinney-Vento and college planning that would be directly beneficial to homeless youth on their websites. Unfortunately, few schools are doing so.

Schools can also develop systems of support in the community to support homeless students' basic needs. This will allow them more time to focus on other things, such as college planning.

When advising about college, counselors must determine things such as whether students need campus housing during breaks, if the school has affordable meal plans and if the university has support systems in place for additional counseling, advising, mentoring or tutoring. Directing students to apply to universities that are a good fit will help them to be more successful.

With intentional planning, schools can be a resource for students experiencing homelessness that helps them to stay on track, graduate and go on to college. But if we continue to neglect the specific needs of homeless students, we run the risk of consigning them to lives of uncertainty and placing their college dreams further out of reach.

Stacey Havlik is assistant professor of education and counseling at Villanova University.

Celebration of Snowshoe Thompson in Meyers

The 18th annual Snowshoe Thompson Ski & Snowshoe Celebration will be Feb. 24 from 9am-1pm.

This event is for the whole family. It is a guided, interactive historical re-enactment tour over the snow on snowshoes or skis at the Lake Tahoe Golf Course in Meyers.

Bring snowshoes or cross country skis. Snowshoes will be available for rent (\$15) while supplies last. A donation of \$20 is requested for the event; children under 12 are free. Lunch is included and there will be a no host bar. Registration is from 8:30-9am.

Entertainment includes local legend Martin Hollay, author/raconteur Frank Tortorich, performer Steve Hale as Snowshoe Thompson, musician/entertainer Richard Blair, longboard ski demonstration by Nina MacLeod, and a Snowshoe Thompson exhibit by the Lake Tahoe Historical Society.

To RSVP or for more information, contact Nina at 530.573.8940 or email norskenina@sbcglobal.net.

This is a benefit for Friends of Snowshoe Thompson to promote awareness and to maintain his statue in Genoa.

King's words still inspire long after his death

By Associated Press

Though his voice was silenced nearly 50 years ago, Martin Luther King Jr.'s message of nonviolence still resonates and inspires.

Decades ago, the famed civil rights leader – also regarded as one of America's greatest orators – recalled driving one night from Atlanta to Chattanooga, Tennessee, with his brother A.D. at the wheel. Most cars in the opposite lane failed to dim their lights, and his brother angrily vowed to keep his bright lights on in retaliation.

“And I looked at him right quick and said: ‘Oh no, don’t do that. There’d be too much light on this highway, and it will end up in mutual destruction for all. Somebody got to have some sense on this highway,’” King told the congregation at the Dexter Avenue Baptist Church in Montgomery, Ala., during a 1957 sermon.

Read the whole story

Placer County deputy involved in Tahoe shooting

A Placer County sheriff’s deputy on Sunday shot a man in Carnelian Bay after the suspect allegedly tried to stab him.

Officers went to the North Shore residence on Jan. 14 at 4am when someone at the residence called to say someone else there was acting “bizarre.”

According to deputies, the suspect lunged at the deputy with a barbecue skewer. The officer shot the person in what is being called self-defense.

It is not known how many shots were fired or where the person was hit or how many times. The officer’s name has not been released.

The suspect was taken to Renown Medical Center in Reno.

– *Lake Tahoe News staff report*

Letter: Voters should decide VHR issue

To the community,

Are South Lake Tahoe's neighborhoods for sale? Over the last few years our city has allowed out-of-town investors to turn houses into motels and developers to build large scale lodging properties in our residential neighborhoods.

The local residents now want a chance to decide if we want these motels in our neighborhoods. The petition being circulated will let local voters make that decision. That is how democracy works using the initiative process.

In the meantime, there is a lot of talk that big money from outside special interest groups will swoop down on our town with mega-bucks and influence the election. Just what we don't need is flatlanders trying to buy our town and the lifestyle we earned by living here. It is a simple choice: let the voters decide.

Linda Goodman, Tahoe Neighborhoods Group

Nevada medical board to revise new opioid law

By Kimber Laux, Las Vegas Review-Journal

The Nevada Medical Board of Examiners is delaying implementation of a new opioid prescription law after dozens of doctors complained that the change is burdensome and

enforcement is confusing.

