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Free Money: Social Meanings and Practical Implementation in Alaska's Permanent Fund Dividend Program

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FREE MONEY:

SOCIAL MEANINGS AND PRACTICAL IMPLEMENTATION IN ALASKA'S PERMANENT FUND DIVIDEND PROGRAM

Sarah Reibstein

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Abstract

Alaska's Permanent Fund Dividend (PFD) is the most significant system in the U.S. of universal cash transfers from government to individuals. As interest in unconditional cash and universal basic income is increasing throughout academia and policy, there is a need for closer examination of existing models to understand how these programs work in practice. This study contributes to filling that gap. A mixed methods study drawing from 72 in-depth interviews with Alaska residents alongside quantitative and legislative data, the dissertation provides insight into key administrative features of the program, how beneficiaries interact with it, and how it has shaped and been shaped by a distinctive Alaskan politics of resource wealth.

Investigating the PFD's eligibility criteria, access barriers, and take-up, I find that there are limits to its universality. Shedding light on the system of garnishments associated with the program, I show that these overlooked regulations serve to make the PFD less equal than it looks on paper. Analyzing qualitative data on how Alaskans spend, save, gift, or neglect their PFD money, I reveal some of the different roles the cash transfer plays in individuals' and families' financial lives. The findings suggest that the PFD has a limited effect on mitigating inequality or enhancing mobility, but it provides an important cash safety net for low-income working families and is valued by many as a bonus that opens up possibilities for different kinds of spending. In the final chapter, I discuss the PFD's place in Alaskan politics, showing how it has gone from near universal support to a contentious fracturing in the last decade. I find that small government conservatives – and a less visible group of leftists and radicals – are the biggest supporters of the program, with liberals and centrists aligning to support cutting dividends back. Taken as a whole, the dissertation is relevant to economic and political sociology and the study of inequality and social welfare as well as to practitioners involved in policy implementation.

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Introduction

This dissertation is an in-depth study of a particular policy in a particular place: Alaska's Permanent Fund Dividend. The Permanent Fund Dividend (PFD) is an object worthy of a sustained sociological inquiry because it is simultaneously a one-of-its-kind institution and an idea with roots in common with many other big ideas in social policy. In a time when Americans have become newly familiar with receiving no-strings-attached cash from the federal government under the Covid stimulus bills, the Alaska PFD represents the largest and longest running universal cash transfer in the country's history. In a time when income and wealth inequality are seen as among the major social problems, the Alaska PFD represents an alternative model for resource distribution, where every citizen is granted an equal share.

My dissertation examines the PFD as a case of a citizen's dividend program and uses it to shed light on questions that scholars and policymakers have been asking about related programs. How is a universal program implemented in practice – where are the gaps and unexpected complications in handing out money to *everyone*? What do people *do* with their "free money"? Can an annual cash transfer have a real impact on economic security for the poor? What kind of an impact does it have for the rich? And, what are the politics of the citizen's dividend – who supports it, who opposes it, and how does it alter the policy landscape?

In this chapter, I first describe the connections with various existing social policies and theoretical models that make the PFD both unique and relevant. Then I describe the political and intellectual history that led to and immediately followed the creation of the dividend program. Alaska's fiscal structure is distinct in many ways, which are crucial to understanding the PFD in context. Next, I describe my research methods, including site selection, my primary method of

qualitative interviews, and smaller engagements with quantitative and government data and media sources. Finally, I outline the rest of the dissertation.

Situating the Alaska Permanent Fund Dividend in Social Policy

The Alaska PFD is relevant to a number of emerging trends in social policy research. Foremost, I situate it within literature on cash transfers. From microcredit and conditional and unconditional cash transfers in international development, to tax credits and stimulus checks in the US and global calls for universal basic income, experiments in giving cash to citizens have been on the rise. Further, the PFD fits in a model we can label as "citizen shares," which has a long intellectual lineage yet is less frequently practiced. Citizen share programs often transmit cash, but unlike cash transfers, the source of the wealth is a defining feature. Rather than a *redistribution of income* from haves to have-notes, the share model is a *distribution of wealth* among individuals understood to be equal owners of a common resource. The Alaska PFD demonstrates that the theory of citizen shares, when put into practice, has much in common with cash transfer policies. In the following section, I outline key findings from these two literatures.

Cash Transfers

Cash Transfers in the Developing World

Cash relief has become increasingly significant to the practice and scholarship of international development since the turn of the twenty first century. As Ferguson describes, "the central mechanism for the new anti-poverty programs is not credit, securitization, or any sort of neoliberal predation but the startingly simple device of handing out small amounts of money to people deemed to need it" (Ferguson 2015). Where giving cash was once considered inferior to

development interventions focused on infrastructure, education, or training – the "teach a man to fish" school of thought – scholars are increasingly pointing to the effectiveness of cash in reducing poverty (Barrientos and DeJong 2006) and empowering women in particular (Urbina 2020). During the "microfinance revolution" of the aughts (Kono and Takahashi 2010), it became popular for development agencies and nonprofits to extend cash to the poor through small loans for enterprise. Instead of requiring repayment, another method has been to award cash grants "conditional" on certain behaviors, like sending children to school or making use of health services (Fiszbein and Schady 2009). Yet as some research has found that such behavioral "nudges" are not necessary (Gowayed 2018), others point to unconditional cash as a superior transfer scheme that avoids paternalism, bureaucracy, and top-down decision-making (Lauer and Lepenies 2015).

Tax Relief as Social Policy in the U.S.

In the U.S., there is growing interest in using the tax system to provide cash transfers to the working poor, families with children, and as general relief and economic stimulus. Tax-based transfers have become increasingly important to the cash safety net of the American welfare system since Temporary Assistance to Needy Families (TANF) replaced Aid to Families with Dependent Children (AFDC) in 1996 and other changes associated with welfare reform resulted in significantly decreasing welfare rolls. In particular, the Earned Income Tax Credit (EITC) – started in 1975 as a small credit for low-income workers with children – has become the largest means-tested cash assistance program in the country (Tach and Edin 2017). Unlike traditional welfare, the EITC is designed to "make work pay," as it is only available to taxpayers who report earned income, and it increases with earnings until the income limit is reached (about $54,000

for a married couple with two children in 2021). This has made it attractive to politicians in both major parties (Ventry 2000). Further, qualitative research finds that by tying the payments to work and delivering them through the tax system, rather than a welfare bureaucracy, the EITC confers dignity instead of stigma on beneficiaries (Sykes et al. 2015).

There have been various proposals in the past decade to expand the EITC – including from President Obama in 2014 (Executive Office of the President and and U.S. Treasury Department 2014) and progressive representatives in 2017 (Marr, Horton, and Duke 2017). EITC expansion was achieved – at least temporarily – under the American Rescue Plan Act (ARPA) of 2021, the first Covid stimulus bill passed under the Biden administration (Crandall-Hollick 2021b). While the act made some permanent changes to the tax credit, many of the most substantial provisions apply to 2021 only. President Biden, Democratic congressmembers, and many advocacy organizations have called for making the expansion permanent.

Another Covid-era policy that has revived efforts to provide cash through the tax system is the expansion of the Child Tax Credit that was also part of ARPA. An earlier expansion was implemented under the Trump administration in the 2017 Tax Cuts and Jobs Act, which doubled the basic per child credit from $1,000 to $2,000 – though not for the lowest income earners (Collyer, Harris, and Wimer 2019). The credit has a history of bipartisan support under the banner of a tax cut, yet some have noted that it does in fact operate as an effective anti-poverty program, akin to welfare (DeParle 2019). The temporary changes through ARPA bring the child tax credit closer to a universal child allowance program: the credit has been increased by up to $1,600, made refundable to those earning zero income, and made available in part through monthly payments (Crandall-Hollick 2021a). As with the EITC, these changes have not been implemented permanently, but many are calling for them to be (Garfinkel et al. 2022), adding

strength to previous calls for a universal child allowance in the US (Curran and Minoff 2020; Shaefer et al. 2018).

Finally, stimulus checks were the most broadly-based cash benefit for Americans in recent years. Direct payments to individuals, structured as rebates and tax credits, were widely regarded as successful policy responses to recession in the US in 2001 and 2008-2009 (Sahm 2019). There was little hesitation in once again launching a federal program of stimulus checks when the Covid crisis hit the US – the Treasury Department and Internal Revenue Service distributed more than $270 billion to close to 160 million households in unconditional payments over two months in early 2020, and this was followed by two more mass distributions in 2020 and 2021. Initial evidence on the stimulus payments, along with extensions to unemployment benefits that temporarily provided another source of cash relief to Americans, finds that the policies alleviated poverty and stimulated consumption (Falcettoni and Nygaard 2021; Yang et al. 2021).

Universal Basic Income

Universal basic income typically refers to a system of state provision of a minimal subsistence income via regular cash grants, awarded to all members of a polity with no conditions on how the income is used. The most serious discussion of universal basic income as a policy option for the US occurred in the 1960s and 1970s during the Johnson, Nixon, and Carter administrations. Under the banner of "guaranteed annual income," the idea of ensuring a minimal income for all won favor with those who saw poverty as stemming from deficiencies in the labor market as well as those who laid blame on the welfare state itself. The concept of a negative income tax (NIT) from economists Milton Friedman and George Stigler was the most

influential academic proposal for these debates. A negative income tax would simply extend the tax system such that households earning less than a specified level would receive payments instead of paying taxes. NIT payments, it was argued, would replace the complex web of welfare payments that many saw as engendering dependency on the federal government, discouraging work, and wasting resources on administrative costs and bureaucracy (Steensland 2017). Between 1968 and 1974, the federal government funded four studies on guaranteed income and the NIT, collectively involving over 7,000 study participants across seven US states and pioneering the use of the randomized control trial in the social sciences.

Guaranteed income policies were ultimately defeated, and they were abandoned completely by the time of the Reagan administration. The experiments were also largely forgotten for decades – as Widerquist notes, "The debate died down [around the 1980s] without a clear consensus on what the experiments implied for policy, and the results were widely misinterpreted in the popular media… The experimental results seem to be a political Rorschach test in which an observer's conclusions reveal more about the observer than about the observed" (Widerquist 2005)[50].

Universal basic income came back onto the agenda of academic sociologists with Erik Olin Wright's *Real Utopias Project*, whose conference series launched in 1991 with a conference on "Basic Income Grants." This body of work, arguing that sociologists can and should contribute to the project of social transformation through rigorous studies of emancipatory social institutions, has pointed to universal basic income as one such alternative. In contrast to the mid-century guaranteed income moment, Wright's project brings together theorists of radical democracy and critical social theory who argue for UBI from the perspective of a fundamental right to livelihood (Ackerman, Alstott, and Parijs 2006; Parijs 1992; Wright 2010, 2013).

UBI has recently achieved mainstream popularity once again, gaining the support of tech CEOs like Elon Musk and Mark Zuckerberg along with politicians like Andrew Yang. This most recent popular interest has argued for UBI as an alternative way of ensuring economic security in the face of declines in employment, wages, and the US social safety net (Lowrey 2018; Standing 2017; Stern 2016). According to a New York Times correspondent, "The idea is gaining traction in many countries as a proposal to soften the edges of capitalism." According to the Stanford Basic Income Lab, there are over 100 active or concluded "UBI-related experiments, pilots, programs and policies" around the world (Stanford Basic Income Lab 2020).

Citizen Shares

Stakeholder Grants

The book that developed out of the *Real Utopias* workshop on basic income was entitled, "Redesigning Distribution: Basic Income and Stakeholder Grants as Cornerstones for an Egalitarian Capitalism." The second of two policy proposals outlined here – stakeholder grants – receives far less attention, but the basic idea has co-existed and co-mingled with the idea of basic income for centuries. Broadly, stakeholder grants, capital grants, or "stakeholding" refers to the idea of granting public funds to private individuals as ownership "shares." These transfers can be distinguished from basic income or cash transfers because they typically represent a larger, one-time grant rather than distribution of income over time. Stakeholder grants have been proposed as a remedy for economic inequality and insecurity, yet there is often an additional focus on strengthening citizenship ties via a sense of shared ownership and responsibility (i.e., a "stake") (Alstott 2010).

The earliest work frequently cited as a core precedent for stakeholding is Thomas Paine's *Agrarian Justice*, published in 1797. In this lesser-known pamphlet of the English-born American revolutionary, Paine asserts that, "The earth, in its natural uncultivated state was, and ever would have continued to be, the common property of the human race." Attributing poverty to the dispossession by landowners of this rightful "natural inheritance" of all people, he proposes a common fund, created by an inheritance tax, that pays a sum to all citizens at age 21 (Paine 1797). Henry George further developed the idea of the common ownership of land, arguing for a single tax on land value to remedy the injustice of private capture of land rents (George 1879).

Ackerman and Alston propose a stakeholder grant system for the U.S. whereby citizens are given a one-time grant of $80,000 at age 21. In their proposal, the funds could also be accessed as early as 18 to pay for higher education. They emphasize that the transition to adulthood is a critical time for reproducing inequalities and contend that a stakeholder grant awarded at young adulthood would promote equal opportunity by giving all Americans the positive freedom to make choices about their life course (Ackerman and Alstott 1999). Importantly, stakeholder grants would be funded by a wealth tax. The proposal connects the funding source and the distribution in a common cause of equalizing wealth: "By casting itself as a form of capital endowment, stakeholding invites the construction of a symbolic tie to underutilized forms of taxation that focus on the present maldistribution of wealth" (Ackerman et al. 2006).

In the UK, the Child Trust Fund scheme that operated from 2005 to 2011 was an example of a stakeholding policy or "asset-based welfare," as it is more commonly known in Britain. The program created a savings account at the birth of every British child with an initial grant from the

state of £250, or £500 for children of lower-income parents. Family and friends could contribute up to £1,200 per year to the accounts, and no funds could be withdrawn until the child turns 18 (Prabhakar 2009).

Senate Cory Booker introduced legislation for a more ambitious "baby bonds" policy for the US, based on the work of economists Darity and Hamilton, who proposed baby bonds as a way of closing the racial wealth gap (Hamilton and Darity 2010). The policy would include individual accounts funded with an initial government contribution of $1,000 and ongoing annual payments of up to $2,000 per year depending on household income (with the higher payments going to lower income households). The funds would be invested in Treasury bonds and could only be used (after age 18) for "asset-building" purposes, including education and housing (Committee for a Responsible Federal Budget 2019). The state of Connecticut enacted the CT Baby Bonds program in 2021, which will create accounts seeded with $3,200 for any baby whose birth is covered by the state Medicaid program. The state estimates that the accounts will grow by interest to at least $10,600 per child when they reach 18, at which point they will be able to access the funds to use for education, buying a home, investing in a business, or saving for retirement (Covert 2021).

Common Wealth Dividends

The institutional model into which the Alaska Permanent Fund Dividend fits most clearly is the common wealth dividend. Ranalli coins this term in a 2021 book that brings together a comprehensive history and theory of such programs. Common wealth dividends, for which Paine's *Agrarian Justice* is also a key touchstone, rely on capturing the value of a resource that "ought to be considered our common heritage" – whether it's land, natural resources, or human-

made resources like data – and sharing it via equal payments to all (Ranalli 2021). Sovereign wealth funds are a natural vehicle for this; these are funds that already exist in over 80 localities around the world to hold in common the wealth of a natural resource and grow it through market investment (Cummine 2016). Yet as Cummine finds, there is powerful institutional skepticism of dividends within sovereign wealth funds, and the Alaska Permanent Fund is the only one to directly distribute profits to citizens (Cummine 2011). Instead, like one of the world's largest and most visible wealth funds – Norway's Oil Fund – most limit earnings use to reinvestment or funding government (Cummine 2016). Resource dividends have been proposed in places as diverse as Mongolia, Iran, Maine, and Vermont (Ranalli 2021).

Common wealth dividends have been proposed on "ecosystem services" to promote environmental sustainability while equitably sharing the benefits of resource development. The most well-known example is advocacy around carbon dividends. Alongside existing programs that put a fee or tax on carbon emissions, a carbon dividend would return the value of that revenue to individuals in dividend payments. While not labeling them dividends, California uses its cap-and-permit revenue to fund tax rebates, as do a number of European countries (Ranalli 2021). A direct dividend proposal is Peter Barnes' "Sky Trust," which was inspired by the Alaska PFD. Treating the sky as a common asset, a trust in its name would be set up to receive revenue on carbon emissions permits, the income of which would be distributed to all Americans in lump sum transfers (Barnes 2014).

Finally, some "man-made commons" have been considered as sources of common wealth dividends. For example, Rowe notes that the right to broadcast ads on public airwaves is something for which the public could be compensated; we could also collect royalties for the patent monopolies that private corporations claim for free (Rowe 2013). More recently, the idea

of a "data dividend" to share the wealth created by corporations mining personal data was proposed by California Governor Gavin Newsom (California Data Dividend Working Group 2021). While common wealth dividends are still rare, interest in them is on the rise.

The PFD in its Local Historical Context

While the PFD has much in common with the policy models presented above, it is a uniquely Alaskan institution. I turn now to the local historical context for the PFD: the structure of land ownership and the state's early experiments with common wealth models made it possible for the dividend program to be conceptualized and implemented.

Land Ownership in Alaska

The Alaska Permanent Fund and the dividend program must be understood in the context of the distinctive land and resource ownership regime in the state. Land in Alaska is owned about 60% by the federal government, 24% by the state government, 12% by private corporations created under the Alaska Native Claims Settlement Act, and 4% by other private individuals and companies. This amount of federal ownership is high, but not all that unusual among western states. What are unusual are Alaska's exceedingly low levels of private ownership (whether including or excluding Native Corporations in that category) and its relatively large amount state-owned land. Low levels of private ownership can be explained by Alaska's harsh geography and small population as well as its late incorporation into the United States. The significant holdings of the state government have everything to do with the politics of Alaska earning statehood.

The Statehood Act: Creating the "Owner State"

The issue of state land ownership was central to the Alaska statehood bills that were proposed throughout the 1940s and 1950s. In that time, the federal government owned 99.8 percent of land in the territory (0.2 percent was held privately). Alaskan territorial delegates to Congress led by Republican politician Wally Hickel successfully made the argument that they would need an unprecedented land grant from the federal government in order to make the new state economically sustainable. The Alaska territory had a tiny population in a vast land mass, with a rugged geography that made building infrastructure and providing services particularly costly. As Hickel writes, "We might not have the tax base to support state government, but we had a rich storehouse of natural resources, which, if developed under state government, could more than pay the bills" (Marr et al. 2017). The Statehood Act that went into effect in 1959 included a grant to the state of 103 million acres of the 365-million-acre territory. Further, it included a provision altering the Mineral Leasing Act of 1920 so that the state of Alaska would receive 90% of revenue generated from mineral exploitation on federal land in its boundaries. Prior to statehood, Alaska received 37.5% of such revenues with the other 62.5% going to the federal government, while other states also received 37.5% directly but had 52.5% distributed to the states as public works projects under the Reclamation Act of 1902. Rather than calling for the new state to be included under the Reclamation Act, Alaska's delegates pushed for all but the reserved 10% federal cut to go directly to the state as revenue (Miller 1963).

During the statehood fight, Wally Hickel developed an influential intellectual infrastructure for what has come to be known in UBI and stakeholding circles as the "Alaska model" for resource ownership. He called it "the owner state." Hickel was convinced that because private ownership was so low, Alaska had a unique opportunity to practice sustainable

resource development. Equally important to him as avoiding private ownership of the commons was limiting ownership by those external to Alaska, including the federal government. State stewardship of the land by democratically elected local officials would ensure accountable leadership and development that prioritizes the needs of the people of Alaska – which included the revenue and jobs that come with extraction as well as protecting the environment for the long-term and setting aside spaces for recreation and beauty. While the state of Alaska didn't come to own 100% of its land, it acquired 100 million acres of its own and the right to 90% of resource revenue from federal land – this was plenty to create an "owner state."

Striking Oil

The "rich storehouse of natural resources" that Hickel refers to at statehood included oil and gas, but it was not yet known quite how much these resources would come to dominate Alaska's economy. Prudhoe Bay, an area on Alaska's North Slope, had been identified by geologists as a potential site for oil drilling in the early 1960s and was included in the 100 million acres Alaska chose for state ownership. In 1968, it was discovered that Prudhoe Bay in fact holds the largest oilfield in North America. Production would begin nearly 10 years later once the Trans-Alaska Pipeline System was constructed. Throughout the 1960s and 1970s, there was further innovation on the ownership state, with at least three institutions being designed that preceded and influenced the creation of the Permanent Fund Dividend: the Alaska Native Regional and Village Corporations, the proposed Alaska General Stock Ownership Corporation, and the proposed Bristol Bay, Inc.

Roots of the Citizen Dividend Model: Alaska Native Corporations

Proponents of the pipeline faced a major obstacle to getting the project approved: Alaska Native groups still had unresolved claims on some of the lands that the pipeline would pass through. Facing urgency to start production, the federal government finally passed a statewide land claims settlement, the Alaska Native Claims Settlement Act (ANCSA), in 1971. ANCSA included a land "grant" of 44 million acres to Alaska Natives, but its terms were radically different from previous Native land claim settlements in the US. Rather than recognizing tribal ownership of land through a reservation system, a new model was used: the land titles were transferred to newly established for-profit corporations representing 13 regions and over 200 local villages. Alaska Natives were entitled to enroll as shareholders in the Regional and Village Corporations representing their geographic ancestry. Instead of holding the land in common as tribal citizens, a system was created whereby individuals quite literally hold their own shares of the resources owned by the corporations. The corporations pay shareholder dividends and provide other benefits such as scholarships and internships. In 2021, Native Corporations were nine of the ten biggest Alaska-owned companies by revenue; they operate in everything from oil and gas ventures to logging, fishing, real estate, tourism, construction, and telecommunications.

Roots of the Citizen Dividend Model: Alaska General Stock Ownership Company

As the pipeline was being built, then U.S. Senator for Alaska Mike Gravel advanced a different "owner state" scheme, which didn't come to fruition but also deserves scrutiny as a part of the lineage of ideas from which the PFD can be traced. Gravel was a follower of the political economist Louis Kelso and was intrigued by his ideas of reforming capitalism by broadening share ownership. Kelso is known for creating the employee stock ownership plan (ESOP) – a corporate form that enables employees to acquire shares in the companies they work for. But his

writings went beyond the ESOP to imagine all sorts of ways of broadening ownership to undercapitalized people. Gravel and Kelso worked together to write legislation creating the General Stock Ownership Company (GSOC) – a corporation much like the ESOP but with shareholders defined by a common place of residence rather than employment (Kelso and Kelso 1986). Gravel's plan for Alaska was to create a GSOC that would buy part of the trans-Alaska pipeline. Stock would be extended to all Alaskans, making them co-owners of the pipeline itself. The legislation establishing the GSOC was successfully put into the federal tax code in 1978. Gravel spearheaded a ballot initiative proposing his idea, and Alaskans voted against it. The legislation had sunset provisions, so it was removed from the tax code before anyone made use of it. In Gravel's assessment, the ballot initiative failed because of widespread confusion over the idea and the opposition of then Governor Republican Jay Hammond, who Gravel thinks also failed to grasp the concept. Like the Alaska Native Corporations, this proposal put forth a vision of Alaska residents directly owning shares of a common resource as individuals.

Roots of the Citizen Dividend Model: Bristol Bay, Inc.

It is ironic that Jay Hammond opposed the AGSOC, as he had advanced yet another share ownership idea ten years earlier and would come to be the strongest voice for passing the Permanent Fund Dividend. As part-time manager of the newly created Bristol Bay Borough in 1965, Hammond was determined to pass a use tax on fish to fund the borough. Like Hickel, he was frustrated that local resources were failing to benefit the local population: "despite extraction of literally billions of dollars of fish from our back yards, most coastal communities were little more than rural slums" (Hammond 1996) [148]. Facing constituents strongly opposed to taxing themselves, he wanted to ensure that residents understood they would benefit tangibly and

directly from the fish tax. He proposed setting fish tax revenue in an investment corporation, termed Bristol Bay, Inc., and granting all residents stock ownership in it based on how long they resided in the Borough. The idea was that corporation would pay individuals dividends that exceeded what they paid in taxes, and it would enable the collection of large sums of taxes from non-residents who fished in the bay to fund local infrastructure and services. It is unclear if Hammond had worked out the details on how much of the tax revenue would go to the dividends versus services; in any case, voters rejected the idea. In Hammond's words, this was a direct precursor to the Permanent Fund Dividend. Like Gravel and the AGSOC, he believed it failed because of misunderstanding. He writes: "It would be another ten years before the basic dividend concept would prove itself as the Alaska Permanent Fund Dividend program. That it took me nearly 15 years to sell the citizen-owned investment account – later, immensely popular – attests to my inability to communicate." (Hammond 1996)[153].

Oil Revenue and the Beginning of Alaska's Modern-Day Fiscal System

Next, we turn to the story that has been told and retold in nearly every account of Alaska's emergence as an oil state. In a historic auction in 1969, leases of several tracts at Prudhoe Bay went for a total of more than $900 million – at a time when Alaska's total annual budget was only around $100 million. How that money was spent over the next five years is a matter of some debate. As scholars note, much of it went to projects Alaskans generally consider worthy: funding public schools, student loan programs, and the longevity bonus program that gave cash transfers to seniors with long-time residence in the state. Still, the takeaway that came to dominate the narrative is that the money was spent quickly and wastefully; it was indeed all but gone by 1975 (Groh and Erickson 2012). Interview participants describe to me a legislative

spending spree on roads and bridges to nowhere, amphitheaters that would come to sit empty, and purchases whose only use was to buy votes. Jay Hammond, who was elected governor in 1974, reinforced this view.