Assembly Bill 474, which went into effect Jan. 1, requires Nevada licensing boards to create regulations that outline disciplinary actions to be taken against doctors who prescribe opioids in violation of the bill, which requires physicians to perform a risk assessment on patients before writing opioid prescriptions, limit initial prescriptions of the drugs to two weeks and get the patient's consent to random drug testing if the prescription is extended to a month.

Read the whole story

Road Beat: Honda Civic Si – a wolf in sheep clothing



The Honda Civic Si is simply incredible. Photos/Larry Weitzman

By Larry Weitzman

Let's get one thing straight, all Honda Civics are super cars. All Civics get the fabulous 1.5L turbo charged DOHC, 16 valve engine with a minimum of 174 hp. That's a lot of moxie for cars that weigh 3,000 pounds or less.

The Si is Civic's super super car with a six-speed manual and 205 hp at a low 6,000 rpm. Honda didn't even stop at the Si as they also make an ultra-super, super car, the SR, with over 300 hp. After you finish with this Road Beat, you will be able to imagine what the SR can do.

Back to the phenomenal Si. First about the only differentiation from the rest of the Civics, including the fantastic Hatch Sport version which stickers for a shade over \$21 large, is some badging and a blacked-out grille. Inside are special seats and as with my Civic Coupe that I tested a year ago, this Si was done in energy green. If you want to be

seen from five miles away or are extremely safety conscious, this is your color. No one will ever miss you. People with 20/400 vision will see this car from a good distance. OK, enough about the color.



Specifications

Engine

1.5L turbocharged, direct injected, DOHC, 16 valve inline four cylinder 205 hp @ 5,700 rpm

192 lb.-ft. of torque @ 2,100-5,000 rpm

Redline 6,500 rpm

Fuel requirement regular unleaded

Transmission

Six-speed manual

Configuration

Transverse mounted front engine/front wheel drive

Dimensions

Wheelbase 106.3 inches

Length 177.9 inches

Width 70.8 inches

Height 54.7 inches

Track (f/r) 60.5/61.2 inches

Weight 2,889

Weight distribution (f/r)
61/39
Fuel capacity 12.39 gallons
Trunk capacity 11.9 cubic
feet
Passenger volume 88.6 cubic
feet
Wheels 18X7.5 inch alloys
Tires 235/40X18W
Steering lock to lock 2.11
turns
Turning circle 37.8 feet

Performance

0-60 mph 6.20 seconds
50-70 mph 3.03 seconds
50-70 mph up a 6-7 % grade
3.92 seconds
Top speed 150 mph easy
Fuel economy EPA rated at
28/38/32 mpg
city/highway/combined.
Expect 33 mpg overall and 41
plus mpg on the highway at
legal speeds.

This Civic Si is about driving fun, and I would have to give it a fun quotient on the 10 scale of about 12. Civics look quick standing still. Their design is sleek and slick with a strong, edgy character line giving it some shape along with some muscle, with strong wheel wells and shoulders. Best looking Civic ever, even though the grille might over power the rest of the design, at least in the SI, it's done in black.

It has a spectacular powertrain, its 205-horsepower mill (at a low 5,700 rpm) plus a massive 192 pounds of twist from a low of 2,100 rpm to 5,000 rpm (at 5,700 rpm it is still pounding

out 189 pounds of twist), demonstrates almost no fall off or loss of cylinder efficiency at peak hp meaning it's still pulling like a freight train right to its red line of 6,500 rpm where a rev limiter interrupts the fun. It drives the front wheels through a six-speed manual cog-swapper via a limited slip differential. If rockin' is what the Civic does then it's theme would be Mississippi Queen by Mountain. Zero to 60 mph arrives in just 6.20 seconds. A level simulated pass from 50-70 mph happens in just 3.02 seconds and a six percent grade only slows that number to 3.92 seconds. Turbo lag isn't, but it takes about 2,500 rpm before it begins to boil and by five grand things get nuclear. In normal driving 1,500 rpm will be ok in the first three gears and add about 500 rpm for each of the next three gears for reasonable performance.