Creation of the Alaska Permanent Fund

By 1976, the idea of setting aside oil money in a "permanent fund" to avoid a repeat of the recent irresponsible spending had become popular. As governor, Hammond proposed a constitutional amendment creating such a fund; it was put to a vote in a ballot measure and passed. The Alaska Permanent Fund was created without a clear idea of how its funds were to be managed and used. The amendment prescribed that at least 25 percent of annual revenues the state earned through mineral lease rentals and royalties be placed into the fund, and that the principal of the fund was to be used for income-producing investments and not itself spent.

From 1976 through 1980, the state legislature in conversation with a slew of consultants, academics, media, and the public considered many proposals for how to structure the Permanent Fund and what uses to put its earnings towards. A 1986 report retrospectively categorizes these into three broad models: economic development, social and community welfare, and savings or trust (Helgath and Bibb 1986). Representatives of medium and small businesses lobbied for the economic development option: they argued that existing capital markets in Alaska were insufficient and the Fund could help grow and diversify the economy by being a source of low-interest loans and subsidies to desired types of ventures. It was also proposed that the Fund could finance public works projects (Tussing 1977), helping Alaska to "catch up" with the more developed infrastructure and public services in other parts of the country (Helgath and Bibb 1986). Models considered for this kind of fund ranged from development authorities and

community development finance corporations in other states and localities, to the long-running US Farm Credit system, to the European Investment Bank (Daniels 1977). There was also some public support for using the Fund for social and community welfare, in the form of income redistribution, tax relief, housing loans, or support for arts and culture. There was not, however, an organized push behind any of these programs, and they did not receive much consideration (Helgath and Bibb 1986).

Finally, the model that was ultimately agreed on was the savings or trust account. Writing in 1977, an economist said: "one basic concept of the fund on which there is near-consensus is that it is to be regarded as a savings account for a 'rainy day'" (Tussing 1977). Since the principal of the Fund had to be invested, legislators ultimately agreed with consultants that investing it for maximum yield rather than in projects that would directly benefit Alaska would be of the greatest benefit in the long-term. Some, like prominent Alaska businessman Elmer Rasmusson, advised political leaders only to invest in places where they could afford to be ruthless capital owners – "Never loan money to someone you can't foreclose on without political problems," as Clem Tillion, a former State Senator who was influential in passing the original PFD legislation, recalled in my interview of him. Legislation in 1980 created the Alaska Permanent Fund Corporation to manage the Fund and codified these investing principles.

Creation of the Alaska Permanent Fund Dividend

With the Permanent Fund established as a way to save and grow Alaska's oil revenue into the future, ideas of using the money for the *current* needs of Alaskans were largely rejected. But the citizens dividend concept – a way of extending ownership of Alaska's resources to its individual inhabitants – was not dead yet. According to most accounts, the dividend was

ultimately created because Jay Hammond pushed strongly for it; he had powerful allies in the legislature that were able to whip the votes; and the people, though not strongly supportive, were also not strongly opposed to it. Indeed, there was not a great clamoring for dividends: polling in 1977 in fact found that Alaskans ranked the idea of cash distribution of earnings as 19th most preferable out 22 possible priorities (Groh and Erickson 2012). Still, legislation was passed in 1980 creating the Alaska Permanent Fund Dividend.

The 1980 statute created a program whereby Alaska residents would receive annual dividends out of the Permanent Fund earnings based on how long they had lived in the state – one "share" for each year of residency since statehood (Rose and Wohlforth 2008). All residents, including children, were eligible for the new dividend program. The cumulative residency feature was declared unconstitutional by the Supreme Court and a modified version of the bill went into effect that called for equal dividends for all residents that met a threshold of six months of residency. The first dividends were paid in 1982.

The PFD as it was implemented draws on Wally Hickel's concept of the owner state, but embodied a version of it closer to ANCSA, the AGSOC, and Bristol Bay, Inc. than anything Hickel would have envisioned. Hammond in fact explicitly differentiated this philosophy from Hickel's, saying Alaska was not an "owner state" but composed of "owner people." He writes: "The dividend concept is based on the Alaska Constitution, which holds Alaska's natural resources are owned, not by the state, but by the Alaskan people themselves" (Hammond 1996). Hickel, unsurprisingly, disagrees with that reading, claiming: "Alaskans did not receive 103 million acres from the federal government as individuals; we received the land as a state" (Hickel 2002). Hickel actually challenged Hammond's reelection in 1978, and had he won the PFD might have developed differently or not at all. But Hammond won, and it is his

interpretation of the wealth of Alaska representing an agglomeration of equal and broad-based individual ownership claims by residents that was baked into the PFD and has remained dominant.

Legally though, Hickel's interpretation has the edge. These multiple interpretations of PFD ownership were on display in a court case in the 1980s. Two PFD recipients brought a suit against the State of Alaska challenging its taxation of PFDs (which are and have always been considered taxable income), on the grounds of Hammond's rhetoric: the people owned the wealth of the APF and were entitled to a portion of its returns, "they shouldn't be taxed on something that already belonged to them" (Cummine 2016). It's no surprise that this wasn't persuasive to the court – after all, even investment income accruing from personal wealth is taxable. But as Cummine notes, the important thing about the reasoning employed was that the courts engaged seriously with the question of ownership. They "treated the State of Alaska and its citizenry as independent and ultimately competing candidates for ownership of Alaska's sovereign wealth" – and they came down on the side of the state as owner (Cummine 2016). Mike Gravel agrees that the PFD is not in fact an instance of the individual ownership model as he conceived of it in the Alaska General Stock Ownership Corporation. Commenting on the differences in my interview of him, he explains:

> Well, the oil revenue [the people] don't own. That's the state that owns it. And I'm not upset with that – here I believe in public banking, no, I think that there's nothing wrong with that. It's a rainy-day fund, and it's so big that you can turn around and give some people some rain every year. So that's fine. But what I was talking about was the ownership of the tools of capital. And that, of course, is the secret.

Repeal of the Personal Income Tax

The final crucial piece of Alaska's fiscal infrastructure created in response to the discovery of oil on state lands was the repeal of the personal income tax. If oil revenues were

coming in so quickly that the state felt the need to lock them up in a trust so as not to overspend, surely there was no longer a need to be collecting taxes from the people, so the reasoning went. Cutting taxes was a popular proposal and many legislators supported it for that reason. Both Hammond and Hickel and other key creators of the Permanent Fund and Dividend in fact did not support the personal income tax repeal. They understood that the oil boom would not last forever – that after all was a key reason for needing a permanent fund – and that taxes would continue to be a necessary piece of revenue. Further, they figured (correctly) that once done away with, taxes would be very difficult politically to reinstate. Even as Hickel had argued that the state's viability could not be built on taxation alone, it was always a part of the picture for him. Losing taxation and relying entirely on natural resource wealth, some noted, would not only make for a less stable economy but also for a less accountable government – if legislators could pay for their priorities without the people's money, what tied them to heeding the people's will?

Research Methods

Field Sites: Anchorage and Homer

I spent about six months on the ground in Alaska doing fieldwork for this project. My first preliminary visit was in the summer of 2017, which I spent primarily in Alaska's capital, Juneau. I conducted six full-length interviews there, to begin to seek answers to my questions on individuals' subjective experiences with the PFD program, and I talked to dozens of other residents informally, including informational interviews with various community leaders to get a sense of what issues this topic brought up. The month in Juneau helped me shape the project and make connections in the state; it also confirmed for me that Juneau would not be the best place to situate the larger study. While I had imagined Juneau would be important to getting an inside

view on PFD politics, since it holds the state legislature, I came up against two facts repeatedly. First, Juneau is very small, with a population of about 32,000 as compared to close to 300,000 in Anchorage, Alaska's largest city. Although Juneau is the political seat, many major organizations are based in Anchorage, and there is a large enough population there to sustain a much more robust web of organizations to connect with for my research. Second, Juneau is somewhat culturally distinct from the rest of Alaska. While I knew I would never find a singular "real Alaska" in which to situate my research, I heard all the time from Alaskans that I would certainly not find it in Juneau. Southeast Alaska, where Juneau is located, is geographically removed from the rest of the state and shares a climate with the Pacific Northwest more than the Alaska Interior. Juneau itself is a distinctive city in that its biggest employers are the state and federal government and the tourism industry – both contribute to a sense that Juneau is overrun by "outsiders."

The clear choice when I returned to start my dissertation research in earnest at the start of 2019 was Anchorage. Anchorage is home to about 40 percent of Alaska's population. It is located in Southcentral Alaska on the Cook Inlet – a bay which opens up to the Gulf of Alaska – and sits at the bottom of the Chugach Mountains to the east. Anchorage is comparable to some mid-sized US cities in population – a bit smaller than St. Louis and just larger than Buffalo. In population density, it's closer to Macon, Georgia (and still several times less dense). As in much of Alaska, government – including a large military base – is a large driver of employment, as is tourism. Anchorage is also home to the state headquarters of the lion's share of Alaskan corporations and national and multinational corporations with a presence in the state; oil and gas and transportation are top industries. According to the 2020 census, the population of Anchorage is about 57% non-Hispanic white, 10% Asian and Pacific Islander, 9% Alaska Native and

American Indian (Anchorage exists on the traditional homelands of the Dena'ina Athabascan people), 9% Hispanic or Latino, 8% multiracial, and 6% Black. Compared to Alaska as a whole, Anchorage has a smaller proportion of Alaska Native and a larger proportion of Asian, Black, and Latino residents. Anchorage is a diverse city with plentiful opportunities for a researcher to plug into communities.

Yet much of Alaska, of course, is rural. Rural residents are likely to have different relationships to labor markets and social welfare programs, in addition to some distinct sets of cultural and political values. I wanted to spend at least some time in a smaller town to see what I could learn of this perspective. One obvious choice could be an Alaska Native community; the state has over 200 federally recognized Alaska Native Villages which are bearers of diverse cultures, languages, and ways of living. Working as a white researcher with no previous knowledge of Native peoples and limited time and funds to travel and make meaningful connections, I decided against this.

A feasible alternative was to include the town of Homer as a secondary research site. Homer is a town of less than 6,000 people on Alaska's Kenai Peninsula, some 200 miles south of Anchorage. It's located at the southern tip of the Sterling Highway (the only road in) and has a reputation for attracting an eclectic array of fishers, artists, and outdoor enthusiasts looking for a slower paced life. The indigenous community of Alutiiq and Aleut people is largely based just across the Kachemak Bay in Seldovia; the City of Homer itself is about 87% white, 6% multiracial, and 5% Alaska Native. Sport fishing, commercial fishing, and tourism are the biggest industries. Homer is relatively accessible from Anchorage and not so small that it would be hard for an outsider to find a place to live and make her way into some key institutions. While

the town is not necessarily "representative" of rural Alaska, it succeeds at providing a contrast to Anchorage in terms of the cultural and economic lives of the people I met.

Map of Alaska showing locations of Anchorage and Homer



Qualitative Interviews

The core of my data for this study are my qualitative interviews. My interview guide included three broad sections. First was an overview of a participant's life history and current day-to-day life in terms of family ties, housing, employment, community involvement, time use, and finances. Next, I asked about their experiences with the Permanent Fund Dividend, asking them to walk me through the process of applying for and receiving (or not receiving) the checks, deciding how to spend or otherwise allocate the money that came in, and how their lives were different because of the dividends. We focused mostly on the 2019 dividend, but I also asked about past and future experiences. Finally, we discussed the PFD as a public issue – I probed for participants' knowledge and opinions on the dividend program's history, purpose, and effects for

Alaska and Alaskans overall. Interviews lasted between 30 and 90 minutes and participants received $40 in cash in compensation. I conducted the interviews in public places, a Head Start office, and participants' homes. Overall, I interviewed 72 research participants. The context and recruitment methods varied across three segments, which I will call the Survey Sample, Rural Sample, and Head Start sample.

Survey Sample (n = 38)

In February of 2019, I administered a brief survey to 154 participants in Anchorage, with the primary purpose of obtaining a set of contacts from which to draw a sample of interview participants stratified on demographic criteria. The survey was open to any local residents (whether or not they received the PFD) and participants were paid $5 for completing the survey, with the knowledge that they could earn an additional $40 to $80 if selected for follow up interviews. I found willing participants across a number of public spaces in Anchorage. This included 71 surveys at the Mountain View branch of the Anchorage Public Library – Mountain View is one of the poorest parts of Anchorage, and the library is a popular spot for houseless community members to sit, use the computers, and get information on jobs and resources. There were also 65 surveys completed at the Anchorage PFD Office – people visiting the PFD office may be there to pick up, drop off, or get help with dividend applications, and represent a wider cross-section by class. Finally, I recruited an additional 18 from a coffee shop, social club, and performance venue.

Of the 154 respondents, I stratified by class (using questions on employment, housing, public benefit assistance, and their subjective evaluation of their economic situation) and race to pull a sample of 60 target respondents for interviews. Specifically, I assigned all survey

respondents to one of the 12 class/race cells below, and then randomly selected the desired number of participant IDs from each cell.

Demographics of Stratified Random Sample (n = 60)

	White	Alaska Native	Black	Other
Highest income/class	5	5	1	1
Middle income/class	8	8	3	5
Lowest income/class	8	8	3	5

Some who were unreachable (i.e. phones out service), I replaced with others from the same race/class cell, so ultimately I reached out to 73 of the 154 survey participants to get to the sample of 60. Out of the 73 I reached out to, 35 (48%) agreed to go through with an interview. I conducted these interviews in February and March of 2019. I conducted second interviews in November and December of 2019 with 8 of the 35 participants. In December of 2019, I supplemented the higher income end of the sample by using the Princeton alumni database to reach out to alumni living in Anchorage; I conducted 3 interviews this way.

As aimed for, the 38 interviewees from the general Anchorage pool are highly varied in their living circumstances. To a survey question that asks them which best describes their current situation, 28% selected “barely surviving,” 31% selected “getting by,” and 38% chose “living comfortably.” Of those selecting the former two options: 40% (9) are unemployed, 17% (4) are homeless, and only 26% (6) are married or living with a domestic partner. Just under half (10) were born in Alaska, but there are only 2 real newcomers, while the rest have been in the state for 10 to 50 years. Most live in 3 zip codes in the Northern part of the city, which includes Anchorage’s downtown and the low-income neighborhoods of Fairview and Mountain View.

This subset is about 40% white, 40% Alaska Native, and 18% Black; 56% are men. Of the 15 participants who say they are "living comfortably" on the other hand, 70% are married, 70% own their homes, all have college degrees or some college, and just over half are white.

Rural Sample (n = 16)

In August and September of 2019, I spent four weeks in Homer, Alaska, where I conducted interviews with 16 local residents. I reached out to various community organizations to recruit interview participants, and also put up flyers in town to attract whoever might be interested. I ended up with 5 participants who I met at a food pantry, 3 through the Homer Maritime Trades Association, 2 from the Rotary Club, 3 who responded to my flyer, and 3 through personal connections and chance meetings.

The respondents from Homer represent a range of living circumstances. The sample is about a third each employed, self-employed, and retired, with only one person who is unemployed. About half of them are married and a quarter of them have children under 18. There is much less racial diversity in Homer than in Anchorage, and this is reflected in the sample – 4 participants are part Native and part white, and the remaining 12 are white. They are 63% men.

Head Start Sample (n = 18)

In October and November of 2019, I conducted 18 interviews with parents of children in an Anchorage Head Start program. I recruited interviewees from this group on the basis that they received the PFD in 2019. Because all interviewees had received a recent dividend, these interviews focused more closely on participants' monthly income and spending and how they used the income from the 2019 dividends.

The Head Start sample is more uniform in some ways, as all participants have in common having a pre-school-aged dependent and qualifying for the school, where 94% of families meet federal poverty guidelines. The sample consists of 6 single mothers, 9 partnered parents, and 1 grandmother. Of the single mothers, 4 had jobs and 2 were unemployed. Of the partnered parents, all are in households with at least 1 working parent – in most cases I interviewed the stay-at-home partner, but in two cases I interviewed the working parent and in one case I interviewed both parents together. The number of the children in the households ranged from 1 to 8. The sample includes 5 people with ancestry in the Caribbean or Spanish-speaking Americas (including Dominican, Puerto Rican, Salvadoran, and Mexican), 4 with Asian or Pacific Islander ancestry (Lao, Tongan, Samoan, and Hawaiian), 4 Alaska Natives, 2 white European, and 2 with a mixed racial background. One quarter of respondents had a degree in higher education (bachelors, associates, law, or military), while the rest had completed some high school, high school, a GED, or some college. The interviewees and their working partners work in food service, administration (at schools, hospitals, and businesses), healthcare (as nurses or personal care assistants), warehousing, carpentry, cab driving, and accounting. The median age is 29.

Policy Review

Another source of data for this project was the legislative history of the PFD program. I used the Alaska State Legislature's online "infobases" (at https://www.akleg.gov/basis/folio.asp) to compile a dataset of Session Laws mentioning the Permanent Fund Dividend from 1981 through 2019. I used this primarily to learn about the eligibility and garnishment statutes described in chapters one and two.

Quantitative Data Analysis

Finally, I collected quantitative data from several public sources, which informed my analysis throughout. This included the annual reports of the Alaska Permanent Fund Dividend Division (part of the Department of Revenue), annual reports of the Alaska Permanent Fund Corporation, spending data from the Alaska Office of Management and Budget, revenue data from the Alaska Department of Revenue, and data on PFD-related programs such as the charitable giving program and the education savings program.

Media Analysis

I did not conduct a formal analysis of media, but I relied heavily on the Anchorage Daily News, Alaska Public Media, and various blogs and media outlets that arose in following a Google Alert on the Alaska PFD from 2018 through 2021 to inform Chapter 4 on dividend politics and get a better sense of the Alaska context.

Outline of the Dissertation

My dissertation proceeds in four chapters. In Chapter One, I ask a fundamental question about the Permanent Fund Dividend program: who's in? Questions of how to count and define a benefit receiving population are central to designing and maintaining social programs. In the case of universal programs, the issue is deceptively simple. Indeed, simplifying eligibility, as compared to targeted programs, by broadening it to "everyone" is a major aim and draw of universal programs. But when it comes to implementation, we see that just who is and isn't a part of "everyone" is not immediately discernible. Even the language of "citizen shares" raises a fundamental question: are universal benefits to be limited to citizens? Proponents of a global

basic income propose that citizenship should play no role in eligibility: all who live on this planet should receive the entitlement. In existing cash transfer policies though, borders are key. As in other policy arenas, how, when, and if to include various categories of immigrants and non-citizens is a political question. As an empirical question, the coverage of social programs has been overlooked. Prior research on the Alaska Permanent Fund Dividend has taken universal coverage as an assumption and looked instead at its consequences. Operationally, this means considering coverage to be "close to 100%" and not concerning oneself with deviations from that. But universality must be investigated empirically, and that is what I do in this chapter. Using publicly available data from the Permanent Fund Dividend Division, I illustrate trends in coverage from the start of the program to now. I then examine more closely the major categories that comprise the excluded: folks who are new to the state, certain categories of immigrants, and people with certain criminal conviction and incarceration records. For each, I review the policy history that led to their exclusion and provide a quantitative estimate of their size as a group. While eligibility – how the written policy defines who's in and who's out – is a major focus of this chapter, there are other contributors to overall inclusion or exclusion. In the last part of the chapter, I discuss access and take-up: are there Alaska residents who are eligible for the PFD but don't receive it because of administrative burdens or barriers or who simply choose not to? These issues are well theorized in the social policy literature but are harder to document empirically. I produce quantitative estimates of eligible Alaskans who nonetheless don't receive dividends, and I share data from my interviews illustrating some of the relevant access barriers and reasons for opting out.

Chapter Two arises from a research "surprise" (Timmermans and Tavory 2022) – I found repeatedly in my interviews with the most economically disadvantaged Alaskans that the PFD

didn't play any visible role in their lives because it was always garnished to pay for debts. This suggests that the measure of universality in Chapter One is something of an undercount: around 5 to 7 percent of Alaskans recorded as receiving dividends don't, in fact, receive a cash check, but rather, have it involuntarily put toward one or more debts to public or private parties. The issue of PFD garnishments is not at all widely discussed in the scholarly literature or in public. Yet I find that the statutes allowing dividends to be garnished are remarkably pro-creditor as compared to regulations around wage and other benefit garnishments. The existence of PFD garnishments challenges basic precepts about universal income – a policy that supposedly awards the same grant to all, with no strings attached, in fact does have strings attached when it comes to people with debts. The structuring of garnishments is an often-overlooked aspect of policy design that can have a big effect on outcomes, and I find that in the case of the PFD, it tends to affect those who are most disadvantaged and could arguably use the dividend the most. In the chapter, I analyze garnishment data from the PFD Division annual reports, which illustrate the scope of the issue, which agencies are benefitting from it most, and trends over time. Then I use my interview data to look more closely at different categories of garnishments, focusing on PFDs garnished for debt to the criminal legal system, child support, and student loans.

In Chapter Three, I turn to the majority of Alaskans who do receive cash dividends from the Permanent Fund. A major question to economic sociologists and policy scholars is, of course, what do they do with it? First, I describe my research findings by allocation category; I find that Alaskans use PFDs for everyday needs, bills and debts, big purchases, leisure and gifts, saving and investment, or simply throwing it into a general account. For each category, I discuss who is more likely to make this allocation (which tends to be patterned by class), why people make these choices, and what kind of a difference they say it makes for them. I look separately at

children's dividends, which some families (usually high wealth families) allocate differently than adults' dividends. Finally, I consider cases where the PFD seems to provide a unique role that couldn't be filled by wage income or other government programs.

Finally, Chapter Four considers the politics of the Alaska Permanent Fund Dividend. Advocates of a universal basic income have argued that it makes for "good politics" in two particular ways: it is not very partisan, and it is extremely difficult to undo once established. The "Alaska case" was considered the model of these precepts. However, events of recent years have seemingly proven both of them wrong. I describe the policy history of the PFD from 2015 through 2019 – a period in which the largely stable consensus on the program has finally shattered. Then I use my interviews to illustrate the major configurations of Alaska residents' opinions on the PFD as of 2019. I find that nearly all agree on the dividend as being a "share" model – and no one views the program as primarily a welfare program. Yet within the share model, there are at least two distinct visions, seeing the state's natural resources as owned either by individuals or the state. These support differing attitudes on what should be done about the dividend, state spending, and taxation.

In the Conclusion, I reconsider the Alaska PFD as a "real utopia" and discuss how it does and doesn't fulfill the promises of its theoretical potential. I use this to provide guidance on policy recommendations for the program going forward.

Chapter 1: Who's In? Eligibility, Access, and Take-Up in a "Universal" Income Program

Introduction

A central concern of political sociology is the creation and maintenance of the relationships between states and their populations. A literature of legibility points to the key role of censuses, maps, registries, and identification papers in a state's ability to govern (Scott 1999; Torpey 2000). In order for the state to function as a bounded sphere of power, insiders and outsiders must be defined, and the definitions reinforced both legally and culturally (Brubaker 1992). If we understand such insiders as not only citizens but social citizens, entitled to basic economic welfare (Marshall 1992), the implementation of comprehensive social policy becomes an important site for the creation of the citizenry. For example, scholars argue the New Deal contributed immensely to incorporating American men, particularly white men, into the polity as national citizens – ones whose fate was to a significant extent molded by the federal government (Mettler 1998).

If social citizenship at a subnational level is considered in this literature, it tends to be as an inferior version of national social citizenship, lacking in the broad protections of equal treatment (Banting 2006; Mettler 1998). That well may be the case. Still, the concept deserves more scrutiny. Given the fact of federalism in the US case, it is important to understand how states (as opposed to nation-states) construct citizenry. American states have their own identity documents, requirements for participating in state-level politics and receiving state-level benefits, and apparatuses for collecting taxes and inflicting punishment. In Alaska, with its geographic remoteness, cultural distinctiveness, and of course the existence of a universal cash transfer program, a notion of state citizenry is particularly salient. I apply this lens to analyzing who receives the Permanent Fund Dividend. The PFD is a unique case for the US, which is

largely lacking in universal social policies. As a program that is universal in name, there should be complete overlap between recipients of the PFD and the population of Alaska. Indeed, previous studies on the dividend have simply assumed coverage to be close to 100 percent. But in fact, there are gaps; contested areas where residents are not dividend recipients, often due to in some way failing to meet the unspoken terms of state citizenship. Exclusion from the dividend program begets further exclusion from the benefits of public life. Furthermore, while coverage in previous studies is assumed to be static – and the typical trend for universal social policy is towards increasing coverage over time – I find that for the PFD, the proportion of Alaskans has instead narrowed in the past four decades.

Next, I will review social policy literature on universalism, describing how scholars have measured and explained the causes of benefit coverage rates. I introduce the concepts of eligibility, access, and take-up, which combine to influence overall coverage. Then I present and analyze the publicly available data on dividend applications and receipts over time. Focusing on 2019, I present a breakdown of the Alaska population by PFD receipt status, showing how many successfully received the dividend and my estimates for how many were ineligible and how many were eligible but didn't receive the dividend due to access barriers or non-take-up. In the rest of the chapter, I review eligibility, access, and take-up in turn. Eligibility is the most significant factor in coverage and I describe it in the most depth: I review the primary criteria of longevity, immigration status, and incarceration/conviction status, presenting the history of the policies for each along with a quantitative estimate of how many Alaska residents are made ineligible for the PFD by each criteria. Finally, I turn to my interview data to illustrate the access barriers and reasons given for non-take-up that might explain the approximately 4 percent of Alaskans who are eligible for a dividend yet don't receive it.

Universalism in Social Policy

This chapter draws on literatures that examine universality in social policy and issues in the access and take-up of social benefits. The PFD can be understood as a universal social benefit under the criteria that eligibility is presumptively comprehensive of the population (unlike means-tested social assistance) and the payments are not tied to a contribution history (unlike social insurance) (Béland and Waddan 2017). Universality is indeed fundamental to how Alaskans and scholars understand the program. When asked about features of the Permanent Fund dividend they favor or oppose, ninety percent of Alaska voters surveyed in 2017 strongly favored that "everyone who is basically a full-time resident of Alaska gets it" (Harstad 2017). The PFD has been studied as a "universal dividend system" (Barnes 2014), a "universal cash transfer" (Guettabi 2019; Jones and Marinescu 2022; Watson, Guettabi, and Reimer 2019b, 2019a), and a "universal basic income" (Berman 2018; Widerquist and Howard 2012b). The dividend is unusual in this respect in the context of the US, which does not provide many social programs universally as most other developed countries do (Currie 2004). We will therefore refer to social policy from Canada and the UK in addition to the US. Political discourse around the PFD bears out the notion that "the operating principle for universal provision is of equal benefits or equal access" (Béland, Marchildon, and Prince 2020). Yet in practice, there are many barriers to achieving universal provision. Historians of social policy in the U.S. have argued further that the seemingly neutral notion of universalism is often applied to in practice to select populations only, justifying policies that end up end up furthering a social order dominated by male, white, working citizens (Glenn 2004; Katznelson 2005; Mettler 1998).

Policy analysts use administrative and survey data to evaluate proximity to the goal of universality, estimating measures including coverage and beneficiary ratios (Van Ginneken 2007). In this literature, coverage refers to the total number of people who can potentially receive benefits – those who are eligible for or "covered" by the program. I understand coverage to be a matter of politics, institutions, and history. Achenbaum's study of Social Security demonstrates how in that case, shifts towards universal coverage came to pass at a couple of critical junctures (the amendments of 1939 and 1972). This progression was not guided by a strategy laid out in advance: the original 1935 act had a "tentativeness concerning long-term goals [that] was deliberate," leaving the policy's architects "room to maneuver" (Achenbaum 1986). Guided by political pragmatism, legislators found inroads to expanding Social Security through a combination of seemingly small technical adjustments and capitalizing on postwar prosperity to enact liberalization when supportive coalitions could be built. As Achenbaum describes, "many consequences of social security policy making were ironic, unintended, and unspoken." I apply this perspective to understanding the evolution of the PFD. Something as core to the program as the notion of equal benefits to all Alaska residents only in fact appeared after a lawsuit successfully challenged the legality of the original vision of the program as an accumulating reward based on longevity. The universality of the PFD was then limited in incremental ways, in part with reforms aimed at implementing something closer to the original concept. Changes were often technical and administrative and went unnoticed, and the role of the courts is also undeniable. The direction of change has, unlike Social Security, been towards less coverage over time, but the same logic applies. While Social Security was created with an ambition of broad universal coverage that was only possible to enact with incremental expansions, the PFD was

created with a particular vision of rewarding the "contributing" Alaska citizen, which required continually tightening eligibility when pragmatic to do so.

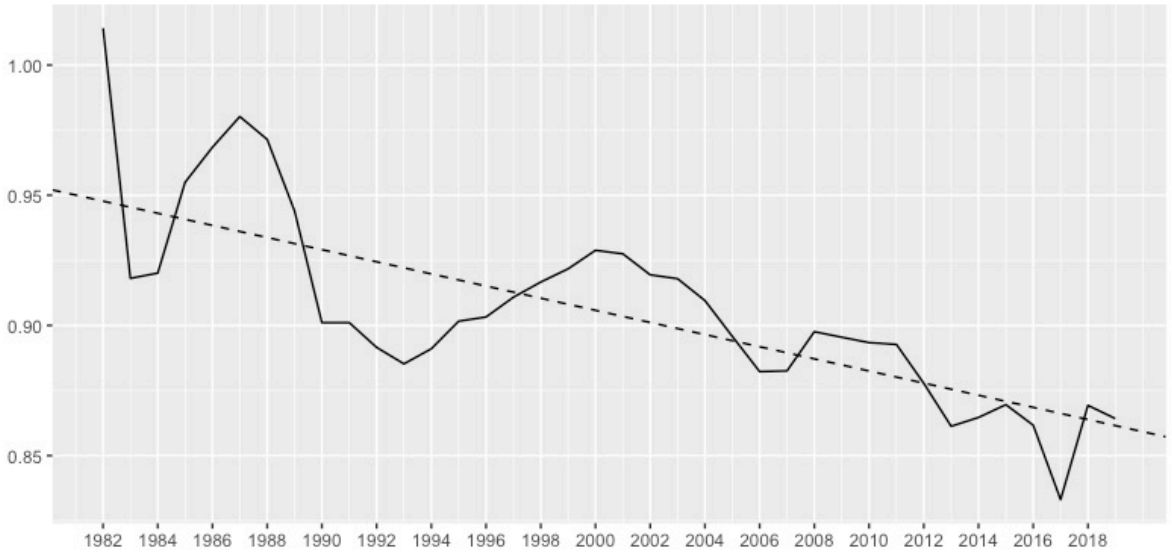
Beyond coverage, universality in practice depends on access and take up: of all those theoretically covered by the program, who chooses to – and is successfully able to – claim it? The non-take-up of benefits by people who qualify to receive them is a well-documented phenomenon (Auray, Fuller, and Lkhagvasuren 2019; Keene and Prokos 2010; Kopczuk and Pop-Eleches 2007). A prevailing view of access and take-up in the social policy literature can be understood as an application of bounded rationality (Simon 1955), with potential beneficiaries using cost benefit analysis to determine whether they will participate. The biggest costs for participating in a universal program tend to be transaction costs – those associated with filling out and delivering an application as well as acquiring information about the program and process (Currie 2006). Stigma introduces an additional social cost in means-tested programs, but as is the case with other universal benefits (Calnitsky 2016), I find no evidence of people in Alaska associating a stigma with PFD receipt. Other scholars have added some complexity to the rational choice model for benefits take-up by applying newer concepts from behavioral economics. A field experiment of EITC take-up found that small and largely noninformational changes to mailings had an outsized effect on take-up, suggesting a mechanism beyond rational calculation (Bhargava and Manoli 2015). My research on take-up of the PFD does find a role for transaction costs – and contributes to the literature by suggesting ways these costs are patterned by social class. Further, I find evidence of "irrational" behavior, like forgetting to apply even while recognizing the benefit would exceed the cost, and of personal and political beliefs having an impact.

Measuring Coverage, Access, and Take-Up

Publicly available data from the Permanent Fund Dividend Division of the Alaska Department of Revenue tell us the annual number of PFD applications received and number of applications paid since the first dividends in 1982. Along with Alaska Department of Labor population estimates, the data suggest that the dividend is received by an impressively high proportion of Alaskans, but that it is not quite universal. This information is easily accessible, yet I have not seen any presentation or analysis of it in the published literature on the PFD. Universality is typically taken to mean "close to 100%" and presumed to be relatively static. Instead, I find a slow but steady downward trend away from complete universality since around the year 2000.

Figure 1 shows the PFD participation rate over time, defined as the number of dividends paid annually divided by the state population. Total participation in the program has ranged from a high of over 100% in 1982 – likely due in part to inaccurate population estimates – to a low of 83% in 2017. The median rate across the data set is 90%, yet 90% has not been reached since 2005. I calculate a basic correlation test of participation rate with year and plot a linear regression trend line, removing 1982 from the data to ensure sure the results are not dependent on this abnormality. The Pearson's product-moment correlation test shows a strong correlation of -.78.

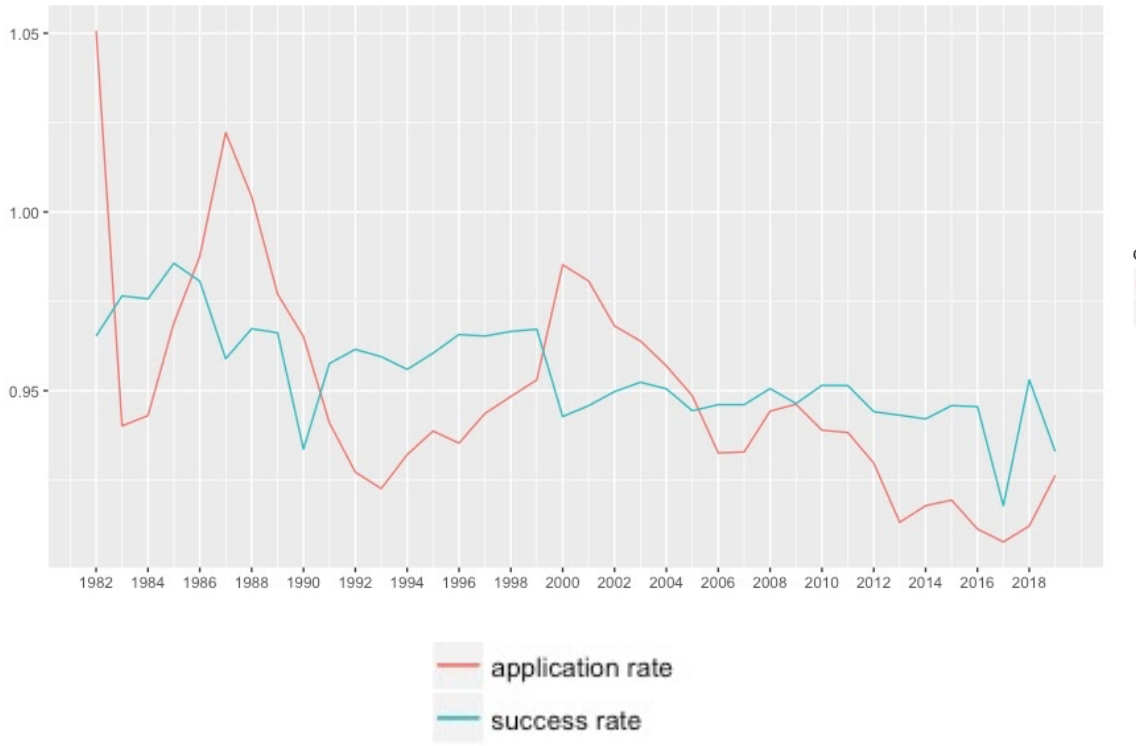
Figure 1: Percent of Alaska Population Receiving the Permanent Fund Dividend, 1982-2019, with Linear Trend Line



In figure 2, we break this down further by looking at the application rate (what proportion of residents apply), and the application success rate (what proportion of applications are accepted). Between 92 and 99 percent of applications sent in are accepted each year – 95% on average. The success rate was consistently above 95% prior to 2000, with the exception of 1990, which this chapter will later explain was an anomalous year for residency requirements. Since 2000, the success rate has generally remained around 94 to 95%.

The application rate ranges from 105% of the population in 1982 to just under 91% in 2017. The decline has been relatively steady from 2000 through the present. The participation rate is more closely correlated with the application rate (correlation of .94) than it is with the success rate (.66), suggesting that the number of people who apply for the dividend has driven change in overall participation more than the number of applications accepted or denied.

Figure 2: Application Rate and Success Rate, 1982-2019

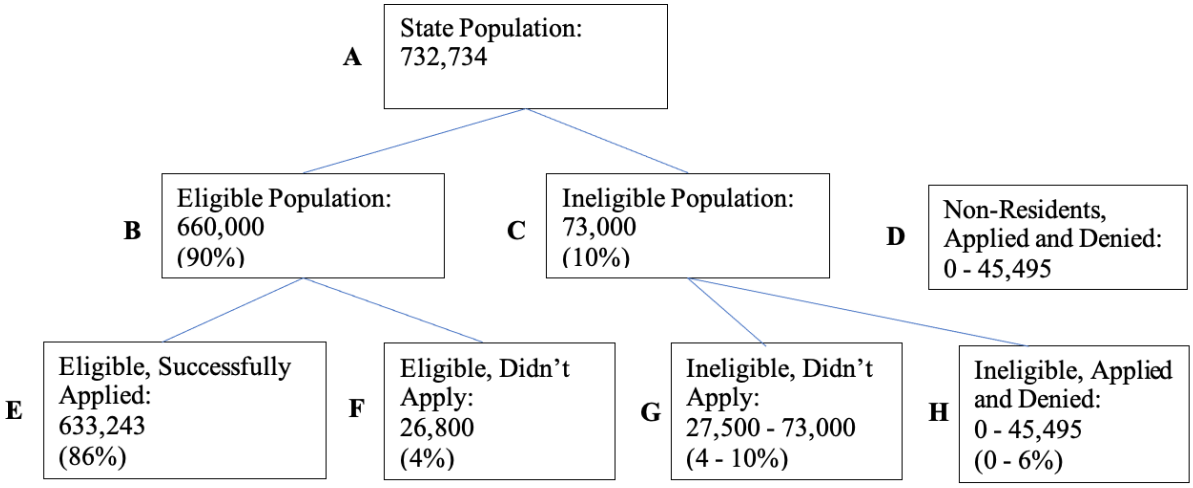


The participation, application, and success rates don't directly tell us coverage or take-up; I use data on the 2019 dividend to estimate these. In the figure below, boxes A and E represent official statistics – the Alaska population and the number of dividends paid, respectively. The number of rejected applications is also calculable from the statistics, and is represented as the sum of boxes D and H. We would like to know what proportion of Alaska residents who don't receive the dividend are programmatically ineligible (not "covered"), and what proportion of them do meet the criteria but fail to access it or choose not to take it up.

I estimate the ineligible population, box C, as the sum of Alaska residents who were likely ineligible in 2019 under criteria relating to duration of residency (i.e. they moved into the state too recently), immigration status, and incarceration and criminal conviction status. These three categories and their estimation methods will later be described in detail. The broader finding is that I estimate that approximately 90% of Alaska's population was *eligible* to receive a dividend in 2019. Since we know that 86% of the population received the dividend, this means

that about 4% of Alaska residents would have been eligible but didn't submit an application. Of the 10% who were not eligible, we can't say precisely how many applied and were denied versus didn't apply at all, because we don't know how many of the approximately 45,000 denied applications were from actual Alaska residents versus people outside the state. Still, the estimates show that the primary factor keeping coverage below 100% is the eligibility criteria, rather than non-take-up among eligible residents.

Figure 3: 2019 Dividend Application Breakdown



Components of Box C Estimate

Ineligibility Reason	**Estimate**	**Fraction of Population**
New mover	53,700	7.3%
Immigration status	11,000	1.5%
Incarceration status	8,000	1.1%
Total	72,700	10%

Eligibility

We turn now to the eligibility criteria. While it is taken for granted that means-tested or categorical benefits involve setting boundaries about who is in and who is out, universal programs also of course require such mechanisms. In the case of the PFD, where the benefit is simply cash, a flat distribution size, and unconditional, eligibility determination is indeed the primary role of the regulatory apparatus. Because there are so few truly universal social programs, this process is undertheorized. As we see above, it turns out that only about 90% of Alaska's population was eligible for the "universal" dividend in 2019. It is productive to draw on a literature of social welfare provision that has focused heavily on deservingness and categories of worth (Steensland 2006) alongside literature of citizenship and social citizenship, which shows how and why states name and enclose their membership (Brubaker 1992; Katz 1986; Scott 1999). There is a tension between the two frames in the history of PFD eligibility, because at times there has been broad agreement on the dividend being for "all Alaskans," which makes eligibility determination synonymous with determining who is an "Alaskan" – a concept that gets labeled "residency" but is fundamentally similar to citizenship. Yet at other moments, we see deservingness frames deployed to either restrict access among residents or loosen the criteria of residency. Certain distinctions are also made as a result of particularities of Alaska's history, geography, and economy.

Residency and Longevity

The primary criterion for dividend eligibility is Alaska residency. Residency in American states is not a uniform concept, but rather emerges from a patchwork of cultural practices, administrative policies, and judicial decisions. The modern PFD definition of residency uses a number of imprecise tests to attempt to establish *rootedness*. According to statute, an eligible

PFD recipient must have "the intent to remain indefinitely" in Alaska – a standard that is surely impossible to accurately measure. While durational residency requirements are common across the U.S. as a part of determining eligibility to vote, run for office, receive welfare benefits, pay in-state tuition at a public college, and more, the PFD's appeal to permanence goes further than most.

This orientation may be traced to Alaska's relatively recent colonial past. American settler colonizers who made Alaska their permanent home in its days as a U.S. territory participated in a highly extractive economy whose primary beneficiaries were the federal government and distant corporations and investors. Ensuring that residents would benefit from their natural resources was therefore the preoccupation of the political leaders who fought for statehood, wrote the state's constitution, and began to independently govern it (Naske and Slotnick 2014). Further, starting the with discoveries of gold at the end of the 19th century, Alaska has had several waves of rapid in- and out-migration, bringing transient populations "in it to make a quick buck." On the other hand, Indigenous Alaskans represented more than a quarter of the Alaska territory's population in 1950 (Goldsmith and Hill 1997). Longevity was key to belonging in the state political system, but it needed to be construed at the appropriate scale, so as to exclude opportunists while including white and other settlers who set up permanent homes as legitimate claimants alongside the Native populations. Indeed, an entire lexicon unique to Alaska exists around these distinctions, naming old timers "sourdoughs" and newcomers "cheechakos," for example.

The Longevity Bonus Program is one example preceding the PFD of public policy in Alaska being used to reward this conception of longevity. Created in 1972, the program paid $100 a month to seniors (ages 65 and older) who had lived in Alaska prior to statehood and for at

least 25 years continuous years. This was a popular policy and was ultimately ended because of a court challenge, as has been the case with other longevity-based policies in the state.

The original Permanent Fund Dividend legislation that passed Alaska's House and Senate in 1980 made longevity a much more central feature of the program than it is today. In that version, championed by Jay Hammond (Republican Governor of Alaska from 1974 to 1982), pay was tied to years of in-state residency, so that longer term residents got higher dividends. In 1980, all residents would have received $50 a year for each year they had lived in Alaska from 1959 until then. The statute was written so that 1959 (the year of statehood) would remain the first year of the count on into the future; in 2019, say, a resident since before statehood would have received sixty times the dividend of a resident of only one year.

This never came to pass though, as Ron and Penny Zobel, who had moved to Alaska in 1978, initiated a suit against the state claiming the dividend plan was unconstitutional. After an Alaska Superior Court sided with the Zobels and the Alaska Supreme Court overturned that decision and sided with the state, the U.S. Supreme Court finally held in 1982 that the dividend legislation violated the Equal Protection Clause of the 14th Amendment. (Citing the Zobel case, the Alaska Supreme Court would also end the 25-year residency requirement for senior payments in 1984.) The legislature had passed a "backstop" bill proposing equal dividends to all residents in the case of a court challenge, and so this went into effect and paid the first dividends in 1982.

The 1982 bill required six months of residency – defined as physical presence in the state with the intent to remain permanently – for dividend eligibility. While longevity-based payments were not again attempted, future legislation would further the goal of restricting benefits to the stable residents by lengthening residency requirements. Indeed, the move in this direction was

once again only stopped when the court stepped in. In 1989, the legislature passed a bill increasing the residency requirement from six months to two years. This was in place for the year of the 1990 dividend only, and then a Superior Court invalidated it. This was also anticipated, and so a clause went into effect declaring a one-year residency requirement as a compromise.

Logistical details of the policy make it so that there is effectively at least a two-year residency requirement, though it is not labeled as such. The "one year" requirement that went into effect in 1991 was interpreted to require 12 months of residency preceding April 1st of the dividend year. In 1992, a new bill shifted this to a calendar year system – effectively adding three more required months to the 12 (January through March of the previous year). There has been no change in the schedule since. Since dividends are paid out around October, a new resident needs to live in Alaska for between 23 and 34 months (depending on what time of year they move) before receiving their first check. Move to Alaska at any point in 2020, say, and you'll earn your calendar year of residency for 2021, making you eligible for the dividend that comes out in October of 2022.

The originally proposed longevity-based PFD payments would seem to be counter to the goal of including all Alaskans on equal footing, and indeed that is what the court decided. But Governor Hammond had argued that it was in fact rooted in equity, as paying newcomers the same as old timers would amount to grossly undercompensating the latter for their efforts and sacrifices in building the "frontier" state (Hammond 1996). His notion of citizenship was not merely based on longevity, but on longevity as a signal of contribution. My interview participant, Joe, recalls a "very tense discussion" with a colleague who held that opinion in the early '80s: "I

think she felt that after X winters in Alaska she was entitled to more than someone who just got here."

A number of my interviewees who had been in the state since before 1980 were still angry about the Zobel decision and recalled to me how the Zobels became the most hated couple in Alaska in the wake of the case, evidenced by the spread of t-shirts and bumper stickers stating as much. There is a level of paranoia in this, in addition to Hammond's ethic of equal rewards for equal contribution (or simply equal "grit" needed to survive the winters). William, a 70-year-old veteran living in Homer, described the events to me in this way:

> A guy named Zobel came up here, and he demanded his fair share. He was from down in the lower 48, he wanted to get a Permanent Fund too cause he found out 'hey they're giving out free money up here.' But it was for the locals… And as soon as he went to the Supreme Court, guess what? He moved back down to the lower 48, he was only up here like six months.

In actuality, Ron Zobel died in Anchorage in 2005 after serving as Assistant Attorney General for Alaska for 15 years.

Quantifying New Movers

Duration of residency is the most significant limitation on PFD eligibility. I estimate that in 2019, the calendar-year residency requirement made about 7% of people living in Alaska ineligible for the dividend.

I use the following formulas to estimate this, where N is the Alaska population in a given year, D is the number of people within N who newly moved to Alaska in the previous 12 months, and M is the in-migration rate for that year. Data comes from the American Community Survey, which reports whether a respondent moved in the previous 12 months and whether that move

was from another state or country. The eligible population in question is defined here as the number of people living in Alaska in mid-2019 who had been there since before January 1, 2018.

i. $$M(2018) = \frac{1}{2} \times \left(\frac{D(2018)}{N(2018) - 0.5 \times D(2018)} + \frac{D(2019)}{N(2019) - 0.5 \times D(2019)} \right)$$

ii. $$M(2019) = \frac{D(2019)}{N(2019) - 0.5 \times D(2019)}$$

ii. $$\text{Eligible Population 2019} = N(2019) \cdot e^{-M_1(2018) - 0.5 \cdot M_1(2019)}$$

First, we calculate the rate of in-migration to Alaska in 2018 and 2019. We assume, as is standard for the literature, that the ACS data represents the July 1 population. Therefore, a respondent in the 2018 ACS who reports having moved into Alaska in the previous 12 months might have moved in 2017 or in 2018, and a mover in the 2019 data could have moved in 2018 or 2019. We therefore compute the average of the 2018 and 2019 ACS migration estimates to determine the 2018 migration rate (formula i). For the 2019 migration rate (formula ii), we simply use the 2019 estimate, because the 2020 ACS hasn't been released as of this writing, and it may be not informative of moves in the first half of 2019 due to Covid irregularities. According to this method, the in-migration rate for Alaska was .049 in 2018 and .054 in 2019.

In formula iii, we then estimate the PFD eligible population by starting with the mid-year 2019 population and "deflating" it by a year and half of growth – we are using the in-migration rates we calculated to subtract out the parts of the July 2019 population that moved into Alaska in the year of 2018 or in the first half of 2019. The eligible population comes out to 677,796. In other words, about 53,749 of the 731,545 people living in Alaska in mid-2019 moved there after

January 1, 2018, and therefore wouldn't be eligible for the 2019 dividend. Proportionally, this works out to 7.3% of the 2019 population.

We can also use the ACS data to get a sense of how this 7% of Alaskans might differ from the population as a whole. Looking at new movers as defined in the ACS – those who entered Alaska in the 12 months before the survey – we see that white people are the most transient and therefore the most likely to be disqualified from PFD receipt for duration of residency. While white people account for 65% of the state population, almost all new movers (91%) are white. Alaska Natives are far more likely to have been in the state since birth, and Asian and Pacific Islanders (about a fifth of whom are immigrants) are also not very likely to have moved into the state within the past year. New movers are also disproportionately male – 61%, versus 52% of the population.

Allowable Absences

Dividend eligibility requires physical presence in the state for at least 185 days in the qualifying year. However, there are a number of exceptions that allow you to be outside Alaska for more than 180 days and still claim the dividend, as long as you were present in the state for at least 72 consecutive hours in the previous two years. Military service is one of these; it has been an allowable absence from the start, and there were five bills passed between 1990 and 2005 that expanded access in various ways for members of the military and their families (1991-CH068, 1999-CH071, 2003-CH069, 2004-CH112, 2005-CH083). The other two primary categories of allowable absences are education and healthcare. Students enrolled full-time in secondary or higher education outside the state can still be eligible if they meet the other requirements of residency, as can folks receiving or caring for those receiving needed medical treatment out of

state. Fulfilling state duties – including working for Congress, volunteering for the Peace Corps, participating in a state sponsored fellowship, and even training for the Olympics – are the final set of allowable absences.

In some cases, the allowable absences serve to codify the local intuition on who is an Alaskan described above. A young person who goes "outside" (as Alaskans refer to the lower 48) for school and plans to return is still an Alaskan. So is a long-term resident who needs to spend six months of the year caring for a sick relative in Oregon. Spending six months of the year in Florida to avoid the winter, on the other hand, is a certain disqualifier. The regulations on absences in the case of medical treatment even specify that they are only allowed if "the treatment or convalescence is not based on a need for climatic change," presumably because this could too easily be used as an excuse by snowbirds.