While gearing appears to be similar to the Civic Hatch Sport tested a few months ago and while it sports only 25 less hp, its performance numbers while still very good are not as good as the Si by significant numbers. In my three parameters the Hatch Sport recorded 6.99, 3.80 and 5.09 seconds. The Si buys you a lot in the quickness department.

In the Si driving hard is guilt free. The EPA rates the Civic Si at 28/38/32 mpg city/highway/combined, about an mpg less than the 180 hp Civic Hatch Sport. In reality the Civic Si returned 41.4 mpg in a two-way run on a level highway at a constant 70 mph. Overall in extremely aggressive driving for about 300 miles, the Civic averaged 32-33 mpg including the performance testing. But on a 200-mile round trip to Carson City from Placerville which included about 80 miles of aggressive two lane twisty driving and many full throttle passes, the Civic averaged an astounding 39.6 mpg. I told you this Si is absolutely guiltless. I could probably do 40 hard laps at Thunderhill Raceway and still have enough fuel to make it home (150 miles). Rpm is a reasonable 2,600 at 70 mph.

And what an absolute blast this Si would be at Thunderhill. I think Si stands for simply incredible. It has all the creds,

super quick, variable ratio electric rack and pinion steering (2.11 turns lock to lock), low profile, fat tires (235/40X18), fat roll bars at both ends, state of the art independent suspension, huge disc brakes, adaptive dampers and real sport tuning to give it a real edge, a true sports car feel and ability. It simply follows your commands and inputs perfectly with no vices, twitches or missteps. It follows orders to a Tee. It is water through a proverbial hose that just doesn't want to let go in the twisties. All the time maintaining a flat attitude. Fabulously fun. Weighing less than 2,900 pounds helps too.

Ride quality won't impress your grandmother. It sits low so getting grandma in the car and even out of the car might be a problem. The ride is firm and tire noise is an issue on rough or coarse roads. The body is solid and while compliant in the bumps, it is firm and reasonably quiet on smooth asphalt. Let's leave it at that.

There is no compromise in safety with most of all the basic acronyms. But Civic, in addition, has that wonderful side view camera when making right turns. I love that feature. Headlights are very good, low and high.

Inside is a quality interior with Si exclusive buckets that are perfect for aggressive driving or the long haul. While they are heated, they are not power but have a height adjustment. All appointments are first quality and the instrumentation is complete. The center stack does its job and functions are now becoming second nature.

Now here is the deal, this sports rig stickers for the bargain price of \$24,100 plus \$875 for the truck/train from Alliston, Ontario Assembly plant. There are, as with most Hondas, no extras, \$24,975 is the deal. It's quick and its fun, lots of fun with no guilt, either in acquisition or gas consumption. Kudos to Honda and in Energy Green everyone within three miles will see you coming and mostly going.

Larry Weitzman has been into cars since he was 5 years old. At 8 he could recite from memory the hp of every car made in the U.S. He has put in thousands of laps on racetracks all over the Western United States.

La Nina peaks, snowpack on the line

By Don Jenkins, Capital Press

A weak to moderate La Nina in the tropical Pacific has probably peaked, though it may have enough punch left to swell snowpacks, climatologists reported last week.

The National Oceanic and Atmospheric Administration said that the cooler-than-normal ocean likely will begin warming, but won't reach average temperatures until the spring. Climatologists estimated the chances of La Nina sticking through the winter at 90 percent.

La Nina stacks the deck in favor of cool and wet weather for the next few weeks, Washington State Climatologist Nick Bond said.

Read the whole story

Mountain lion sightings continue in ZC area



The mountain lion is in the bottom center. Photo/Robert Felton

We live in Elks Point and I walk my dog every morning up to the bike path and then to Nevada Beach or Round Hill Pines Beach. Friday morning my dog ran over the path and up the hill, which she usually does to chase squirrels.

But as I looked up to where she had stopped there above her was a mountain lion.

We have friends who run early in the morning and they think they saw the lion three days ago. Thought it was a large dog, but when they shined their torches on it – the eyes were green-gold so they think now it was the cat.

– Robert Felton, Zephyr Cove