Eligibility for military personnel is a significant issue, as active-duty members and their dependents make up about seven percent of Alaska's total population (and the figure was about double that when the PFD started in 1982). The guidelines encourage both Alaska residents stationed with the military outside the state, and new residents that come to Alaska on a military assignment, to claim Alaska residency and receive the dividend. Along with the allowable absences for fulfilling state duties that are numerically uncommon but symbolically powerful, this is another area where we see state preferences at work on the allegedly "neutral" universal dividend program.

Immigration

Undocumented immigrants and immigrants with temporary residency status comprise the next largest group to be ineligible for the PFD. In 1992, the Alaska state legislature passed a bill

limiting eligibility to U.S. citizens, immigrants with permanent residency status, and refugees and asylees under federal law. The status of undocumented immigrants had been unclear prior to this, as the case of Arturo and Tomas Cosio shows. The two were Alaska residents in the United States illegally and received dividends in 1985 and 1986, before being denied in 1987 and asked to pay back the previous two. They appealed the decision, but the State ultimately prevailed in the Alaska Supreme Court.

The exclusion of undocumented immigrants from government benefits is a widespread phenomenon and fits into Marshall's classic explanation of formal citizenship as a base onto which protections and benefits are layered (Marshall 1992). The opinion in the Cosio case affirms that non-compliance with U.S. immigration law is a legitimate reason for Alaska to withhold benefits, but it uses another argument too that points more directly to the sense of dividend eligibility as related to inclusion in Alaska's political community. Justice Matthews cites the state's argument that "The dividend program was intended create a constituency in the voting public which would favor reinvestment of permanent fund earnings rather than using such earnings to finance new government programs or to defray the expenses of existing ones." Limiting PFD eligibility to eligible Alaska voters would be sensible in this light, he reasons, though certain exceptions have to be made to avoid overstepping constitutionality. Including children is among these exceptions, as is including immigrants with legal permanent residency status. "Dividend recipients thus include those eligible to vote and those whose exclusion would raise serious constitutional questions."

Quantifying Immigrants in Alaska

Undocumented immigrants and immigrants with temporary residency status are groups whose numbers are not readily available. The best estimates of the undocumented population come from combining the American Community Survey's estimates of the total immigrant population with the Department of Homeland Security's counts on the annual flow of legal immigration and birth and death rates. Using such a methodology, an analysis by Pew Research estimated that 10,000 unauthorized immigrants lived in Alaska in 2017 (Pew Research Center 2019). I arrive at a similar number starting with the ACS, which says that about 3% (21,000) of Alaska residents in 2019 were not U.S. citizens. According to national averages reported separately by Pew, 44% of the non-citizen population is undocumented, and 8% is comprised of residents with temporary status (the remaining 48% have permanent residency). Applying these proportions to Alaska's non-citizen population, I derive the estimates of 9,200 undocumented immigrants and 1,800 temporary residents. I use this total – 11,000 residents – as the likely number of Alaska residents that weren't eligible for the PFD in 2019 due to their immigration status. This accounts for 1.5% of Alaska's population.

We don't have demographic information on Alaska's undocumented and temporary immigrants in particular, but among all state residents who are not U.S. citizens, the majority (55%) are Asian, Native Hawaiian, or other Pacific Islander. (The top country of origin is the Philippines, which accounts for about one third of immigrants in Alaska.) With people of Asian descent comprising only 8 percent of Alaska's total population, they are likely to be the most disproportionately impacted by far by disqualifications based on immigration status.

Incarceration and Criminal Conviction

Starting in 1989, state law made Alaskans incarcerated as a result of a recent felony conviction ineligible for the PFD. Incarcerated felons mounted legal challenges to their exclusion, and an Alaska Superior Court ruled that the regulation violated the equal protection clause of the state and national constitution. Yet the Supreme Court of Alaska overturned that ruling in 1991. Restrictions on this population only increased from there. After a 1996 bill, a person incarcerated in the past year for a misdemeanor could also be disqualified if they had committed two prior crimes. (The Department of Law estimated at the time that this change would make approximately 2,000 additional individuals ineligible for the dividend.) And in 2001, two prior crimes became two prior misdemeanors or one prior felony.

People with criminal records are often excluded from public benefits, along with voting and acquiring certain occupational licenses (Wolkomir 2018). Public benefit exclusions of convicted and incarcerated people can be explained in a framework where moral categories of worth are mapped onto social welfare systems, such that the "deserving" poor are the focus of benefits to the exclusion of the "undeserving." Indeed, the fact that Alaskans tend to accept the exclusion of these groups from the PFD despite an overarching narrative that the dividend is for "all Alaskans" suggests that they are seen as undeserving.

This case is complicated, though, by the garnishment system, which will be covered in detail in the next chapter. Before there was legislation denying PFDs on the ground of incarceration and conviction records, it still would have been rare for recently incarcerated people to receive dividend checks, because they would have often been garnished to pay for fines, court orders, legal fees, incarceration costs, and more. Discussion in Alaska House Committees over implementing these regulations emphasized this point, with some concerned that denying dividends to this population would substantially shrink the pool of garnished

dividends that fund things like restitution and child support. Their concerns were assuaged because the legislation does not simply deny dividends to incarcerated people, but specifically reallocates that funding to victim compensation and the costs of incarceration. This is also what the Alaska Supreme Court pointed to in allowing the exclusions; Justice Compton's opinion states that "denying incarcerated felons dividends bears a fair and substantial relationship to the goal of compensating crime victims." Still, even if there is no substantive difference between awarding and then garnishing a dividend and simply denying a dividend to allocate the money elsewhere, incarcerated people are the only group whose dividends are handled in this way.

Quantifying Excluded Felons

We know how many Alaskans are ineligible for the PFD due to their incarceration and conviction status because the state is required to transparently set aside the aggregate amount of funding that would have gone to this group in the prior year if the restrictions were not in place. The funds must be allocated to the "Restorative Justice Account," and are distributed to recipients including the Department of Corrections, Department of Public Safety, and victims' compensation funds. In 2020, the legislature appropriated $13 million from the PFD fund to the Restorative Justice Account, which represents about 8,000 dividends at the rate of $1,606 per dividend that was in place in 2019. By this method we can conclude that from 2000 to the present, between 5,000 and 15,000 people, or between about 1 and 2 percent of Alaskans, were made ineligible each year under these regulations.

People of color are disproportionately affected by these exclusions because, like elsewhere in the United States, they are disproportionately under the jurisdiction of Alaska correctional authorities. Alaska Natives make up 15% of the state population but 40% of the

prison population. Blacks, who only make up 3% of the state population, are 10% of the prison population.

Eligibility as Statecraft

The cumulative effect of these eligibility statutes has been not only to determine who receives a PFD but also to define Alaska residency for the purposes of state government more broadly. The initial implementation of the Permanent Fund Dividend was a moment that enabled the state of Alaska to "map" its population. When the first dividends were distributed in 1982, Alaska had been a state for fewer than 25 years and was in a period of rapid population growth. In this context, the data on PFD applicants was a significant source of information about the population and supplemented US Census and Alaska Department of Labor population estimates with more detailed information at the city and town level. In a Department of Revenue report on the 1982 applicant population, we see that the PFD applicant pool was considered to be just about synonymous with the population of Alaska – and the authors of the report frame their research as a valuable source of demographic information for public policy and business. The report states: "It is our belief that the data developed from Permanent Fund Dividend applications will be a significant addition to our knowledge of Alaska's population." It goes on to describe how detailed information on age distributions may be of value for market research and information on population change and migration may inform the government's job creation strategy (Tonkovich 1983).

As foretold in the report, the population knowledge created by the PFD program continues to be used to expand state capacity. The PFD Division must share mailing addresses with the Board of Elections as needed to improve the accuracy of registration rolls (2000 –

CH082); provide a list of in-state applicants to the Alaska Court System annually, which they use to recruit residents for jury service (1993 – CH007); and supply any applicant information requested by child support enforcement (1997 – CH087). Legislators also have somewhat broad powers to access the names and addresses of dividend applicants if requested "for official legislative purposes" (2008 – CH092). The connection between the PFD and voting goes farther than data sharing: the option to register to vote has been included in the PFD application since 1993 (1992 – CH048), and as the result of a 2016 ballot initiative, PFD applicants are now automatically registered to vote unless they opt-out. The automatic registration has registered between 13,000 and 31,000 new voters in each year from 2017 to 2020, of whom 3,000 to 8,000 turned out in each of those election years (Alaska Division of Elections 2021).

Once established as a reliable measure of residency, PFD eligibility also became a badge, much like citizenship, used to determine access to a number of other state government benefits. Many of these are related to a question raised in the report on the 1982 applicants: how to ensure the government supports employment among long-term residents. A number of laws providing for preference in state contracting to businesses employing local residents use PFD receipt as a criterion for defining employees' Alaska residency (1996 – CH139; 1997 – CH088; 1998 – CH104). PFD eligibility is also used to determine eligibility for certain tax exemptions and credits (2002 – CH042; 2012 – CH051). Positions of responsibility in the state may also be restricted to the PFD eligible – this is the case for the trustees of the Alaska Retirement Management Board, for example (2005 – FSS09)

Access and Take-Up

Drawing from the evidence presented above, about four percent of Alaska residents in 2019 were likely eligible for the PFD but didn't apply or didn't successfully apply. There is no systematic knowledge of who these people are and what their experiences with the dividend have been. I contribute to rectifying this by sharing qualitative evidence from my interviews with Alaska residents where many of them describe such experiences. A mix of transaction costs and incentives explains much of the non-take-up in my sample. This includes commonly understood transaction costs like difficulty in accessing documents, as well as more idiosyncratic problems. The relatively common occurrence of forgetting to apply for the PFD involves transaction costs (the need to set aside distraction-free time to apply, while accessing wifi or an in-person location), in interaction with the incentives of applying (determined by family size, the likelihood of receiving the check versus having it garnished, and more). Poverty theoretically raises the relative value of the check, but beliefs and outlooks can play just as big a role – apathy likely emerges as a relevant mediating factor. Cultural perceptions account for non-take-up in a small number of my interviews, which I will discuss at the end of this section. Information is also a small factor, especially for newcomers, though knowledge of the PFD and how to apply is very widespread among established residents.

Access Barriers

I talked to several people who tried and failed to turn in a successful dividend application. For some, the issue was in establishing residency. The bar is set somewhat high, requiring proof that an applicant has "taken at least one step beyond physical presence in Alaska" (Alaska Department of Revenue 2019). This means such commonly used documents like utility bills, bank statements, or mail sent to a home address do not suffice. Acceptable proof includes a lease

or rent checks, W2 or paystub, moving truck or shipping receipt, mortgage or escrow papers, Alaska vehicle registration or driver's license, Alaska voter registration, or proof of receipt of Alaska state benefits. A long list, yet we know there are people who don't have formal ties to the labor and housing markets and cannot access any of them.

Faith is a 37-year-old mother of three, a white woman who lived in Anchorage for close to 30 years and moved to Homer in 2019 after an earthquake destroyed their home. Her husband has only been in Alaska for three years, and they've been unable to get him his dividend so far because they can't prove his residency. She explains:

> They just want proof. But we also have lost everything we own. We had like one backpack each after the earthquake, of our clothes, in that van, and my purse. That was it, and we survived. So I can't go get paperwork for 2017, 16, you know, to prove he's here. I don't even have a copy of the lease from last year.

She also notes that her husband is disabled and doesn't work, and she "handles most of the money stuff," further limiting the paperwork in his name.

Sometimes, the reasons for missing out on a dividend are even less predictable, though still correlated with economic disadvantage. Vanessa and Kate are an Alaska Native couple living in Fairview, one of the poorest neighborhoods in Anchorage. Vanessa's dividends are usually denied or garnished because of her criminal record, and unfortunately Kate's have also been difficult to access. Last year, they put the application in the mailbox on time, but it was apparently left there for many days before it was picked up and delivered, so it arrived late and was denied. They had just moved into that apartment and had yet to learn the lesson that the box couldn't be relied on (subsequently, they would make sure to chase down the mail carrier or go to the post office). They inquired about appealing the denial and received a letter from Juneau saying they could try; they just had 15 days to get it in writing from the post office that it was their mistake. They did not succeed in getting this. The following year, having moved again,

Kate's application was denied because the office said their address was invalid. The house number, plastered clearly behind us as I interviewed Vanessa and Kate on lawn chairs in front of their home, has a "½" in it. They note that they did recently receive voter registration cards at this address, so someone in government must have it, but for some reason it was not valid in the PFD office's system. In another case of unfortunate mishap, Chris, an Alaska Native senior and widow who works for a nonprofit in Anchorage, says he missed last year's dividend because he applied and then his phone broke, so he missed a message asking for verification of a confirmation number and was subsequently denied.

On the other hand, Sophia is a relatively advantaged young Alaska Native woman who has only ever lived outside of Alaska for higher education. Even though school is an allowable absence, her PFD was denied when she was in grad school because she had paid taxes to New York, which was understood by the office as her declaring residence outside of Alaska. This was not her intention – she returned to Alaska every summer break and has returned permanently since graduating – but since she had taken on part-time work as a grad student in New York City, she had to pay those taxes. Sophia's father used to work in government in Juneau, so she had him try to appeal to higher ups that he knew, but even that didn't work. The following dividend cycle, after having been back in Alaska for over a year, she was denied again because of the previous year's denial. At this point, she's extremely frustrated with the process. "I've been from here my entire life," she says, "but someone moves here and they're in the military and they're only here for 3 years, total, they're able to get the PFD. It doesn't make sense." While it is sensible that the PFD department would use out of state taxes as an indicator of setting down ties elsewhere, it seems clear that Sophia fits the intention of the definition of a rooted Alaska resident, yet the bureaucracy was unable to accommodate her.

Forgetting

A large part of non-take-up is also likely due to applicants forgetting to apply during the three-month application window from January through March. At least eight of my 70 interviewees admitted to missing at least one PFD over the years that they would have qualified for because it slipped their mind.

For some, forgetting seems to be a reflection of their apathy about the program. Natasha, a young Alaska Native woman who has always lived in-state, she says she didn't apply for it for four years after turning 18 because she "wasn't thinking about it." She finally applied for her first dividend in 2019, but she knows it will be garnished to pay her debts and says she still "[doesn't] really care about it." Abe, a 65-year-old Homer resident who's been in-state on and off since he was a kid, says he forgot the past two years: "I had the paperwork and then I thought I filled it out and I oops, I didn't… Happened again this year too. Had it all filled out and I put it in my glove box." Abe lives on a small income doing odd jobs, but he doesn't worry about money much and is not a big supporter of the PFD program. On his missed dividends he says, "the state needs the revenue pretty bad, so it's no big loss. It'd probably put me in a higher tax bracket if I did get it." The tax disincentive is mentioned as an afterthought, but it could potentially have contributed to his seeming nonchalance in getting the application filled out and submitted.

On the other hand, Thomas cares deeply about the PFD. A first semester college student and a waiter in Anchorage, he recently did a class project on the dividend and says he was reminding his colleagues at the restaurant to sign up for months. But between working five nights a week at two jobs, adjusting to school, worrying about money, and having a long

commute and limited internet access, he found himself logging on to apply past midnight on March 31st and realizing he was too late. It was very upsetting to him to have missed it, and he has a detailed explanation of why he thinks it happened.

> I was spending so much money on cabs that week, because I was working extra shifts. And so the last day to apply, it was a Sunday, I worked both jobs. And they didn't give me a break, and I had to take a taxi from one to the other. And I remember thinking 'Okay, looks like no money in your account. Well, you can call a cab you have some cash tips here. But you already spent so much money on cabs today. This is in March, just walk home. No rush, you know, go get some fresh air.' And halfway through it, I realized that – oh, no. The deadline has passed…. And I remember in the weeks before, I was really struggling to remember to apply. I would tell myself like, gotta do it this weekend, but then Sunday night would come and I still didn't do it. … Working both jobs was causing a lot of time where I wasn't on my phone – I wasn't on the internet. I [could have signed up in person], I know where the PFD office is downtown. It's right next to the bus station, so it would have been easy. But somehow I got so focused on not messing up and doing good at my job and working so hard that I totally forgot about myself.

Thomas is not alone in leaving the application to the last minute. In 2015, the most recent year in which this data was reported, March 31st was the top filing date and 17% of paper applications were received or postmarked on that day. Online filing may help this problem – January 1st closely followed March 31st as a top date for online filing, and online applications were spread throughout the season, with only 7% coming in on the last two days.

Opting Out

Finally, a small number of people explicitly decide not to apply for PFDs for which they would be eligible because of ideological or moral convictions.

Andrew had "a real philosophical problem" with the dividend when it got started in the early 1980s. Then a young reporter, who had been kicked out of college for his participation in the anti-war movement, he was opposed to the state "giving away" public wealth – a more worthy use would have been to establish universal health care, for example. Besides, Andrew

didn't "need welfare," so he declined to participate in the first few years. Jack, who lives in a tiny house, makes his living selling crafts he makes from recycled wood, and describes himself as "not a normal person," was initially opposed to the PFD for similar reasons and chose not to collect it for many years. Both Andrew and Jack have changed their minds on the issue and started applying for the dividend with the understanding that it is not about need but about rights. Andrew says he was convinced by learning about Governor Hammond's justification for the PFD as "a way of keeping the citizenry a more vibrant, politically participatory group" and now believes that "I'm a citizen and I'm entitled to the dividend like anybody else."

The other interviewee to consciously decline the PFD is Madelyn, whose politics are far from Andrew's and Jack's. She describes herself in jest as "a 1950s mom," and her husband is a military veteran who contracted with the army for a decade working on new technologies for the Global War on Terrorism. Though they've been in Alaska consistently for many years, 2019 was the first time they applied for the PFD. She tells me, "We didn't feel like we should take it because, you know my idea was, there's other people probably need worse, so how do they divvy it out?" She believes in small government and would like to see the PFD stay to help families in need. The only reason she finally applied for her family is that they wanted to claim a property tax exemption that Alaska offers disabled veterans, and she was told that they have to apply for the PFD in order to qualify. She plans to continue to apply in order to maintain the benefit. This is a case where personal beliefs came into play in her original non-take-up, and incentives moved her to take-up.

Conclusion

This chapter asked how the recipients of a universal social policy come to be determined. With so few truly universal policies existing in the US, and literature on the Permanent Fund Dividend taking universality for granted rather than interrogating it, my research represents a unique contribution. We see that even a policy that is widely interpreted by citizens and scholars as universal has gaps in coverage. The gaps aren't random, though they aren't entirely predictable either. For example, because of the importance placed on longevity and the demographics of migration in the state, a disproportionate number of the Alaska residents who don't qualify for dividends are in fact white men, who have historically been centered in defining the universal citizen. The logic of PFD eligibility stems from early visions of the program, which were highly influenced by Alaska's recent colonial past and the desire on part of state leaders to define a permanent citizenry that benefits from the economic fortunes of the land. This goal was approached incrementally through small policy changes since the initial legislation. Popular understandings of the PFD as going to "everyone who is basically a full-time resident" suggest that there is broad agreement that the population has been appropriately defined and the exclusions are justified – though I will dig into this deeper in the next chapter on debt-related exclusions.

Beyond legal restrictions on dividend eligibility – which I estimate accounted for about 10% of Alaska residents not receiving a PFD in 2019 – I examined the phenomenon of non-take-up among eligible individuals (seen in approximately 4% of Alaskans). This group has not been previously studied and presents something of a puzzle: who wouldn't take free money? The PFD program is extremely well known in Alaska and efforts to minimize barriers to access across the state have been impressive. I find that for some would be recipients, the administrative burden is too high; the documents required to prove residency are not available to those without formal

housing or labor market ties. Consistent with other research on take-up, small hassles can also get in the way of successfully submitting a complete application. Psychological and cultural factors that are less well understood in the literature are also relevant: people forget, don't care, or don't believe in collecting the dividend.

In the next chapter, I illuminate a further qualification on the ideal notion of the PFD as a universal cash. Among the approximately 90% of Alaska residents who are counted as receiving their dividends, tens of thousands of individuals don't in fact receive a check directly, but have the funds garnished by their creditors. While they are not fully excluded from the program and can expect to see benefits in the form of debt reduction, their status is not quite equal to those receiving the check with "no strings attached." This suggests that universality is not simply a question of defining insiders and outsiders; there are also gray areas.

Chapter 2: Invisible Dividends: The Garnishment System

Introduction

The role of debt in social inequality in the United States has come into sharper focus in sociology in the twenty first century (Dwyer 2018). It is now well known that the distribution of wealth is far more unequal than the distribution of income (OECD 2015); and because of growing debt, more than one in ten households in the US in fact held *negative* wealth in 2016 (Hernández Kent and Ricketts 2020). Debt also has a direct impact on income: as Pressman and Scott argue, data on after-tax income overstates improvements in living standards and understates the problem of poverty if it doesn't account for the growing shares of income that must be used on interest payments for debt (Pressman and Scott 2009). This is one reason Carruthers and others have noted that Zelizer's concept of earmarking should be applied to formal financial tools like credit and debt obligations; the relationships defined by these tools impact on the fungibility and transferability of money (Carruthers 2010).

Universal basic income proposals typically don't include provisions directly related to wealth – a fact that some have criticized in favor of a UBI "plus" that addresses the racial wealth gap (Oliver and Shapiro 2019). Yet we know that cash transfers are relevant to wealth, and particularly to debt. Research on the earned income tax credit has found that repaying debt is a major use of the transfer (Mendenhall et al. 2012) and survey research suggests that Americans believe paying down debt would be one of the top uses of a universal basic income plan (Hamilton et al. 2021). In the case of the Alaska Permanent Fund Dividend, debt has an even larger role than these studies indicate. Debt repayment in indeed a common use of dividend payments, as the next chapter will describe. But debt also appears earlier in the process: through the garnishment system, creditors annually intercept the dividends of tens of thousands of

eligible Alaskans before they reach their pockets. Analyzing statewide quantitative data, I find that 6% of dividend dollars were garnished for debts over the past 20 years. Further, almost 40% of the 70 Alaskans I interviewed for this study reported having their dividend garnished in full or in part, in the present or the past. For folks with a lot of debt – for child support, student loans, federal taxes, criminal justice-related fines and fees, and run of the mill consumer bills and loans – the PFD cannot be counted on as a cash benefit.

I begin this chapter with an explanation of how the PFD's garnishment system challenges accepted beliefs about cash transfers and why it is likely to contribute to inequality. I proceed then to give context on garnishments more generally, including what we know from previous research about the extent of garnishments in the US and how the policy environment impacts outcomes. I use the case of the recent Covid stimulus transfers to illustrate the complexity of the issue. Next, I present quantitative data from public sources on PFD garnishment since 2000, showing the scale of debts being collected, which kinds of debt dominate, and how this has changed over time. Finally, I turn to my interview data. After a brief quantitative summary of the presence of garnishments in my interviewees' experiences, I explore these experiences qualitatively, taking each major debt source in turn. I conclude the chapter with a discussion of what the data imply for theories of the morality of money and debt.

The Inequality of Garnished Funds

The Permanent Fund Dividend's garnishment system challenges multiple conventional understandings of money and cash transfers. First, a major criticism of universal benefits relies on the marginal utility of income. According to the standard economics view, the value of additional cash diminishes the more you have of it (Layard, Mayraz, and Nickell 2008). Some

argue that because a flat cash transfer has a higher utility to someone with a lower income, targeting cash transfers to the poor is a better use of limited funds than universal payments (Kearney and Mogstad 2019). In this view, a $1,600 PFD is "worth more" to lower income Alaskans than it is to the rich.

On the other hand, proponents of UBI celebrate the egalitarian nature of flat cash transfers, equating them with democracy ("one person, one check"), and freedom (Philippe and Vanderborght 2017). Even among sociologists and anthropologists who are attuned to the multiplicity of money, there is a tendency to view cash in this context as a neutral medium. For example, Ferguson quotes Sen's seemingly self-explanatory reasoning for cash payments in cases of famine: "People with money in their pockets generally do not starve" (Ferguson 2015). The implication is that money can effortlessly be converted to needs and wants. Indeed, universal basic income is frequently referred to literally as money with "no strings attached" (Lowrey 2018).

Yet in the case of PFD garnishments, there are very real strings attached for many recipients of the presumably neutral universal transfer. Further, these strings fall disproportionately on the poor, directly reducing the value of the cash for the group that diminishing marginal utility says will benefit the most. I find a better theory for explaining these facts in literature on the "poverty tax." This work has shown that the poor are routinely made to pay higher prices for goods and services from groceries to cars to banking (Faber 2019; Karger 2007). Rather than money having an equal value for everyone, or a higher value for the poor, the poverty tax demonstrates that under discriminatory institutions, equivalent cash may in fact not "go as far" for the poor as it does for the rich. Similarly, in a context of unequal debt burdens,

rules permitting PFD garnishments create a situation where the dividend is less useful to many of the most vulnerable.

My qualitative data illustrates that garnishments change the value of the PFD in the eyes of those who experience them: the dividend becomes involuntarily marked as debt repayment, losing its fungibility. How valuable recipients consider that debt repayment varies with the person and the type and amount of debt; some in fact consider themselves better off having their dividends garnished than they would be getting them in cash. I focus in this chapter on the three major types of debt that came up in my interviews as reasons for garnishment: the criminal legal system, child support, and student loans. In doing so, I also draw on sociological data and theories addressing these particular kinds of debts.

PFD Garnishments in Context

Background

Garnishments, levies, and attachments are a significant part of economic life for debtors, creditors, employers, government agencies, and collection firms. All refer to legal processes that enable creditors to acquire assets or income from debtors for payments owed, often with interest, penalties, and fees. Levies and attachments are used to claim an asset from a debtor directly, while garnishments intercept money payable to debtors by a third party, like an employer or government. Despite growing interest in the sociology of debt, this particular debt collection strategy has not been widely studied, perhaps in part because there is no centralized data on the issue in the US. In a 2014 report entitled, "Garnishment: The Untold Story," the research institute of human-resources firm ADP began to fill the data gap with a study of wage garnishment using payroll data for 13 million employees. They found that in 2013, 7% of U.S.

employees had their wages garnished – about 40% of which were due to child support debt. The incidence of garnishments was highest among workers earning between $15,000 and $60,000, and it was as high as 10.5% for workers ages 35 to 44 (ADP Research Institute 2014). Another estimate claims that about 1 in 10 workers have their wages garnished over their lifetime (Mayer 2018). In the context of rapidly growing consumer credit and debt since the Great Recession (Prasad 2012), creditors' reliance on garnishing has been increasing, and credit card debt and student loans represent a growing portion of overall wage garnishments (Mayer 2018).

Since the Consumer Credit Protection Act of 1968, wage garnishments are generally limited to up to 25% of an individual's paycheck. Some state laws offer additional protection, and there are a number of exceptions and exemptions. For example, while only 25% of a paycheck can be directly intercepted by private debt collectors (less if you are on a low income – $217.50 in weekly net earnings is exempt under current federal law), that same money deposited in a bank account becomes fair game. Further, wage deductions above 25% can be made for child support (roughly 40 to 65% in Alaska). Federal benefits are treated differently than wage income, with much more protection from garnishments overall. Social Security and disability payments, for example, cannot be legally seized by private debt collectors at all; even when these funds are deposited in bank accounts they are marked as exempt. In practice though, holes in state regulations make it possible for even federal benefits to be garnished, with the burden usually falling on the debtor to prove the exemption and get the funds returned (Myers 2009). The garnishment system, in the PFD and elsewhere in federal and state policy, illustrates how the multiplicity of money is encoded in laws and policies: how money was earned, where it is stored, and to whom its owner owes debts all affect whether that money is protected or can be claimed by creditors. I illustrate this in Table 1, showing the variation in the rates at which funds from

certain common income sources are exempt from garnishment for certain common types of debts. As I will discuss, it shows that the PFD is much less protected from garnishment than any of these other major income sources.

Table 1: Garnishment regulations: Percent of the income source that can be garnished by type of debt

	Type of Debt					
Debtor Income Source		Private: consumer, medical, etc.	Child support	Federal student loans	Federal income tax	Court ordered restitution
	Wages	25%	40-65%*	15%	25%	25%
	Social Security/ SSDI	0	50-65%*	15%	15%	25%
	SSI	0	0	0	0	0
	Tax refund	0**	100%	100%	-	0**
	Alaska PFD	80%	100%	100%	100%	100%

* Depending on state and income level
** Can legally be garnished when deposited in a bank account

A Case: Federal Stimulus Payments

The federal stimulus payments for Covid relief in 2020 and 2021 illustrate the complex policy environment that must be considered when designing cash benefits. The first round of payments, under the CARES Act passed in March of 2020, was explicitly off limits for debts to federal and state agencies besides child support, likely because policymakers recognized that the purpose of stimulating the economy would not be well served by redirecting checks to state coffers. Yet there were no provisions in the Act marking the money as an exempt federal benefit, so private creditors were able to seize the $1,200 payments deposited in bank accounts. After months of advocacy on this issue, the COVID-Related Tax Relief Act that authorized the second stimulus checks in December 2020 did in fact protect them from all garnishments and levies, even from child support. The third round of transfers, under President Biden's American

Recovery Plan Act in April 2021, wound up somewhere in between the first two on garnishment protections – federal and state agencies including child support were forbidden from making deductions, but there were no provisions exempting levy from private collectors, apparently as a result of Congress using budget reconciliation to pass the bill.

PFD Garnishment Regulations

The Permanent Fund Dividend, in contrast, has a well-established set of rules and procedures for garnishment. Compared to other types of income and benefits in the US, it is notably pro-creditor. First, 100 percent of an eligible Alaskan's dividend is subject to garnishment for debts to government agencies, court ordered fines or restitution, or unpaid rent. Garnishment rules for wages and Social Security also allow increased debt collection for government agencies as compared to private creditors, but never up to 100 percent. A closer comparison to the PFD in this regard is not earned income or any welfare benefit but the federal tax offset system, which also diverts up to 100% of any tax rebates otherwise owed if an individual has debts for child support, student loans, or past taxes. The inclusion of landlords on the PFD's list of non-exempt creditors was added as part of a broader bill on landlord and tenant obligations passed in 2014, and it appears to be highly unusual. Indeed, an attorney with Alaska Legal Services Corporation testified to the Alaska House Labor and Commerce committee at the time "express[ing] concern about the PFD priority since tenant debt doesn't fit with the other debts listed in AS 43.23.065 (b), such as child support, court ordered restitution, and educational loans."

Private creditors, besides landlords, are permitted to garnish up to 80% of a Permanent Fund Dividend. This leaves PFDs much more vulnerable to consumer debt collection than wages

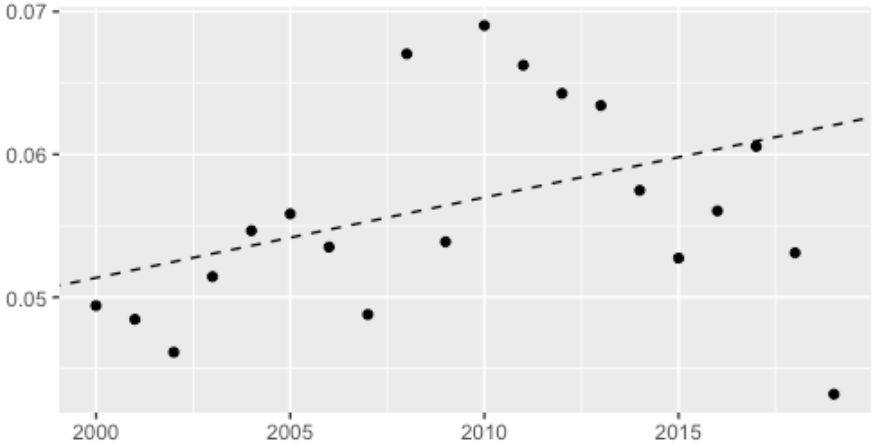
or most federal benefits are, but with more protections than tax refunds or cash transfers like the first and third Covid stimulus checks. The 80% figure represents an increase from the original PFD legislation in 1984, which declared 50% of an individual's dividend to be exempt from all levy, execution, attachment, and garnishment. That exemption was lowered to 45% in 1990 and eventually to 20% in 1998. To claim dividend money, private creditors must get a court judgment and submit a writ of execution to the Department of Revenue. The Permanent Fund Dividend division considers all attachments submitted by the annual August deadline in a particular priority order, with private writs and levies at the bottom of the list.

That so little of the PFD is exempt from garnishment may reflect the fact that, as I will explore in Chapter 4, social welfare for the poor has never been a primary stated purpose of the dividend. In contrast, the statutes exempting Social Security, SSI, and Veterans' benefits from garnishment were "motivated by Congress's acknowledgement that if these benefits "are to meet the most basic needs of the poor, [they] must be protected from seizure in legal processes against the beneficiary"" (Infranca 2009). In the absence of a legal or cultural notion of the PFD as a tool for providing a minimum subsistence income (as I explain in the dissertation introduction and further demonstrate in Chapter 4), this argument for exempting the funds from garnishment does not apply. The strong cultural belief that Alaska's dividend program is a *right* of the people, meant to allow individuals to directly control shares of state wealth, does make it ironic that the state is able to so frequently step in where debtors are concerned. Yet this has never become a political concern for PFD supporters, nor has that argument been used to limit the power of garnishing, likely because the issue only affects a small subset of marginalized Alaskans.

Statistical Trends in PFD Garnishment

Garnishments loomed particularly large in the accounts of my low-income interview participants. Before delving into their experiences, I present an overview of the state-level data, which is publicly available starting in 2000. This data shows that PFD garnishments are a phenomenon impacting only a small portion of Alaskans, but in a significant way. Total garnishments fluctuate annually, in large part simply due to the varying size of the dividend. From 2000 to 2019, annual garnishment collections ranged from $25 million to over $80 million, with an average of about $45 million. Yet garnishments don't simply track with total PFD money; there is some evidence that the proportion of all dividend money being garnished has been growing over time. Figure 1 shows garnishments as a proportion of total PFD payments over time. Between 4 and 7 percent of dividend payments are garnished each year, and the linear regression of this proportion on time suggests an upward trend. (I excluded 2019 from the regression calculation because it is an outlier with no clear explanation.)

Figure 1: PFD Garnishments as a Proportion of Total PFD Payments, 2000-2019

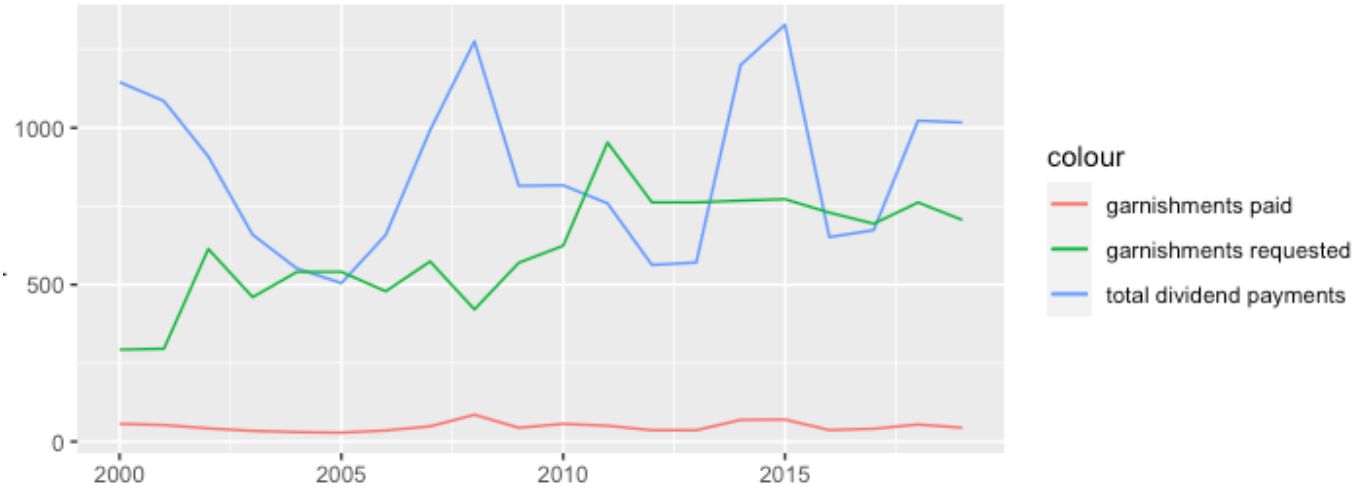


Note: Trend line derived from a linear regression of garnishment proportion on time, excluding 2019 (Slope = .46, p-value = .046)

Figure 2 shows that garnishment requests submitted to the PFD Division by creditors typically total ten to twenty times the amount actually paid out, in some years eclipsing even the

total dividend payout. Some garnishment requests are not paid because the debtor is not eligible for a Permanent Fund Dividend or the creditor failed in some way to properly serve a legal attachment. But to a large extent, the discrepancy is because garnishment requests are made of a relatively small number of debtors, far in excess of their PFD payments. That the line in Figure 2 representing garnishments requested is so high illustrates how much debt Alaskans have, and the large gap between garnishments requested and garnishments paid shows that that debt burden is very unequally distributed.

Figure 2: Total PFD Payments and Garnishments Paid and Requested, 2000-2019 (millions of dollars)



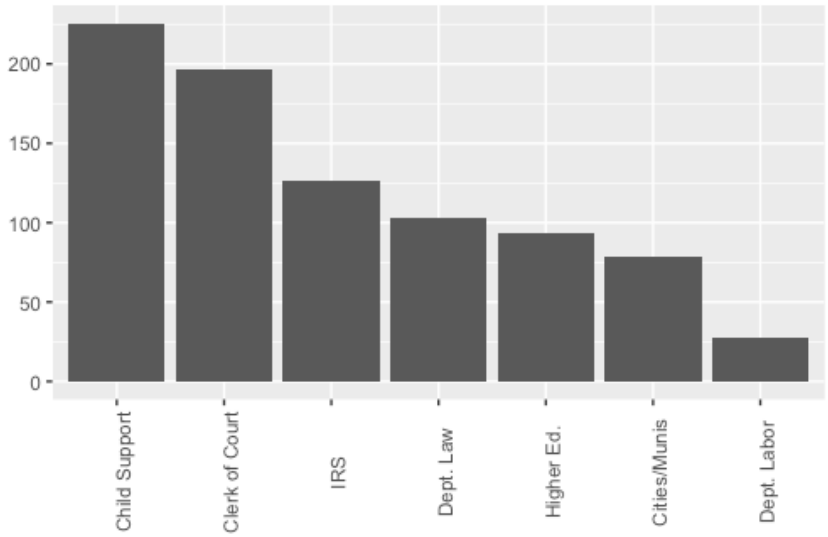
The PFD Division breaks down the number and dollar amount of garnishments requested and paid by agency for the top ten agencies each year by amount paid. Combining some agencies to harmonize across datasets, I identified seven categories of agencies that were each almost always in the annual top ten, and that together account for about 75% of all garnishment payments. They are listed in Table 2 along with the average size of a garnishment by that agency in the most recent year, and the number of years (out of the 20 from 2000 to 2019) it appears in

the data. Figure 3 shows the total garnishments collected by these agencies across the 20-year period.

Table 2: Top Garnishing Agencies

Agency	Description	Average Garnishment	Years in Top 10
Child Support Enforcement	Child support payments	$1,200	20
Clerk of Court	Private writs issued through state and local courts – small claims and debts (limited to 80% of PFD), restitution	$1,100	19
Internal Revenue Service	Federal income tax liabilities	$1,300	19
Alaska Commission on Postsecondary Education and University of Alaska	Student loan payments and university tuition and fees	$1,500 for loans, $900 for UA	19
Cities and Municipalities	Payments to Anchorage, Fairbanks, Juneau, Wasilla, and Palmer for local tax liabilities, fines, and attorney fees	$100	20
Alaska Department of Law	Court ordered fines, attorney fees, prison costs	$200	17
Alaska Department of Labor	Employment tax liabilities (related to Unemployment Insurance)	$700	17

Figure 3: Total Garnishments Collected by Top Agencies, 2000-2019 (millions of dollars)



Turning now to my interview data, 28 of my 72 participants reported some experience with PFD garnishments. About 18% of respondents had some garnishment due to legal trouble – paying fines, restitution, attorney fees, or jail fees. Just under 10% had garnishments taken for child support, and 8% had them for student loans. Only 5 of the 31 white respondents had ever had garnishments, as compared to 23 of the 36 people of color. Men were somewhat more likely than women to report garnishments, especially in the criminal legal category.

Table 3: Reported Garnishments by Interview Participants

	Anchorage (n=39)	Head Start (n=17)	Homer (n=16)	Total (n=72)
criminal legal	8	4	1	13
child support	3	3	1	7
student loans	3	2	1	6
other bills or loans	0	3	1	4
IRS	3	0	0	3
unknown	2	1	0	3
Total (Unique)	15	9	4	28

Table 4: Reported Garnishments by Participant Race

	White (n=19)	Alaska Native (n=15)	Black (n=6)	AAPI (n=6)	Multiracial (n=9)
Garnishments	5	11	4	2	6
No garnishments	14	4	2	4	3

Table 5: Reported Garnishments by Participant Gender

	Women (n=34)	Men (n=38)
criminal legal	2	11
child support	3	4
student loans	5	1
other bills or loans	0	3
IRS	1	2
unknown	1	2
Total (Unique)	12	16

Qualitative Evidence on PFD Garnishments

Criminal Legal System Garnishments

Legal debt was responsible for more than a dozen of my interview participants' garnished PFDs, and it is a large and growing problem for the poor more broadly. These debts include unpaid fines and restitution along with the costs of lawyers and fees related to incarceration – all of which appear to be on the rise in a context of mass incarceration and state and local-level budget pressures (Mai and Rafael 2020). A 2020 special issue of *Sociological Perspectives* focused on monetary sanctions highlights how fees and fines tend to perpetuate inequalities by inflicting consequential debts on those least able to pay (Martin 2020). Incarceration in particular deepens existing "debts of poverty" and creates additional barriers to employment, housing, and financial stability post release (Harper, Bardelli, and Barrenger 2020). Harris et al demonstrated in 2010 that monetary sanctions were being imposed on a substantial majority of people

convicted of crimes in the US, imposing "a particularly noxious form of debt" associated with urban poverty (Harris, Evans, and Beckett 2010).

My qualitative data suggests that the role of the Permanent Fund Dividend in interrupting these cycles of disadvantage is limited. Of the 13 participants who reported PFD garnishments for legal debt, only two were employed at the time of the interview. For many, incarceration made it difficult to find work, which in turn made it impossible to pay the debts of their incarceration. Samuel is an illustrative example of the intersection of incarceration, poverty, housing, and employment that render the dividend less effectual.

As a high school graduate with a criminal record, Samuel has always had trouble finding good jobs. When we met, he was living in a homeless shelter while his girlfriend Mary and their three children lived with Mary's brother; they had been renting an apartment until just a few months earlier when he lost his job and they were subsequently evicted for not paying rent. Samuel takes the bus to a temp agency every day at 6 AM and waits. Work is not consistently available there, and if there's nothing by noon, he'll head to the shelter where there may be a few hours' work needing doing, or to the library where he'll use the computer to apply for jobs. When he does work, his pay goes to Mary and the kids. He lives mostly on meals at the shelter, while she uses their approximately $200 in monthly food stamps to keep the rest of the family fed. Alaska Native organizations offer some additional support: Samuel gets a monthly bus pass from a nonprofit affiliated with local tribes, and he is a shareholder of an Alaska Native Corporation, which pays dividends twice a year. Those dividends are relatively small, amounting in the most recent payout to $100 for Samuel and $88 for each child.

Samuel, in his late 30s, hasn't seen a Permanent Fund Dividend in seven years. "A lot of stupid stuff I did when I was a kid," he explains, "I owe the city some money." Still, he says the

dividend is helping because he knows it's going towards his fines. But Samuel has over 20 cases in his name going back 20 years, whose associated restitution, fines, filing fees, police and jail surcharges, and costs of appointed counsel have sent over $10,000 to collections. His PFD likely covered those costs in some years, but in the years with the biggest fees, his incarceration would have made him ineligible for a dividend, even to be garnished. As those fees rolled over to the next years, they inevitably earned interest. It is certainly possible to envision a day when Samuel's legal debt is paid off and his PFDs return in full, but we can see that it would take many years of avoiding trouble, not to mention avoiding other debts he might incur. (Other debt is less of a concern for Samuel than many of my other respondents though, as he has no credit card, no student loans, no child support debt, no tax bill, and decent health coverage between Medicaid and the Indian Health Service.)

Samuel may be correct, though, that the PFD is helping him avoid some of the worst consequences of legal debt. As another participant raised regarding his PFD going to tickets: "I can't complain. I'm not going to jail for it. As long as the PFD's paying for it, I'm blessed. Cause I don't think any other state does that, you know. They'll hunt you down, take you to court and stuff like that, but here in Alaska, PFD helps out a lot." Debt underpayment is indeed criminalized in several ways in the US, leading in different states to suspended benefits, driving privileges, or voting rights, extended probation, and arrest and incarceration – a situation that some have characterized as a modern debtors' prison (Bannon, Nagrecha, and Diller 2010). With the PFD available for garnishment, many debtors who don't have the means to pay and might otherwise be vulnerable to these forms of double and triple punishment are at least nominally contributing something to their state obligations every year.

Considering briefly the state-level consequences of this system, it is plausible that the PFD garnishment system encourages a heavier use of fines and fees in Alaska. While collecting legal debts that largely fall on the poor is typically a costly enterprise, the PFD makes it less so in Alaska. Alaska is in the top 10 states for per capita revenue from fines and forfeitures (Sances and You 2017), collecting $34 per person in 2017 where the average state collected $18 (US Census Bureau 2020). There is a concern that such practices pressure the courts to act as "collection arms of the state," thus threatening their independence (Bannon et al. 2010). This is a concern shared by Jack, who has his PFD garnished after being convicted in a case where he believes he received poor legal defense. He told me: "It's sinful what they do. If you get into a jam, get a ticket, you can go to jail, and then the public defender's eyeball is on your Permanent Fund. Not on your right to due process." Further research into this falls out of the scope of this dissertation, but it illustrates one of the ways that cash transfers are a social policy deeply entangled with government like any other and may have more "strings attached" than meet the eye.

Child Support Garnishments

Child support debt was the second most common reason for PFD garnishments in my sample and has consistently been responsible for the most garnishments statewide. Child support occupies nearly the top place in the priority order for PFD garnishments, so these debts take precedence over most others. (It is only behind IRS backup withholding and bankruptcy liabilities, which don't account for large amounts of garnishments.) As described above, child support is also one of the top reasons for wage garnishment in the US and receives special consideration in the amounts that can be garnished from most income sources.

The PFD was established in the context of a slew of legislation passed in the 1970s and 1980s that shifted the responsibility for childcare more squarely onto noncustodial parents (and away from the state), and political rhetoric in the 1980s and 1990s that emphasized the punishment and surveillance of so-called "deadbeat dads" (Battle 2018). Indeed, the same year the Permanent Fund Dividend became law, new federal legislation mandated that all states implement income withholding to collect delinquent child support payments. It is not surprising then that child support garnishments were singled out in the very earliest PFD legislation. Yet despite a history of prioritizing child support collections, Americans in 2018 were collectively in arrears to child support for $118 billion (Tollestrup 2020). Further, studies of both custodial and non-custodial parents find that interactions with the child support system are often ineffective and disempowering (Edin et al. 2019), and it is estimated that as many as 70% of children who are eligible for child support don't receive it (Hassebrock Laakso 2001).

Interview participants who had their PFDs garnished for child support fell into one of two categories: non-custodial fathers, or mothers with children in state custody. Roland is a veteran and retired chef living in Homer who just turned 70 and expects to see a dividend this year for the first time in 30 years. His PFD – along with half his income and Social Security – went to child support ever since he left his wife and kids. He says he still owed somewhere from $50,000 to $200,000, when on his birthday he was notified that the state was finally clearing the debt. Things are tight, but Roland has been able to get by on approximately $1,100 a month in Social Security, retirement income, and adult public assistance, in addition to a Veterans Affairs housing voucher (HUD-VASH) worth $600 a month.

Lacking those benefits, Art (in Anchorage) is finding it much harder to get by. He's in his 50s and has also been paying child support for his now grown kids for three decades. Some of

that time he had formal employment in logging or shipping, and half his paycheck would go to child support. But he's also had periods of unemployment, and with the interest, his debt built up to around $50,000. When he couldn't keep up the agreement with child support to pay $100 a month, he had his drivers' license revoked. "That's like a catch 22," he explains, "most of the jobs need transportation." There are many examples like this in Art's life where disadvantage has led to further disadvantage. Unable to drive, he takes the bus and frequently walks. But walking long distances on Anchorage winter roads can be dangerous without proper gear and he has frequently slipped and fallen, once suffering a concussion and now facing lasting injuries to his leg and back. Not being able to make rent has put him in shelters and other unsafe temporary housing situations – when we first met, he had recently had his monthly bus pass and his phone stolen, which both of course make his job search even more impossible. These days, Art survives on food stamps and any money he can make from under the table jobs in maintenance, landscaping, and construction.

Alaska's Child Support Services collects some $10 million a year just from the Permanent Fund Dividends of men like Roland and Art. One would hope that this money benefits their children and the single parents raising them – something Roland and Art tended to doubt, as they spent so many years making interest-inflated payments for children who were not children anymore. While I couldn't check with their exes or children directly, I did interview nine single mothers for this project. In fact, only one of them had ever received child support. Xiomara is a young Puerto Rican mother of three who's currently unemployed, and the $500 per month she receives in child support is her main income source. Of the rest of the single mothers though, four had no connections with child support at all, and the other four paid into child support because their children spent time in state custody. In the former category is Faith, who

suspects her ex has never applied for the PFD. She understands that she could probably get child support from his PFD if she took it to court because she has a friend in a similar position who has done just that – the court mandated in that case that he file so that she could get the money. Faith just hasn't found the time or energy to go through this process. Faith and the three other mothers in that category are precisely who is meant to benefit from enforced child support collections, but they don't.

Further, there are parents like Erica who pay child support to the state despite being the primary caregiver. Erica is a young single mother of two who regained custody of her children earlier this year after they were put in state custody for about two years. Her Permanent Fund Dividend was garnished this year because of the debt she accrued with Child Support during that time, as is her income from working in fast food (her reduced paychecks come out to less than $600 a month). She was in fact able to claim her children's dividends retroactively from those two years, but she recently found that the Office of Child Services has a hold on them going forward, so she'll have to submit a court order to get that sorted out. The backpay dividends were helpful she says – she spent $700 on clothes and things for the kids, and the rest on new beds and things for the house. She expects the child support debt to be paid off soon, especially after a big chunk is taken at tax time. But she considers the circumstance of the debt to be a consequence of nonsensical policy. While technically in state custody, her children were in the care of her father, not an anonymous foster home. So while she knew it would result in a debt, she gave any money she could during that time directly to her dad, rather than paying child support.

> Because I had another job and child support didn't know about it, I just gave the money to my dad. I just said, here's a couple hundred here, every paycheck …. I had asked the OCS people, if I paid this child support does it go to my dad who's taking care of my kids? Is it going to my children? And they were like, oh no, it goes into the system... They said eventually, after I pay off like 3,000 for each kid or something, this crazy amount, then he'll start getting payments. That's not going to help him right now while he has my kids!

How's that gonna help him get anything for my kids right now?

This kind of situation is exactly what unconditional cash transfer policy is meant to avoid – it assumes people know their family's needs best and they should be able to allocate money themselves rather than have it go to unaccountable government programs. The fact that children's dividends are protected from garnishment for the debts of their parents ensured that Erica reaped this benefit in part, but in trying to exercise her autonomy over her cash income while her kids were in her father's care, she lost the right to do so with her Permanent Fund Dividend. As mentioned, Erica is in the company of four women in my study who have had child support debt to pay for state custody of their children. All have had their dividends garnished as a result, and one did not ever bother to apply for a number of years.

Student Loan Debt

Six interview participants had their dividends garnished for student loan debt. Five of them are women, reflecting the reality that women owe two thirds of the country's student loan debt (Miller 2017). The rise and immense burden of student loan debt is well documented (Dwyer, McCloud, and Hodson 2012; Mettler 2014), yet this has tended not to be a major area for garnishments as there are strict limits on garnishing student debt from most income sources (e.g. a 15% cap on wage garnishment). Student loans come just after Child Support, the IRS, and court ordered restitution on the PFD priority list.

Henrietta moved to Alaska from Arizona as a teenager in the 1970s when her boyfriend got a job on the pipeline. At age 25, she took out a $4,500 loan to go to the University of Alaska, where she started but didn't finish her bachelor's degree – "I've had 5 kids and you know, things happen." Now, 35 years later, the loan has accrued $8,000 in interest. She's divorced, her kids

are grown, and she works as a personal care assistant. Henrietta's biggest debt is on her education, but in 2019 she also had debt with the IRS and the Department of Labor for overpayment on unemployment. Because of this, she hasn't received income from the Permanent Fund Dividend in about a decade. She still sees the PFD as a good thing, because the state is helping her take care of debts she wouldn't be able to pay back on her wages alone. She can hold on to her paychecks while still chipping away at the debt once a year via the dividend.

Simone, on the other hand, sees the PFD's contributions to her $45,000 in student loan debt as entirely futile. Her PFD has gone to pay the debt for 15 years already, and she says, "it will keep going to my student loans until I get famous or die." Simone took out loans to attend the University of Alaska, and unlike Henrietta she did finish her bachelor's degree. However, she has not had the career we might have expected her education to afford her – a fact which she attributes to discrimination due to her disability. Simone is a wheelchair user, and she worked for many years as an interpreter and in immigrant services, where she struggled to be taken seriously and had to fight hard to access opportunities for well-compensated positions. In addition to employer discrimination, she is accustomed to social workers disregarding her aspirations for employment and telling her she should be content with disability payments. But Simone understands that the welfare state is not designed to make her rich – and even if it did pay better, it is not just money that she is after. "I don't need a paycheck, I have a brain… I want to barge ahead through my talents and intellect."

Despite Simone's desire to avoid government dependence and participate in the capitalist labor market, SSI has been her most consistent income source. The Permanent Fund Dividend has done nothing to change her economic situation or personal freedom. Even if the interest on her student loan debt stopped growing today, it would take 28 more years of $1,600 PFDs to pay

it off, putting her well in her seventies by the time it was cleared. Especially since SSI can't be garnished for student loans, it's hard to see the PFD as providing any benefit to her.

All Other Debt

Only 4 participants reported having their PFDs garnished for consumption debts – a bank loan, car payments, medical bills, and rental housing damages. These debts are at the bottom of the PFD priority order, so it's likely that some who owe them don't have them taken out of their dividends because their dividends go to higher priority creditors. As we'll see in Chapter Three, many of my interviewees also use their PFDs to pay bills and debts before they rise to the level of collections. The garnishments are all in cases of significant debt: at least $10,000 and up to more than $40,000. There were also 3 participants whose PFDs went to debt on federal taxes, and at least another 3 who didn't know exactly where their dividends went. Alaska residents are supposed to be notified in writing when their checks are garnished and what for, but in practice it seemed that several people had not received such notifications.

The Morality of Garnishments

One way to understand the child support and criminal justice garnishments and denials is that they create a system where the PFD only benefits those who are "you could say, doing things the right way. Married up, you know, one wife, one husband, you got your three little children." Zach, the interviewee who said this, was referring in the moment specifically to how the benefits of the PFD vary by family structure – the PFD is extra beneficial if you have kids at home, less so for the childless, and the least so for those who do have children but are separated and paying child support. Yet the sense of "doing things the right way" could equally refer to

designating those who don't have trouble with the law. Both are factors in Zach's case – he is unmarried and childless, in a relationship with a divorced woman who has grown kids of her own, and his PFDs are garnished for fines and jail fees. On the other hand, if moral schema were at play, we would expect student loan debt to be treated differently, as having education debt is more likely to be seen as a sign of good parenting (Zaloom 2019) or capability (Dwyer, McCloud, and Hodson 2011) than dereliction. Wage garnishment laws do limit the garnishment of education debt over all categories. But the PFD makes no such distinctions. Whether conscious or not, allowing all government debts to be garnished at 100% puts student loan debtors in the same category as any other debtors. "Doing things the right way" actually becomes a reason for losing out on the PFD's cash benefit. Simone's surprising comment makes this clear: "Everybody jumps up and down, oh, we're getting such and such amount this year, Aren't you so happy? I'm like, Well, I'm happy for you. I don't get a dividend – *I went to college*."

Interview participants' evaluations of the garnishment system were for the most part consistent with Polletta and Tufail, in that they made distinctions based on their perceived morality of particular debts (Polletta and Tufail 2014). Multiple respondents said they didn't mind that their PFDs went to debt with the criminal legal system because they understood it as a "consequence" of their behavior – consistent with Harris's thesis that monetary sanctions act as an accountability device in a framework of "punishment culture" (Harris 2016). For example, Henry said, "I mean, I did the crime. I'm paying for my actions. I was mad at it when I was younger but now it's, you know, consequences. That's what I get for getting in trouble with the law." Vanessa was an exception in criticizing PFD regulations as being too harsh on felons like her: "Have you been arrested or incarcerated for *one hour* the previous year? The entire thing is

garnished." Debt that included accumulated interest was on the other hand seen as particularly irksome by all, as was "backpay" on child support after the children were grown.

Whether or not people perceive their creditors to be treating them with dignity and fairness matters a great deal to their assessments of the situation. Max, who hasn't seen a dividend in ten years because of various garnishments, says: "I think that if people owe tickets, people owe bills, then that's a great place to take them." He goes on to explain that in his case: "The reason I have a problem with these institutions, though, is that I've gone into both of them, the two that have done this to me in recent years, and said, 'Hey, I need to find out what I owe you. Here's all of my information to contact me. This is where I live, this is what I'm doing.' And it seems like I was left alone by them for years. And as soon as I gave them that information, now they're coming after me. And it's like, I reached out to try to make things right on my own." Simone notes that going through the dividend application process as someone whose PFD is always garnished adds insult to injury. "What I would like is if they would, since they're going to garnish the whole thing and send you a letter that you're not getting it, why don't they just automatically put your name in their computer base and take it? It's kind of humiliating and cumbersome to have to go and sign up for something, in line, that you know, you're not going to get." Darius, an old-timer who tells me the dividend has been getting harder and harder to get, minded less when his dividend was partially garnished, but objects that "it's unfair to take the whole thing."

Conclusion

A fundamental contradiction exists within a system established to offer unrestricted cash support that simultaneously constructs legal mechanisms for selective and unequal restrictions.

This brings an important nuance to policy debates on universal basic income and cash transfers more broadly, which tend either to accept the premise of money as the ultimate egalitarian medium or to argue for targeted cash transfers on the theory that money is more valuable to the poor. On the contrary, I find that in the absence of strong garnishment protection statutes, a cash transfer can in some cases become *less* useful to the most vulnerable than to the rest. Indebtedness nullifies the über important right to choose how to spend one's "share" as an Alaskan. The consequences of such a system are mixed. In some cases, garnished dividends enable recipients to come closer to debt freedom, or at least to avoid the punitive consequences of over-indebtedness. In others, especially those with crushingly large debts, the garnished dividend seems to have no effect whatsoever – an invisible dividend that, while tallied in the government statistics as a dividend "received" might as well be a dividend denied.

The previous two chapters have shed light on little known aspects of the Alaska Permanent Fund Dividend, showing how the theory of a universal, unconditional transfer is complicated by eligibility rules and access issues as well as garnishment statutes diverting a small but significant portion of dividend dollars directly to debt servicing. In the next chapter, I turn to the majority of Alaskans, who successfully access PFDs with no legal "strings" attached and demonstrate the ways they use the cash and the impact it has on their lives.

Chapter 3: The Value of Cash: How Alaskans Use Their Dividend Money

Introduction

"Good morning, fellow thousandaires," a local business announces on its Facebook page, with the hashtag #PFD2021. It posts a version of the 'fancy Winnie the Pooh' meme: Winnie is displayed first in his red t-shirt, looking like a glum Joe Shmoe, and below, an altered image shows him in a tuxedo, raising his eyebrows in a self-satisfied smirk. The user edited captions tell us what these two states represent. In this case, regular Winnie the Pooh is labeled "October 10." Tuxedo Winnie? "October 11," of course. What a difference a day makes!

The exact date changes each year, but in 2021, October 11 was PFD day – the day that the majority of PFD recipients could expect to receive the deposit in their bank accounts. The Facebook post by this Alaska liquor store captures, in its way, the mythology, morality, and ultimately ambiguity that surrounds PFD day for many Alaskans. On one hand, there are widely circulating stories of debauchery and reckless spending as soon as the check drops – several interviewees tell me they've seen people blow their dividends on a night of drinking and partying, a fancy car they can't afford, or a Costco shopping spree. Folks also tell me the PFD is a blessing, and they feel happier, freer, and less stressed in the days and weeks following its receipt. On the other hand, the meme is, of course, a joke, and the PFD is no magic wand. Greeting Alaskans as "fellow thousandaires" highlights this by reworking a grandiose turn of phrase; a thousandaire is notably not "a thing" because owning a thousand dollars is not hugely notable. What difference does this day really make? In this chapter, I report the findings from my interview study on how Alaska residents who receive Permanent Fund Dividends say they use them, and what kind of an impact it has on them and their families.

I proceed with a literature review on three primary questions that guide the chapter. First, what do we know from other cash transfer programs about how people spend influxes of "unearned" income and how it varies by socioeconomic status? Second, in what ways do we expect children's money to be marked and valued differently than the rest of the PFD money? Third, how do theorists of universal basic income claim that people would spend such payments in ways that are different than other cash transfers? In the rest of the chapter, I take these three questions in turn, using my interview data to see how they are answered for the case of the PFD. On the basic question of allocation, I report on six categories that arose in my data, first presenting statistics on how often they appear in my interviews with folks from different socioeconomic categories. Then I describe and further break down each. Turning to the question of children's dividends, I look at whether families pool their dividends together or split off the kids' separately, and if they do split them, whether they spend or save children's PFDs. I show that the answers are patterned by class, and that attitudes about the ideal way to handle children's money are modeled on the behaviors of the rich. Finally, on the question of the distinctiveness of the PFD as a type of universal income, I focus on the theory that universal, unconditional cash expands personal autonomy. I present illustrative cases from my interviews where participants indeed report using the PFD to do things they couldn't fund another way – whether it's getting around welfare's asset restrictions, living in a school bus, or starting a business or passion project.

Theory

How do people of different socioeconomic statuses spend cash transfers?

Much of the existing theory and evidence on how individuals allocate cash transfers focuses on a particular income and class group. The most extensive literature is on the poor. Poor people's spending is particularly scrutinized, from welfare debates that hinge on the "welfare queen" stereotype to development interventions focused on financial literacy and consumption behaviors. Sociological studies of poverty have been a valuable addition in showing that individual consumption choices are rarely if ever at the root of poverty; to the contrary, low-income people employ creative and complex strategies of money management (Edin and Shaefer 2015; Morduch and Schneider 2017).

Quantitative studies of unconditional cash transfers in developing countries consistently find that cash is very valuable to the poor – buying necessities like food, shelter, and medical care as well as investments in education and business assets (Banerjee et al. 2017; Blattman and Niehaus 2014; Haushofer and Shapiro 2016). Minimum income policies and experiments targeting low-income people have found similar results: China's Minimum Living Standard Assistance program substantially increases household spending on education and health (Gao, Zhai, and Garfinkel 2010) and the US Negative Income Tax experiments of the 1970s had positive effects on nutrition (Salkind and Haskins 1982). Ontario's recent basic income pilot collected data on an impressive array of consumption behaviors, and found that the basic income payments significantly improved recipients' ability to pay for food, household items, clothing, transportation, mental healthcare, leisure, and debt repayment (McDowell and Ferdosi 2020). In the case of the earned income tax credit, a vital benefit for low-income families, we know that recipients dedicate substantial portions of the transfer to debt repayment, bills, and investments in mobility, as well as smaller but symbolically powerful amounts on shopping for extras and "treats" and experiences like dining at restaurants (Sykes et al. 2015). Results were similar for

the U.S. federal government stimulus payments in 2008 and in 2020, which were relatively broad-based but had income caps. Around half of families who received them used them to pay off debt, and both also led to increased spending on food, clothing, and recreation (Sahm, Shapiro, and Slemrod 2020).

There are a few cases we can look at to see how higher wealth people or people across the income spectrum spend windfall income receipts. One is lotteries: a seminal study of 1984 lottery winners across US states largely debunked common beliefs that lottery winners spend the money on extravagant, hedonistic sprees. The most common uses of the money were to take a trip, invest in the stock market, and give money to children (Kaplan 1987). In the case of family inheritance – which is a transfer accruing to about the top fifth of US households – there is not good evidence on *what* people spend on, but we know that recipients save about half and spend, donate, or lose the other half (Zagorsky 2013).

A few studies have looked at how Alaska residents use their PFD cash. The most comprehensive source of quantitative data comes from a 2017 telephone survey administered to a representative sample of over 1,000 Alaska voters by the Economic Security Project. In an open-ended survey question, 65% of respondents reported that they spent their PFDs on recurring and everyday expenses, bills, and credit cards; 25% mentioned major purchases such as home improvements, car repairs, and technology; and 20% mentioned travel, leisure, or "extras" (Harstad 2017).

Rather than asking people about their spending, other studies have tried to infer the effect of the PFD on consumption relative to a counterfactual of not receiving dividends. These have produced mixed results. Using Consumer Expenditure Survey data from 1980 to 2001, Hsieh found that seasonal consumption patterns of Alaskan households don't differ from the rest of the

United States in any way that would suggest a responsiveness to the annual October payments; nor do they consume more in years when the payments are larger (Hsieh 2003). Revisiting the question in a more recent paper, using a novel dataset from a personal finance website, Kueng found that Alaskan households in his sample do increase their spending in the three months following dividend disbursement above and beyond expected seasonal variability, and that the responsiveness of spending to the dividend is highest among the highest quintile of income earners (Kueng 2018). Amorim's study, also using the Consumer Expenditure Survey, more explicitly differentiates between spending responses that amount to a shift in timing versus an aggregate change in expenses. She finds for example that low-income Alaska parents spend more on clothing immediately following the dividend than do low-income parents in other states, but they don't spend more on clothing annually in years when the dividend payouts are higher (Amorim 2021). My interview data contributes to this research by providing a more complete qualitative picture of how Alaskans spend their PFD money and how they make these decisions.

The way recipients spend their dividends can help us understand the bigger question of what effect a universal cash transfer has on poverty and inequality. While quantitative research has found that the PFD decreases poverty (Berman 2018), it has also suggested that it increases income inequality (Kozminski and Baek 2017). This counterintuitive finding might be explained by class differences in how the PFD is used: if lower-income groups are more likely to spend the cash on immediate needs and higher-income folks to save and invest it, it could end up magnifying existing income and wealth inequalities over the long term.

Is children's money different?

Following a discussion of how individuals and families across the income spectrum allocate their PFD money, I focus in on allocation choices around children and children's dividends. Literature on the sociology of money has demonstrated "the uniqueness of payments involving children" (Zelizer 2010)[62]. Further, the protection of children has been a primary goal of the American welfare state since its origins (Katz 1986; Skocpol 1995). This history and the "sacredness" with which children have been regarded since the early twentieth century (Zelizer 1994) lead to the hypothesis that spending on the wellbeing of children would be a highly valued use of PFD money. We also know that childhood is a key site for the reproduction or disruption of socioeconomic inequality and the ways parents invest in their children's development vary based on social class (Lareau 2011). One previous study looked quantitatively at socioeconomic differences in spending on children from the Permanent Fund Dividend – it finds that low- and middle-income parents use the PFD to "catch up" with high-income parents on spending in the short-term, but spending increases caused by the cash infusion are only temporary for low-income parents and in the long-run do not match those seen in high-income parents (Amorim 2021). I build on this study by adding qualitative information on differences in how parents spend PFD money for children by class.

Does PFD spending enable lifestyle changes?

Finally, I seek to test the theory that universal basic income represents a radical alternative to policies that bolster the existing welfare state or job market in its impact on individual autonomy. Proponents argue that a UBI would enable people to exit traditional employment in favor of self-employment and non-remunerative work, and to more broadly pursue a diversity of ways of living that are marginalized under a liberal welfare state regime

(Haagh 2017; Obinger 2014; Zelleke 2005). Offering a pluralistic case for the policy, Zelleke asserts:

> An unconditional basic income allows each citizen to have a role in shaping social mores as well as to pursue individual goals, helping to determine what we view as the "normal" balance of paid work, unpaid care giving, and leisure, and the appropriate division of labor between the sexes. In this way, an unconditional basic income is not a prioritization of the individual good over the common good, but an alternative approach to achieving the common good that values the contributions and life choices of all individuals.

A popular claim among UBI theorists considers basic income as akin to a strike fund, because it would enable workers to strike against poor working conditions or simply quit a job they don't like and survive the resulting period of unemployment (Philippe and Vanderborght 2017). Studies of the US Negative Income Tax experiments found that men enrolled in the program reduced their working time by about 0.5 to 4 hours per week (Widerquist 2005) and the treatment group was somewhat more likely to leave employment than the control (Robins 1985). In a study of Manitoba, Canada's 1970s Minimum Income experiment, authors analyze the reasons participants gave for dropping out of work or working less, and what they did with their time instead. They find that the cash transfer led to increases in care work activities, education, and self-employment. Further, growth in non-employment was driven by those reporting they were dissatisfied with their working or job conditions, as the "strike fund" theory would suggest (Calnitsky, Latner, and Forget 2019).

Since the PFD is only a once-a-year disbursement, paying much less than a year's worth of basic income payments theoretically would, we shouldn't expect it to have drastic impacts on work and lifestyle choices, but it does offer a small window on these outcomes. Evidence on the PFD's effect on labor supply is mixed, with one study finding it causes a reduction in hours worked (Feinberg and Kuehn 2018) and another documenting a small increase in part-time work

(Jones and Marinescu 2018). The impact of the PFD on entrepreneurship is also unknown; evidence is suggestive but not conclusive (Feinberg and Kuehn 2020). I highlight a few suggestive cases from my rural interview sample where Alaskans use their PFD money to support self-employment, breaks in employment, extended travel, and personal circumstances and choices of which traditional welfare programs are not accommodating.

How recipients spend their PFD money

Turning now to my findings, a substantial part of my interviews revolved around participants' experiences receiving dividend checks. For those who had received a (not garnished) PFD in the last year, I asked them to recount to me if they had any plans in advance for how they would spend it, how they ended up spending it, and in what ways it affected their financial situation. For people who didn't receive the most recent dividend, I asked how they spent it in the past or, if they had not yet received one, how they intended to spend it in the future. In coding this data, I generated more than 40 codes for different uses. I categorized these under six top-level codes, which are summarized in the chart below. People are counted under multiple categories, so sums don't total 100 percent.

Table 1: PFD Spending by Category and Socioeconomic Class

	Everyday Needs	Bills and Debts	Big Purchases	Leisure and Gifts	Saving and Investing	General Account
most vulnerable (n = 13)	69%	62%	15%	38%	38%	0%
low-income (n = 29)	52%	72%	41%	38%	48%	0%
middle class (n = 13)	15%	69%	54%	62%	46%	15%
upper class (n = 13)	0%	31%	8%	54%	62%	85%
Total (n = 68)	**38%**	**62%**	**32%**	**46%**	**49%**	**19%**

The category of everyday needs includes things like food, clothing, hygiene, and temporary shelter – basic necessities that are paid for at their time of use. About 70% of the most economically vulnerable participants – those living on welfare or lacking secure housing – reported this kind of spending. So did about half of low-income participants, which I use to describe folks who qualify for Head Start or other government assistance while having a place to live and at least one household member working or living on a fixed income. Next, bills and debts – led by rent, utility bills, and car payments – were the most widely reported use of the PFD across the sample. Around 70 percent of low-income people had some spending on bills and debts, as did the same proportion of "middle class" respondents – those whose incomes comfortably support living expenses but who own little wealth. A quarter of the sample and nearly half of middle-class respondents reported spending on "big purchases" – items like a new car, appliance, or home improvement. More than half of middle and "upper class" participants – those making even higher incomes than the middle class or owning their home and substantial wealth – spent on "leisure and gifts." This includes travel, entertainment, Christmas and other presents, and charitable donations. Around 50 to 60 percent of each income strata reported saving some of their PFD, though the numbers mask important differences: upper- and middle-class respondents often saved half or more of their household's total PFD earnings in investment accounts and college funds, while the low-income and most vulnerable respondents were usually saving much smaller amounts and planning to use them in the nearer future. Finally, 85 percent of upper-class respondents reported that for at least a substantial portion of their dividend funds, they didn't do any conscious earmarking or allocation; they simply went into a general account via direct deposit and they couldn't say how they were spent. That was not the case for many if any lower income and wealth respondents.

Everyday Needs

Around 70 percent of the most vulnerable and 50 percent of low-income working participants spent some of their PFD money on basic needs. “Kind of just like everyday things,” says Tim. “Food, clothes, gas.” As seen in Table 2, the biggest category represented here is children’s things, covering clothes, school supplies, toys, and other small items specifically for children. I will discuss this in greater detail later in the chapter. Participants also reported using their dividends to increase their food budgets and pay for everyday household items and personal items for themselves.

Table 2: PFD Spending on Everyday Needs

Expense	**Number Reporting**
kids' stuff	15
clothes/ winter gear	12
food	9
household items	5
hygiene	3
temporary housing	2
gas	1
Total (Unique)	26

Lisa is someone who uses almost all her PFD for her own basic survival needs. She is the most economically precarious person I talked to who received a recent dividend check rather than having it garnished or denied. Lisa and her partner are currently homeless and unemployed; her dividends were garnished for court fees from 2004 through 2014, but now in her late 40s the debts are paid off and she is receiving PFDs in full. (Her partner’s dividends have been garnished for many years and continue to be.) She spent a big chunk of her most recent dividend on securing a room to stay in for a few days, as well as food and winter clothes – “What I need to be

able to survive." She says she relies on the PFD, "big time," yet she qualifies: "it's great having the PFD, but that only comes once a year, so that's not gonna cover your everyday living expenses." In particular, she says the dividend check tends to last her about three weeks. She covers her expenses the rest of the year with employment when she can find it (when we met, she had recently quit a housekeeping job because of a dispute with her boss and was looking for another job), as well as $237 a month in food stamps and relying on a soup kitchen, food banks, and friends and family for places to stay. She also gets about $500 a year in Native Corporation dividends and occasional assistance from a local tribal council. Suzy, also lacking stable housing and employment, hasn't gotten a PFD in a few years, but she says when she does, she uses it to get a place to stay for a month or two.

For many Head Start parents, the PFD supplements their income and other benefits to buy food and other needed daily items. As a large, one-time transfer, the dividend can help folks to stock up. Nick's family gets by throughout the year on his wife's income as a nurse, his occasional side jobs in moving or building, food stamps, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). With eight children to feed, he says it's not enough, and they rely on the dividend to make up the difference.

> Food stamp is like 300 or 600, it varies because of my wife's income. Like 300 a month, what are we gonna do a month for food? That's not enough. When dividend time comes around it helps a lot. We buy loads of food, because we got like a three-stack freezer, and we just buy a load of chicken, corn dog or you know stuff, put it in the freezer so kids can eat. So yeah, PFD saves us a lot.

Having some extra cash from the PFD can also ease the burden of everyday grocery shopping. Erica, the single mother of two who lives on a fast-food salary reduced by child support garnishments and is waiting on a court order to receive her children's dividends this year, says of the money: "I can't wait to go food shopping and not really have that much of a

limit. Get all the necessities. Like I've been baking a lot lately, so I want to get like a big thing of flour, instead of just going every time and getting a little thing. You know, things like that." Feeling like she can go to the store with less of a limit will allow Erica to get some things she *wants* and likely save money by buying in bigger quantities.

Clothing was also a major use of PFD money for both the most vulnerable and the low-income working groups. With the timing of the dispersal being just at the start of Alaska's long winter, many participants mentioned using the dividend for winter clothes and gear in particular. "When we got PFD," says José, a married father taking care of five children on his wife's cafeteria worker salary, "we went and spent, what was it, like $3,000 on our kids, just nothing but clothes. Shoes, jackets, pants, everything for all the kids, they all got like 20 pairs of clothes give or take and like three jackets each." In Samuel's family, they spent about half their recent dividend transfer, also about $3,000, on clothes for their three kids. "They're growing like weeds now," he says, "so we've got to plan ahead, get bigger clothes for a couple months later. Yeah, we loaded up on clothes."

Bills and Debts

More people in my sample described using PFD money to pay bills and debts than any other category, including about 70 percent of low-income and middle-class people, 60 percent of the most vulnerable, and 30 percent of the upper-class. These are large and recurring expenses like rent, credit card bills, and insurance. Especially among low- and middle-income households, who can receive large sums of dividend money depending on the number of children, it is common to see folks planning for the transfer and thoroughly integrating it into the annual cycles of bills and debt repayment.

Table 3: PFD Spending on Bills and Debts

Expense	**Number Reporting**
rent	12
gas or electricity	8
credit card or overdraft	6
insurance	5
medical	4
education	4
car payment	2
moving	2
phone or internet	2
storage	2
taxes	1
lawyers	1
pay someone back	1
miscellaneous debt	1
Total (Unique)	**42**

Short-Term Saving: From Dividend to Tax Refund, Tax Refund to Dividend

Camila manages the money in her household – "he just works and then gives it to me." From her husband's biweekly paychecks, which range from about $1,100 to $1,700, she first sets aside 10% to tithe, along with an additional offering of $100 or less to their church. Then she takes care of the rent ($1,100) and making sure the kids are fed and clothed. She has upwards of $700 to pay in other regular bills – electricity, internet, car payments, car insurance, subscriptions like Netflix – and with nine siblings on her side alone, there are frequent family events like weddings and funerals for which they will chip in. Camila's sister, who has been staying with them rent-free, often contributes a few hundred a month for food or the insurance bill, and she can also go to her best friend, cousin, or grandmother for help. They don't get food

stamps, but they get a little bit of help from WIC, and Camila's husband works for a local seafood market where his boss lets him take home food for the family when they need it. She manages to stay on top of bills for the most part, usually falling behind by not much more than $100 in a month. As we run through this extensive set of obligations and strategies in our interview, I do some mental math and comment that it seems like it would be a tight squeeze. That's when she explains the other key part of her method:

> Yeah, that's why I go to my friend, savings. Like, we get dividends and we get tax returns, so me and my husband, this is what we do: If we have bills we need to take care of from the dividend, we pay that. And whatever amount we have left, we put in a saving, so we make sure we can reach the tax refund. So then whatever it might be from the tax refund, we drag it and save all the way until October. Alaska is so expensive, if you don't do your budget, you're gonna be out there looking... But that's how we do it: from dividend to tax refund, tax refund to dividend.

Dividends, along with the other reliable annual windfall of tax refunds (including the Earned Income Tax Credit), are a critical piece in enabling Camila's household to meet their needs as a family of five living on a single working-class job in an expensive city like Anchorage. In 2019, they received $8,030 from the PFD, which is equivalent to almost three months of Camila's husband's typical wages.

Getting Caught Up: Credit Cards, Borrowing, and Paying Late

Alicia and her husband rely on the PFD and tax refunds as well, though she's developed a different financial routine from Camila's. As a four-person family earning two incomes – Alicia works in school administration and her husband works in warehousing – they are better off than many of the families in the Head Start program. Still, it is not quite enough to cover the bills. She explains, "Our income during the year is not enough, so we use the credit card to pay the extra. Because I know at some point we're gonna have extra money with the PFD and the taxes, and I

use that to pay." The PFD is especially important for catching up, she notes, because it comes just after the summer months, when their family income is lower. By the time tax refunds roll around, the PFD has taken care of their major credit card spending and they can put some of that windfall towards vacation or home improvements.

Yet another strategy for "stretching" the PFD is to borrow from family or friends with the plan of using the dividend to pay the loan back. José and his wife borrowed from one sister-in-law earlier in the year when they couldn't make rent. He says, "She let us borrow the money and she would wait till PFD to pay her back." His wife had also been making payments to her other sister for a loan for a car, and he explains that they were having trouble meeting the arrangement: "So when the babies were born, she told us not to worry, you know, she could wait for PFD." Paying both back – a total of $3,000 – was one of the first things they did with their $11,000 dividend payment.

Likely the most common way to bridge the time between expenses due and cash transfers received is simply to pay some bills late. While José's family had been able to borrow money for their rent and car payments, there were additional bills totaling about $3,000 that they left unpaid throughout the year and caught up on with the dividend. "Our internet bill was like $400," he notes. "Almost cried at that one!" Jasmine explains that catching up on her many months of past due electricity bills with the PFD puts her on a responsible path going forward and frees her up to spend more on her needs and wants. "I caught up on the bills, and I wanted to be able to – like every paycheck after I got my bills caught up, to keep being caught up. See now it's Christmas time, so my next paycheck coming this Friday is going to buy some presents for my kids and family." With the bills caught up, her paychecks in October and November bought her "more

food, more stuff for the house like paper towel, tissue, laundry soap. Stuff my kids need, gas for the car."

Getting Ahead

Depending on one's circumstances at PFD time, the dividend could be used not just to catch up but also to get ahead on bills. A number of low-income participants reported using their PFDs to pay in advance on two or more months of rent, a finding that cuts against the conception of this population living "paycheck to paycheck." Devin – a young father of eight whose wife is the primary income earner as a nurse – explains that they paid three months of rent with this year's PFD. "We just like to take care of that. Cause by January, February, we're already broke." Grace's family was able to afford five months of advance rent with their dividends – they live in a trailer park where space rent is $500 a month. "I don't have to pay rent until February," she says, "and by then, I'll be really close to my income tax." In Henry's case, they were moving right around the time of the PFD dispersal, so they used the check to put down their deposit and first month's rent.

Clearing the Slate

Finally, a few folks mentioned paying "one-time" debts in addition to money owed on recurring expenses. Camila, the mother of five who uses a savings account to get the family "from dividend to tax return, tax return to dividend," is an example. She and her husband had incurred a debt in 2015 when they vacated an apartment without taking their names off the lease and subsequently found themselves on the hook for thousands of dollars' worth of damages caused by a cousin. With interest, they owed about $10,000 by 2018, which they knew they

could not afford. So when collections cut them a deal this year to reduce the debt to $4,000 – half their 2019 PFD earnings – they took it. "So we're free now," she notes. A big medical expense might also be a bill that the dividend can clear. Connor says his family used their dividend last year to pay off hospital bills for the birth of his son, and the year before that to cover his stepson's need for extensive dental work. "Every year we've used it to pay off some sort of large bill," he says. Many families are carrying around similarly large, one-time debts that they are waiting for the right moment to pay off, and in Alaska, the PFD represents one such opportunity.

Purchases

Alaskans plan around dividend (and tax) seasons not just to get their bills paid, but also to make important purchases. As Devin describes clearly, "We wait for PFD and tax return to actually upgrade our things, you know. Our check to check is strictly bills, food, whatever the kids need." About one quarter of my respondents said they used their PFD for a big purchase, and this was most common among middle-class respondents, followed by lower income working people. Even for single people who only received one dividend, a $1,600 windfall often enabled the purchase of a needed good or service.

Table 4: PFD Spending on Purchases

Expense	**Number Reporting**
car	7
furniture	6
tires or car repair	4
appliance or home improvement	2
miscellaneous	3
Total (Unique)	**20**

This past year, one of Devin's "upgrades" was a new car purchase with the PFD. Jasmine also bought a car, which she needed to get across town for work and get her kids to school after her Dodge broke down in the beginning of the summer. The day after the dividend distribution, she withdrew $2,900 in cash and bought the used car outright from a seller on Craigslist. In addition to buying cars, people commonly used their dividends on car repairs or new tires – especially high quality all-weather or snow tires for demanding Alaska winters. Madelyn, whose family is collecting a PFD for the first time this year in order to take advantage of a tax break for Alaska veterans, says they don't need the cash to pay bills or get by and are likely to use it on tires: "We were discussing what we were going to do with it – like, well, snow tires, yeah that works. I don't know what else we're gonna do with it. The tires for us." Daniel used his last PFD to purchase a rifle and try his hand at bear hunting – with the rifle costing $3,000, the dividend covered about half.

Buying furniture and replacing or repairing household items with the PFD was also common across lower- and middle-income respondents. In Layla's case, they didn't have much furniture before the last PFD and used it to buy beds and a couch. For others, purchases might be upgrades, like a new furnace. On the smaller end, José waited for the PFD to upgrade his mostly broken cell phone, and Christina got a mattress topper at Walmart, which has helped her sleep with her bad back. These relatively small purchases were described as badly needed, but still weren't things they could find the money for or justify spending without the PFD. Christina, an unemployed single mother, laughs at the thought: "Yeah, I wouldn't."

Experiences and Gifts

The PFD is not all bills, needs, and survival, even among those most strapped for cash. About 50 to 60 percent of middle-and upper-class respondents and just under 40 percent of the rest described using dividend money for their own enjoyment or gifts for loved ones or charities.

Table 5: PFD Spending on Experiences and Gifts

Expense	**Number Reporting**
travel	19
Christmas and gifts	11
donating	6
nice things	6
drinking and partying	3
family experiences	3
Total (Unique)	**31**

Travel

While travel tended not to be a priority of the low-income people with children that I talked to, it was a popular choice across all other groups. Many went to visit family members or homes of origin in the lower 48 or elsewhere. Thinking back on years of dividends, Bruce says, "We probably bought more airplane tickets with the Permanent Fund monies than doing anything else. We would use them to take Hawaii vacation or to go visit our families." Though he notes that his family, which has never struggled much for money, would most likely have taken those trips with or without the dividend money. Another higher income earner, Ian, reports that they would often buy plane tickets around dividend time to take advantage of Alaska Airlines' annual PFD sales – "but not necessarily using our permanent fund dividend, just because, oh, if you buy between now and now, you can get a 20% discount."

Theo feels some remorse about using his dividends for travel, which he does regularly, because he thinks the PFD should be used to support Alaska's local economy. "I'm not even

giving it back to the state," he says, "I think it'd be better for the economy if I took the $1,600 and spent it on new furniture at a local business." On the other hand, Thomas sees travel as an almost uniquely appropriate use of the PFD money:

> I went on vacation and I spent my entire PFD on room and board, and you know, food, transportation, and entertainment. I like to usually do getaways with my PFD, where I kind of, I would call it live a "fake rich lifestyle." That was always something that I thought the money was for, was my personal entertainment.

Thomas' parents modeled the idea that the PFD was a bonus that should be used for something fun when he was a child growing up in Alaska: "The PFD money was something where we could go out with my mom and do something fun, go to a movie, or you know, get an extra chair or a couch or a trip." His dad was a carpenter with long work hours, and he surmises: "I think the PFD really helped my parents when it comes to making memories with us, because it was just really important to them for us to remember happy times."

Gifts

Gifts were also a common use reported across income groups. Max describes it as a "no-brainer" – "because it comes at Christmas time, and my family's huge. So when you look at, you've got $1,200 and you got 30 people to buy for, you know, just go out and spend it." A number of parents agreed that after paying the most important bills, they made sure to put aside some dividend money in October to shop for gifts on Black Friday in November. "Gotta save for Christmas," says Devin, "we always save for Christmas. It's a lot of kids, and my kids still believe in Santa!"

Outside of Christmas, some gift portions of their PFD as cash. José and his wife sent $500 from the PFD to his mother-in-law, "just for her to have to spend." The couple has been helping her out with small amounts of money and packages from time to time, because she's

living with his sister-in-law who they don't believe treats her very well. Renee hadn't spent her dividend yet when we spoke and she told me, "I'm just waiting for somebody to say, hey can I borrow some money?" She's retired and lives comfortably with her partner, a carpenter, covering the bills. She says she usually gives her daughter half her dividend, and probably will do the same this year, since her daughter has five kids to support. She also likes to buy a gift for her partner; she's thinking maybe a drone this year.

Lisa can't always afford to buy presents for her granddaughter and she appreciates that the PFD sometimes enables her to do so. "You don't expect it, but when I got it, I can do that for her," she says. Further, she describes that as she gets older, she hopes she will be able to start putting aside some of her dividend each year for a college fund for her six-year-old granddaughter. She wants to have something she can pass down to "give her some sort of establishment." Part of the PFD's value to Lisa in the current moment is that it enables to dream of a future where she can contribute monetarily to setting her granddaughter up for an easier life than she's had.

Some respondents mentioned using some dividend money to donate to nonprofits. There is an option for Alaskans to automatically allocate part or all of their dividend money to qualified nonprofits of their choice through the "Pick, Click, Give" program, started in 2009, but I didn't hear about many people using this. Higher income people often told me they didn't use Pick, Click, Give because they preferred to donate on their own – with a couple of particularly savvy folks citing the program's 7% administrative fee. In fact, only about 4 to 5 percent of PFD recipients use it, with those who do giving about $100 on average.

Nice things

In addition to travel, people described using dividend money in smaller amounts to treat themselves and their families to nice things or experiences. As Lisa says, "That's what the PFD helps me do, is be – you know, if I want to take my granddaughter out to the movies or something like that. If I want to go get a haircut or get a makeup job done. I can do that with that." Christina describes this as an important priority, though it comes after bills: "I try to make sure that like, any extra little bit of income that I get, I make sure that I can pay off what I need, and then have the rest leftover to kind of do fun stuff." With her PFD this year she says the "fun stuff" included going to the movies and buying a camera. Sophia describes a similar process: "When I was an undergrad it very much was, like ok what bills do I have to pay, and then you could save a little bit for yourself to do something. Buy something nice or whatever, you know." I heard this across lower- and middle-income groups. Higher-income people, as I will describe below, we're more likely to say that they could buy themselves nice things at any time, and so they wouldn't set aside PFD money for this purpose.

Saving

Table 6: PFD Saving

Expense	**Number Reporting**
saving	23
college saving	17
Total (Unique)	**33**

Under 40 percent of the most vulnerable and around 50 to 60 percent of respondents in all other groups said they sometimes save at least part of their PFD money. Saving among lower income people was typically a phenomenon of families that received multiple checks and would

set aside less than half of the pool for later. For example, when I talked to Luisa just a few weeks after she received her family' dividends, she had spent about $6,000 on bills, paying back her dad, and helping her mom. She planned to save the remaining $2,000 and potentially use it to help her move into a better neighborhood. "I'll save it. Until – I don't know, just save it. I'm trying to move out of here and go back to my place in Muldoon. Rent's more over there."

Emily's family made about $80,000 last year between her husband's job as an accountant and renting out part of their home on Airbnb. Even with three kids, this puts her at the high end of the Head Start parents; she says she's not sure they would have qualified this year but they were carried over from the year before. Her family was the only one in the lower income groups to save most of their PFD money. She described that they were in the process of setting up separate accounts where they could put aside small chunks of money for things like a new car, a new roof, and a new water heater, that they will need in the future.

> We're big savers, so mostly looked forward to that. Although I did tell my husband that I wanted to allocate a little bit for a fun family trip, just because of the year that we had we needed to go do something fun. But honestly, it was more like, let's get these accounts set up, let's start saving for these big goals and big expenses… For us, you know they always have like PFD sales on airplane tickets, on couches, on cars, on whatever. It's like – cool, I want to see my bank account grow. We get more enjoyment out of that. I just like having that cushion.

Like Emily, several middle- and higher-income individuals and families described saving the PFD to have for emergencies or simply grow their assets.

About half the people who mentioned saving were saving for college in particular. Saving for college was most popular with high-income families, though lower-income families also talked about it as a goal. I will explore this further in the section on children's monies.

Nothing in Particular

Table 7: Unallocated PFD Money

Expense	Number Reporting
general account	13

Finally, 85 percent of upper-class respondents described that with at least a portion of their PFD earnings, they didn't make any particular allocation decisions at all and could not track whether it was saved or spent or what it was spent on. This was perhaps the most striking difference between higher and lower income respondents, as none of the lower income respondents described their PFDs in this way. Almost all high-income people without young kids said something along the lines of John's response: "It just goes into my general account, into the bank account, and I don't pay much attention to it. It's not like I go out and buy anything special with it." Laura, a retired psychotherapist, says:

> We put the money into our checking or savings account. I don't remember one time in these 25 years where we've said, let's use the permanent fund for this project. It's just additional income that we pay taxes on. You know, it's nice, there's nothing wrong with it, but yeah.

Clara explains that her family doesn't keep track of their dividend spending because they are on secure financial footing: "It's not anything that we really account for, you know, it's not like I know I'm just gonna barely make my house payment if I don't get that $1,200 check."

Children's Dividends

Next, I look more closely at PFD spending on and for children.

Pooling or Splitting

The dividend is awarded on a per person basis, with children's shares going to a sponsoring adult. It is an empirical question, then, if parents receiving dividends on behalf of

children will treat those dividends differently than they treat the ones they receive for themselves. I found that the answer to this question is strongly patterned by class. Most lower-income families treated children's dividends no differently from their own; all were considered as part of a general pool from which to make allocations. Middle- and higher-income families were much more likely to mark children's dividends as separate and put them to separate purposes.

In low-income families, it was common for dividends to come into the household marked as belonging to individuals. For example, Samuel says, "They garnish *my* dividend. My partner and the three kids, they all get *theirs*." But these distinctions are not noted when describing how they spend the dividend money. It becomes, "We spent half of *it* on clothes," where "it" refers to the total family pool. I also asked directly in the interviews whether the household members keep their dividends separate or pool them all together, and most lower income people like Samuel say they go all together. There were only two exceptions out of the 42 lower income respondents where folks described setting their children's dividends aside separately.

On the other hand, middle- and upper-class families almost all said they kept the kids' PFDs separate, and they described making different allocation choices for kids' dividends versus adults'. When describing how they spend PFD money, most say something like Clara: "Our kids', theirs goes to a savings account – when they're in their 20s they can withdraw that money. *I haven't spent their money*. Ours, we pay down a credit card bill or make an extra payment on a car or sock it away." Steven, a retired lawyer whose children left Alaska for Harvard and Stanford, says clearly: "We always kept that separate for the kids to own. Each to own his own."

Saving or Spending

Saving for children

When higher income families set aside their children's dividends separately, they frequently marked them for savings and investment. Up to eighteen years of saved PFDs can be a big help to a young person going out into the world – a child born in 2003 whose parents saved their dividend every year would be sitting on $23,517 in 2021, before accounting for any interest or growth. Glen is a retired fisheries biologist with two grown children now living in Seattle, working as a computer programmer and a lawyer, who benefited from over a decade of PFDs saved and invested. He explains why he and his wife set aside the kids' dividends.

> For the kids, we used their Permanent Fund to buy a piece of land. When they were just out of college, a person offered on the land and we ran it across the kids and they said yes. So we sold it, and they got the money. Most of the Permanent Funds back then were a few hundred dollars at most, so they made each about $14,000 on it, out of that 10, 15 years of contribution. They came off a little bit ahead, which was what we wanted. I see so many families where they take the money and the whole family goes for a vacation. Or they take the money and blow it on – not necessarily blow it, maybe it's needed – but new clothes or new bedroom furniture or a new car. Well, I'm not sure that that's the best way to spend the kids' money. That's Sue's and my thought: if the kids are helping contribute to the family, then why should we take their money from them?

Often, saving children's PFDs was for the purpose of a college education in particular. Jennifer and her husband, whose children are one and four years old, are already committed to saving their kids' PFDs for college. She wants to be able to give them the opportunity to go to college without taking on debt. As a middle-income earner – her husband is on military service and she works part-time for the National Guard – she says she's seen friends try to save for college and then "something comes up," so she's very diligent about putting the children's dividends directly into college savings accounts to avoid similar temptations. The adults' PFDs, on the other hand, are fair game for debt servicing and bills. Further, Jennifer is investing the children's PFDs aggressively. Holding on to the money is very important to her, but she says she

feels justified taking riskier bets with it because it's the PFD – because it's not earned and is "extra."

The program designed for PFD recipients to automatically set aside college savings is not very widely used. This program – Alaska 529 – allows Alaskans to allocate 50 or 100 percent of any child or adult PFD into an individual tax-advantaged investment account that can be used for educational expenses. Participation has grown significantly in the past two decades, but only from under one percent of PFD recipients to about two percent. As with the charitable donations program, several high-income individuals told me they don't use the program because they prefer to save on their own, where they can find higher rates of return than the 529 Plan. "That was a rip off," says Andrew, who used the PFD's college savings options with two children for 15 years. "We had taken one of our kids' and put it in a different kind of an account, and that account was making money. Whereas the college savings plan was losing money. And so we were like, well what the heck?" One Head Start parent, Devin, reported using the 529 option. The explanation for his decision differed from wealthier parents: "We need to save the kids' PFD for college, cause you never know how long you'll be around, you know, you can die tomorrow. We set that up so our kids are set."

Spending for children

As shown above, items for children were a popular way for lower income parents to spend PFD money. Layla is proud that she spent her entire share of the PFD money[1] on things for the kids and the house; not "one penny" on herself. Throughout the year, her husband (a cab

[1] Layla and her husband split the family PFD pool in half between the two of them. I have not analyzed pooling and splitting between couples because I don't have a lot of interesting data on it – almost everyone in a couple said they pool their dividends. Layla and Renee, mentioned above, were the two exceptions.

driver) takes care of the bills, and she asks him for money to do the food shopping and buy things for herself and the kids. She names this dependence as one of her biggest sources of stress, especially because her husband is more frugal when it comes to spending on the kids, so it is quite significant to her that the PFD offers some annual income of her own discretion. This year, she had the idea to turn an empty room in the house into a "learning room" where she can spend time playing with her kids and practicing songs and lessons from Head Start. She ordered everything online when she got the PFD – toys and blocks, stickers, markers, baskets, a big shelf, soft panels for the floor. She explains:

> I was kind of frustrated at the time because my husband cannot afford everything that I wanted for my kids, you know? That's why I was dying to get my PFD… Most of the time, I want to do a lot of things for my kids, because you know just staying home it's not good for them. But that's the thing is, I don't want to pressure my husband to give me money you know, to do this, do that. That's why I create that room when I get that PFD.

Many low-income parents said they spent PFD money on school supplies, children's clothing and cold weather gear, and gifts. In some cases, parents gave some control over spending choices to their children themselves. José and his wife set aside $1,000 from this year's PFD to take their daughters shopping and let them pick out toys and books. Faith, who has older children, says she gave her 16-year-old son $500 from the PFDs this year, but the parents have to approve his purchases. When he was 13 or 14, she had given him some dividend money with no strings attached, and she was unhappy with how he spent it.

> I gave him $200 and he went to the Dimond Center, took his three friends. They come home with a bunch of Pokemon cards. And I was like, for $200! Like, I was pissed. I thought he was going to go get like a $200 wardrobe. But no, he went to the movies and took them out to eat and bought freaking playing cards. That was like the first time he ever got a lot of money to go to the mall. Totally blew it.

Spending for children can also look more mundane. Tim, a Head Start parent and Alaska Native who grew up in Anchorage, recalls that his parents used the PFD for basic needs. "I was told, 'this is your PFD – the roof!'" Willow reflects on a similar situation.

> We [my sisters and I] never got them. And it's weird because I never remember that bothering me. But looking back on it, I'm like, "damn, that kind of sucks." Because a lot of people's parents would save their PFD for college and stuff, which would have been really nice. But you know, we didn't have that luxury. We were very low on funds all of my childhood, we were just kind of used to being poor.

If it is the case that higher income families are saving and investing their children's dividends at substantially higher rates, this could contribute to the intergenerational transfer of inequality. To an eighteen-year-old Alaskan receiving their first PFD, the benefits of a universal program meant to treat everyone equally may seem far from equal – ranging from a $1,500 check, to, the same check plus a $20,000 transfer from their parents.

Saving as the ideal

Lower-income parents often agreed with Glen, above, that "the best way to spend the kids' money," would be to set it aside for them to claim when they get older. Yet with many pressing needs to take care of, this tended not to be a realistic option. Alicia says they tried to save $1,000 for their kids this year. The amount she chooses to save is not described in relation to which dividends technically belong to the kids (which totaled $3,200), but she feels a duty to simply save as much as she can manage for them. She told me a month after dividend distributions:

> We're trying to hold it. [The hope is that we would save it] for the long-term, for them to go to college. Maybe it's not gonna be that much, but anything gonna help. Because we know that we spend money, we have this house and we buy their food and all that, but at the end of the day the money is for them, it's theirs. We try really hard to save money for them. Maybe it's not that much.

She acknowledges that she takes care of her kids by spending money on rent and food, but she suggests that "at the end of the day," what really counts is whether she's saved for them. Aiden disagrees that leaving a nest egg is all that matters; he values family experiences more. But he has the same underlying conviction that there is something wrong with folding his kids' dividend money into everyday expenses – even if they are expenses that undoubtedly directly benefit the children.

> Legitimately like half the kids' PFDs will usually go towards groceries or school supplies or something like that. But then we will tuck some away to save, which we will then use later for vacation. So, like, *our heart's in the right place, you know?*

Respondents across the income spectrum place a high value on using PFD money for their children, yet this doesn't look the same for everyone. Higher wealth parents are more likely setting aside children's PFDs as savings or investments to be spent by the children when they grow up, especially on education. For the rest, children are simply prioritized in family spending, whether it's ensuring they are well housed, fed, and clothed, or treating them with toys and gifts. Yet, the upper-class model seems to loom as the ideal, and at times we see parents who can't afford to save for their kids feeling guilty about this and discounting the ways they do support them.

The conflict these parents feel can be understood in terms of a long history of changing views of the moral and economic value of children. As Zelizer demonstrates, an American consensus reached by the 1930s on the sacredness of the child has made mixing money and children a tricky proposition (Zelizer 1994). The welfare state is one arena where concerns of profiting off children still abound – Black welfare recipients and immigrant parents are routinely accused of having children to benefit themselves financially (Taylor and Bloch 2014). In Alaska, there is a widespread idea that the PFD encourages people to have babies, or people with big

families to move into Alaska for the benefits. These beliefs are largely projected on Alaska Natives and especially Asian American and Pacific Islanders moving into Alaska, and they were repeated in my interviews even by people from those communities themselves. For these reasons, low-income dividend recipients, especially people of color, may feel extra pressure to demonstrate that their kids' PFDs are going directly to their kids, rather than being used as a personal or family income. There is a disconnect between the ideal of saving kids' dividends for college and the reality of relying on them for daily life, which follows a pattern seen frequently in parenting – the "ideal" doesn't work well for lower class parents, and they are made to feel morally inept for that. For example, Zelizer describes this configuration of opinion in early twentieth century debates over child labor, during which upper class reformers accused lower class parents of exploiting their children and failed to understand why the latter structurally depended on child labor at work and in the home (Zelizer 1994).

Cash as Freedom

We have seen the Permanent Fund Dividend used for survival, as a supplement to low wages, to support children, and to grow savings. Could the same outcomes produced by the PFD be achieved by expanding cash welfare, unemployment benefits, subsidies and tax credits for children, or the earned income tax credit? What about working towards full employment or raising the minimum wage? There are clearly significant overlaps between what the PFD and each of these policies can provide. Considering the PFD as an example of a universal basic income, however, yields a different set of predictions for how the dividend would show up in people's lives. I observe a small number of cases where the PFD seems to foster some of the alternatives UBI research has anticipated, including DIY outdoor and off-the-grid living,

extended travel and nomadism, and independent business and self-publishing. These are almost all found among study participants in my rural sample, living in Homer. In some of the cases, participants explicitly describe how the PFD allows them to do something that other government assistance programs do not.

Daniel moved from Ohio to Alaska in 1981, and for the past year and a half he has lived in a school bus on a friend's property in a small community outside Homer. After starting off in the arts, he made a career change to construction work. He's not a licensed contractor though, so the jobs he can find are infrequent and pay little; he mostly does handyman work for homeowners, including electricity and plumbing. He has done artwork in Alaska too, from tattoos to murals to signs, but right now he says, "my bus is my art project." He makes less than $500 in a typical month, which go towards his main expenses of food and heating. Heating the bus is a particular challenge for Daniel, and his experience with heating assistance is particularly informative:

> For two years now, heating assistance has denied any money to me. There was a time when I lived in a pretty nice apartment in Homer, and I got at least $250 to put towards Homer electric bill. But I need it more now than I did when I lived in a subsidized housing apartment with my two boys. They have some fancy formula that they use to determine who's eligible and who isn't. My living space is 6 ½ foot by 24 feet, and I have a curved ceiling, so it's probably 5 ½ when you add in the curvature. So, it's a small space. I figured I'd get some help, some firewood – I figured $250 would buy me a cord of wood. And I was told no. I went to some kind of administrative hearing and again I was told no. No reason. Other than, their formula that they go by, people that live in a school bus out in the middle of nowhere don't really need any help with keeping warm.

Invoking the $250 he previously got in heating assistance, Daniel raises the non-fungibility of government monies that can make public assistance so frustrating to navigate. He discovers to his chagrin that heating benefits in one circumstance cannot simply “buy” him an equivalent amount of heating benefits tailored to his new circumstance. Obscured administrative policy (the “fancy formula”) makes assistance conditional in ways that don’t make sense to him

and do not reflect need, as his denials in fact came at a time of greater need. This is one small and idiosyncratic but clear case: traditional state programs are not designed to facilitate living year-round in a school bus in rural Alaska. And frankly, how could we expect them to be? Targeted cash transfers like heating assistance need some metric to determine eligibility, and we know that such metrics deployed by states always fail to perfectly capture the needs and conditions of diverse communities (Scott 1999). Here, the PFD plays the role that is imagined of universal basic income, providing a conditions-free source of cash that Daniel can use to live in a way he wants to – one that fulfills him creatively and requires relatively little money. He used $750 of his PFD this year to buy three cords of wood to get him through the winter, and with the remaining $900 he planned to put carpeting and insulation on the floor. If there's anything left over, he has a short list: he wants to put a shower stall in the back, and in the longer term to convert from wood burning to an oil-based drip stove.

Vera also has relied on the PFD as an alternative to conditional state transfers. Having come of age in Anchorage during the oil boom, Vera hated to see how "built up" the city became and moved out to Homer when she had two kids of her own. Land ownership is important to her and she was disappointed that the Homestead Act ended just before she was old enough to take advantage of it. "I had always assumed growing up that I would, you know, get my 60 acres and carve my home out of the wilderness like a typical Alaskan." So she bought her house in Homer, and she also bought a plot of undeveloped land in a rural part of the Matanuska-Susitna Borough, which she works on as a passion project. Her educational and professional paths have been windy and expansive: with a bachelor's degree, a nearly finished master's, and self-teaching in trades, she has worked in landscaping, plumbing, nonprofit administration, journalism, and more. She is financially stable these days, with grown kids and a job in inventory control, but as a

young single mother she struggled to make ends meet while juggling multiple jobs and putting herself through school. She qualified for food stamps for a period, and she looked into welfare, but she was told she didn't qualify as long as she owned land she wasn't living on and had the savings she had – years' worth of her son's PFDs she had put aside for him. Case workers recommended selling the land and spending the savings, or transferring the assets to a family member, but she didn't want to do that. She tells me: "I'm not going to plan my life around qualifying for welfare. Are you crazy?" She never did go on TANF, and she relied on the PFD for help paying the bills in those years.

What Vera articulates here is some version of the "welfare trap" theory that has been a key justification of conservatives in support of non-means-tested programs like UBI (Murray 2006). Because earning too much income or having assets or savings disqualifies you from welfare, they worry that means-testing blunts incentives for individuals to achieve economic "success." Vera faced this bind and chose to hold on to her land and savings rather than forgo them for the cash benefits of welfare, which she also badly needed. Yet because of the PFD, she was in fact able to access a bit of cash to live on while holding on to her assets, and she's used the dividend to pay off and do improvements on the land.

Vera similarly found that the child support system didn't work as well for her as simply relying on the PFD. When she first split up with her son's father, she decided not to pursue child support: "Because it was my decision, and I thought, well, if I'm going to do this, I need to be able to take responsibility for my own actions." In the years that followed, he wanted to help and she accepted, but they struggled with the legal arrangements: "They refused to make a judgment on a non-contested custody case. He wouldn't do all the calculations, he wouldn't fill out the paperwork, but he kept trying to say, you know, I just want you to garnish my paycheck and give

it to Vera. And they wouldn't do it." So what they did do between the two of them was decide that Vera would fill out her ex's dividend application each year, and she would keep that money to care for the kids. The state did eventually pursue her ex for child support, awarding her $500 a month, but that only lasted for six months because he lost his job soon after. Overall, she credits the PFD as filling in a gap left by an inflexible state support system: "Because I was raising the two kids without welfare, without child support, and that helped very, very much. That made a huge difference."

Willow provides the perspective of a child whose parents depended on the PFD. Now 23 years old, she recalls the PFD as an important part of her unusual childhood. Her parents moved them to outside of Homer from California when she was young – her dad is part Alaska Native, and both were drawn to the adventure. Along with her two sisters, they lived in a yurt, a cabin, and sometimes their bus, which they would take on months' long road trips down to Mexico each winter. Willow was homeschooled until high school. She says they were always "very poor" and relied on the PFD for living expenses, planning their travels around qualifying: "Yeah, I knew about it. Because when we went traveling on our road trips, we would have to be gone on a certain date so that we could still qualify for the PFD. Dad made it clear to us that like, that's why we had to be back in April or whatever." She says they never got any other kinds of government assistance because her father, with his "weird mix of conservative and some radical liberal ideas," was "anti- that."

By providing a safety net, universal basic income may also encourage deviations from traditional employment. Folks might work less in favor of leisure and other pursuits, opting to simply live on the subsistence grant, or they might try riskier entrepreneurial ventures, knowing they have something to fall back on if they fail. People in my sample didn't necessarily choose

these paths *because* of the existence of the Permanent Fund Dividend, but those who are drawn to them use the Permanent Fund Dividend to support non-traditional employment.

There were a number of Homer residents using their dividends to fund side projects and independent businesses. For example, Miriam, who has worked as a substitute teacher, temp, dog musher, artist, juice bar proprietor, and more, retired as soon as she could. “Now that I'm unemployed,” she says, “I can do what I *need* to do – develop myself as an artist and write my books. So I'm doing it and I'm enjoying life. And I'm working for world peace through my Buddhist organization, and I'm getting involved with the Democrats.” Miriam has no problem with government programs: she lives on a fixed income consisting of Social Security and inheritance from her father and she receives rent subsidies. But these income sources are only enough to support her living “hand to mouth,” while the PFD provides the extra cash that enables her creative and activist pursuits. She used it a few years ago to fund a cross-country tour promoting her first book, and she is planning to use it next year to self-publish her second book. Similarly, Margot is planning to put this year’s PFD into starting a tour business. She already has her own business selling handmade costumes, a passion of hers since childhood, and she is also a self-taught historian and an avid traveler. She says, “I will use the money to start yet another business, because that's what I do.”

Just as the PFD can help people get through periods of unstable employment, it can also fund intentional breaks in employment, as Van demonstrates. A 25-year-old college graduate, he has just given notice to quit his job as a programmer. He is embarking on a solo hiking trip and planning to be without income for at least six months before looking for a new job or possibly applying to grad school. Though he will primarily draw on his savings and likely would have taken the trip with or without the PFD, he is glad to know the dividend will be there in case in

takes him longer than expected to get back to work or school. The extra cash will take some pressure off the transition and allow him more leeway in determining his next move.

Conclusion

What difference do PFD payments make in the lives of Alaskans who receive them? As with the earned income tax credit and other experiments in minimum income tax and unconditional cash transfers, I find that lower income recipients put the most money into bills, debts, and everyday expenses, and they also take advantage of the transfer as a lump sum and an "extra" to justify spending on bigger purchases or non-essential "nice things" for themselves and their loved ones. Middle-income recipients do the same sorts of things, except that they are not likely to say the PFD has an impact on what they spend on small everyday expenses like food. Higher-income recipients sometimes report spending PFDs on travel or to take advantage of PFD sales, though they are likely to simply fold dividend money into their general accounts rather than making plans with it – with the major exception of setting aside their children's dividends for savings. We also know from quantitative evidence that the income earners in the top quintile do adjust their consumption based on the PFD.

In general, the PFD seems to be most impactful to lower income families with children. They receive larger sums of PFD money than single people and couples without children, and it represents a larger share of their annual earnings than it does for higher income earners. My interviews with Head Start parents contribute valuable evidence on how consumers respond to predictable cash infusions – a question that is of great interest to policymakers and has long been studied theoretically and quantitatively by economists. People I interviewed in the weeks and months immediately following PFD dispersal were able to recall many recent purchases and

payments that the transfer prompted them to make, and even those who I interviewed at different times of the year often recounted a clearly cyclical pattern in spending, timed around the PFD and income tax returns. In this way, it is clear that the PFD is "important" to low-income people, even without evidence that it promotes upward mobility or relieves poverty. Indeed, it seems likely that the PFD does not promote class mobility and may to the contrary contribute to the reproduction or intergenerational transfer of inequalities. The dividend does however largely succeed at providing a kind of safety net that makes life a little more secure for the economically vulnerable. It is easy to imagine the unpaid bills and debts of many of my interviewees spiraling out of control without the PFD there each year to "clear the slate," allow them to "catch up," or even just offer some "breathing room." We don't have to imagine it – recent studies of the poor in America illustrate how hard it can be to get by with economic uncertainty and ever growing debt (Morduch and Schneider 2017; Seefeldt 2015). If being poor in American sometimes feels like trying to move forward on a treadmill, the PFD at least helps to keep people from falling off.

Considering the PFD in light of the theoretical literature on universal basic income shows that there may be more to it, though, than providing a safety net that could arguably be provided equally well by any number of welfare programs. Across income groups, we see Alaskans using the PFD to support their dreams and life choices in ways they couldn't find support for elsewhere. The liberatory potential of universal, unconditional cash at levels that would support a true basic income remains unknown; but recent UBI experiments along with these findings on the Alaska dividend provide hints.

In this chapter especially, I must be clear of the limitations of the data I have collected. I have gone into one rural town outside of Anchorage, but I have not attempted to understand PFD spending in Alaska's vast and varied rural areas beyond that. The effects of the PFD on poverty

in particular are likely to be the most pronounced in indigenous Alaskan villages with low employment. These areas would also shed more light on the question of what it can look like when securing a livelihood is not dependent on earned work income. In addition to the PFD, there are villages where high dividends accrue to many shareholders via regional Native Corporations; and subsistence fishing and hunting play a larger role. A focus on Anchorage and its surroundings has the benefit, on the other hand, of making this research more generalizable to the United States.

In the next chapter, it will become clearer why the PFD doesn't only matter for the poor, and why and how it is distinct from welfare, tax refunds, or other cash transfers. The direct material consequences of the dividend income must be understood in the context of the political landscape in which the PFD exists. This political reality, in turn, has clear material effects on the lives of Alaskans far beyond a $1,600 check. It is to this landscape that I will turn next.

Chapter 4: The Politics of Universal Cash in Alaska

Introduction

Scholars of universal basic income and resource dividends have long argued, largely theoretically, that the politics of such programs could overcome the pitfalls of welfare politics and unite a divided populace around providing economic security for all. Being cash-based, UBI wouldn't interfere fundamentally with the market economy and therefore wouldn't upset classical liberals like Milton Friedman who famously supported the negative income tax as an alternative to the inefficiency and bureaucracy of the welfare system. Being universal, it wouldn't engender the kind of divisive rhetoric that welfare does around "givers and takers." The Alaska Permanent Fund Dividend has been held up as an example of a program with overwhelming popularity (Barnes 2014; Cummine 2016; Ranalli 2021; Widerquist and Howard 2012a). Yet, the place of the PFD in Alaskan politics has shifted dramatically since 2015. My interviews show that indeed, opinions on the PFD do not track with welfare politics. But there is far from universal support for the dividend. Rather, the particular understanding of the PFD as a share has engendered its own internal divisions.

In this chapter, I describe the debates around the dividend that have marked Alaskan political life since 2015 and use my interview data to demonstrate the logic that primarily structures this arena. In particular, I argue that a backdrop of "fiscal crisis" has brought to the surface opposing ideas of what kind of a monetary transfer the PFD represents – a legitimate share of Alaskan wealth, a citizen entitlement, a gift, or a discretionary state bonus. Boundaries against defining it as welfare, though, remain persistent. As the Permanent Fund Dividend has been pitted against all other government spending, the configuration of public opinion and partisan support is nearly opposite to what we would predict if the PFD was understood as a

social welfare payment. This can be explained in part, I argue, by a primary division that can be traced back to Alaska's founders yet didn't cause trouble in the intervening years when there was "enough to go around" and no serious political challenge to the program. In this disagreement, one camp, represented by former Governor Jay Hammond, sees the PFD as an ownership share of Alaska's resources granted to residents as individual owners. In the other, traced back to former Governor and U.S. Secretary of the Interior Wally Hickel, the state owns the natural resources through the Permanent Fund, among other vehicles, and has a duty first and foremost to manage it for the good of the collective.

The chapter proceeds with a history of PFD policy from 2015 through 2019. I highlight the major programmatic changes under the administrations of Governors Bill Walker and Mike Dunleavy and describe the effect they seem to have had on the political outcomes of these two men. Next, I present the findings from my interview data on how Alaskans conceive of the role of the Permanent Fund Dividend in state policy. I show that it is overwhelmingly common to view the dividend as a citizen share. Then I describe the "individual owner" model and the logic that leads this group to support preserving the dividend at all costs, followed by the "collective owner" model, and why the latter is largely in favor of dividend cuts to protect social services. Finally, I report on a small group of respondents who skirted these divisions through an "anti-austerity" model.

A Recent Policy History of the Permanent Fund Dividend: 2015-2019

The Walker Years

Alaska's economy, dependent as it is on resource extraction and natural resource commodity prices, has long known the meaning of "boom and bust." Yet in 2015, many

commentators began to agree that Alaska was heading for a deeper kind of trouble than before. The administration of Governor Bill Walker – a former oil and gas attorney and Republican politician – and Lieutenant Governor Byron Mallot – an Alaska Native leader and Democratic politician – had just come into office in 2014 as an independent ticket with a centrist platform. Alaska's budget deficit was to become the defining feature of their tenure.

The global price of crude oil plummeted by over 50 percent between June 2014 and January 2015, causing Alaska's total annual revenue to drop by a similar figure in fiscal year 2015. The Commissioner of the Department of Revenue declared in the department's 2015 report that the state was "facing a period of fiscal uncertainty unrivaled in Alaska's history." This report spelled out a framework for understanding policy options, which largely characterizes the common wisdom in the state today. It describes a four-legged stool, with shared responsibility for balance falling on the government and its "budgetary restraint"; the people, as taxpayers; business and industry, as taxpayers; and the Permanent Fund, as Alaska's savings account (Alaska Department of Revenue 2015). Surprising many commentators who had long described the Permanent Fund as an untouchable "third rail" of Alaskan politics, Walker decided to try to restructure the fund and the dividend program.

Understanding the changes to the Permanent Fund Dividend in the Walker years requires a detailed understanding of the development of the method for setting the dividend amount. Legislation passed in 1980, 1982, and 1986 specified the following process. The principal of the Permanent Fund is seeded by annual deposits from oil and gas revenue – the state constitution requires that at least 25% of certain revenues be transferred to the Fund every year. The principal is only to be invested, not spent or withdrawn. All income derived from these investments is deposited in an account known as the Earnings Reserve Account (ERA). At the end of each

fiscal year, portions of income are transferred from the ERA to (1) the dividend fund, another separate account, and (2) back to the principal, to offset the effects of inflation. Formulas specify the size of each of these transfers; while the inflation proofing formula is not important for our purposes, the formula for transfer to the Dividend Fund is as follows. The Alaska Permanent Fund Corporation reports the annual "statutory net income" for the fund, which is income minus unrealized gains, fund operation costs, and some required appropriations and settlements. Twenty one percent of the sum of statutory net income from the past 5 years (essentially, the average income over the past 5 years) is characterized as "available for distribution," and 50% of this sum is to be transferred to the Dividend Fund. The Department of Revenue is then responsible for calculating the dividend amount by dividing this transfer amount by the estimated number of eligible individuals for the current year.

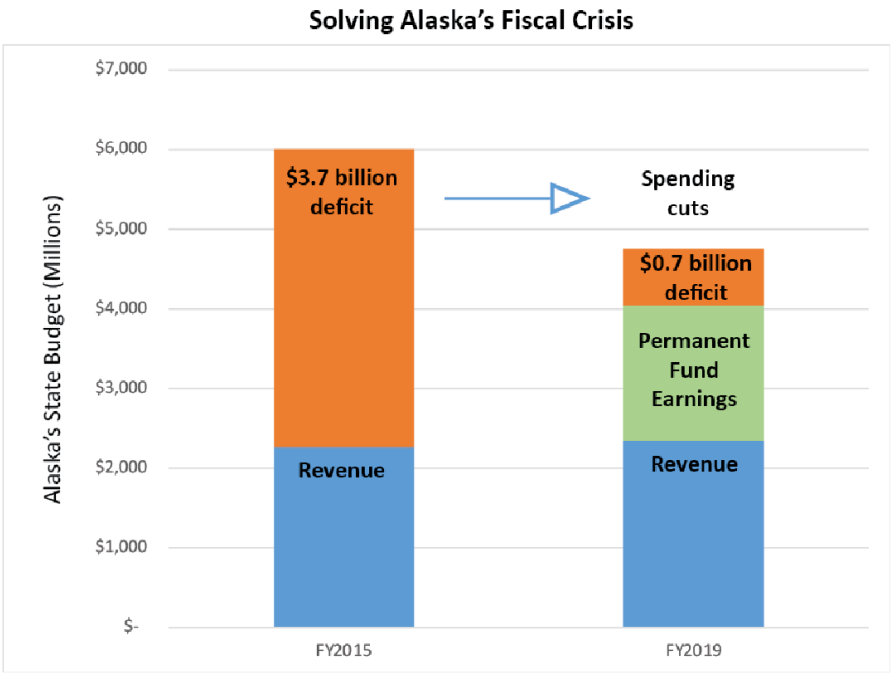
The process outlined above was utilized from 1986 through 2015. In 2016, Walker made the unprecedented move of vetoing the appropriation for PFDs. Where the formula called for a $1.3 billion transfer from the ERA to pay dividends of about $2,080 per person, Walker only approved less than half of that – dividends of $1,022 each totaling a $650 million dispersal. The Governor faced a political and legal backlash, but the legal challenge failed; the constitutional power of appropriation, which includes a line-item veto by the governor, seems to trump the statute specifying the transfer amount. Walker's public communications around the veto emphasized that he believed smaller dividends were necessary in order to preserve the Permanent Fund for the future. This doesn't sit right with many of my interviewees and it indeed seems more likely that sticking to the formula for dividends, with no other changes, would allow the fund to exist in perpetuity.

It is clear that the issue was not simply the future solvency of the dividend itself. The key to understanding the public policy conflict in this case is that Walker also was hoping to start using some of the Permanent Fund earnings to pay for state government. Taking into account that extra draw on the fund, it is easier to understand why smaller dividends might eventually be necessary. Walker's attempts at legislation to fund the government with Permanent Fund earnings failed in 2016, so the smaller dividends that year did not in fact improve the budget deficit but rather simply meant more money was left in the Earnings Reserve Account. Legislators in the Republican-controlled House were particularly wary of the proposals, claiming that the Permanent Fund was never meant to be used to fund government services. The pattern repeated yet again in 2017 – Walker capped the dividend at $1,100, while it would have been $2,390 under the traditional formula, and no funds were diverted to general government spending. While the state was consistently reporting a deficit, it was not forced into debt because it still had an additional savings account, known as the Constitutional Budget Reserve Fund (CBRF), that it was able to dip into to cover the gap.

In 2018, however, the CBRF came up short to fund the prior year's deficit spending, which put new and added pressure on the legislature to finally pass a version of Walker's signature Permanent Fund restructuring proposal – Senate Bill 26. The bill did not directly cut Permanent Fund Dividends (PFDs), nor did it directly transfer money from the Permanent Fund to the state government's general fund. What it did was simply set a cap on the amount that can be withdrawn from the Permanent Fund each year, at 5.25% of the average market value of the fund over the past five years. In practice, the draw had not reached anything near that percent in recent years. The annual transfer according to the PFD formula typically worked out to between 1 and 3% of fund value. The cap was put forth to be a "framework" within which legislators

could start to use Permanent Fund earnings for general government spending without the fear of overdrawing.

In practice, SB 26 means that there is now a clear and direct tradeoff between funding PFDs and spending on all other government services and programs. Taking the example of 2018: the 5.25% fund value formula capped the total Permanent Fund draw at $3.7 billion. Rather than starting with the dividend formula, which called for $1.9 billion to be transferred in approximately $3,000 dividends, legislators explained the dividend setting process as starting from the $3.7 billion figure: with the overall draw capped, the decision remaining was how much of those funds to put towards dividends and how much towards the general state budget. In 2018, the outcome was to put nearly three quarters of the transfer ($2.7 billion) into the state's General Fund, and the remaining $1 billion to PFDs (working out to $1,600 dividends). The $2.7 billion from Permanent Fund earnings more than doubled the revenue available to Alaska to fund its nearly $5 billion operating and capital budgets, which greatly reduced the state's deficit. A figure triumphantly titled "Solving Alaska's Fiscal Crisis" from a Walker press release illustrates this. Returning to the 4-legged stool, we see that Walker's budget solution was to leave both individual and corporate taxpayers alone (no new revenue) and rely on a combination of spending cuts and, to a larger degree, reallocation of Permanent Fund earnings.



Fiscal Year 2015 compared to Fiscal Year 2019

The Dunleavy Years

By the third quarter of 2018, Governor Bill Walker's approval rate reached a low of 25%. The center-right politics that he hoped would earn him respect as a "reasonable" champion of fiscal balance instead earned him ire from all corners. His reelection campaign did not go well; he dropped out weeks before the election and endorsed the Democratic nominee, Mark Begich. The governorship was won handily by the Republican Mike Dunleavy. Dunleavy's popularity has multiple explanations – he was endorsed by then President Donald Trump and ran a campaign with some of his brand of populist messaging, and he positioned himself as tough on crime and pro-business. But the issue of Permanent Fund Dividends, in conjunction with a promise to eliminate the budget deficit once and for all, was a major part of his campaign. Unlike Begich, who supported continuing Walker's approach to the Permanent Fund, Dunleavy supported reinstating the traditional dividend formula to pay "full" dividends going forward, and

even “backpaying” Alaskans with an extra-large check equal to the amount Walker vetoed during his tenure. Some of my interviewees saw this as an outrageous ploy – akin to a candidate for class president promising to cancel homework and install ice cream machines in every classroom. Others were pleased to see a genuine defender of a program they care about. Either way, it worked.

In his first year in office, Dunleavy proposed a budget with extreme spending cuts: a 41% cut in funding for the University of Alaska, 25% cut per child to K-12 schools, 33% cut of the state’s portion of Medicaid funding, 12% cut on the ferry system, and much more. The Governor insisted that these cuts were necessary to balance the budget while paying full PFDs. This budget faced considerable backlash from the public, prompting a wave of protests across the state, national media coverage, and a recall campaign.

At the same time, the legislature was in chaos. The start of the 2019 session of the Alaska state house was delayed by 31 days because legislators were unable to form a majority caucus and elect a speaker. Rather than breaking down by party lines, legislators’ views on the Permanent Fund Dividend formed the basis for the eventual caucuses. Six Republicans joined with all 14 Democrats and 3 Independents to form the majority caucus, “with the goal of delivering a sustainable Permanent Fund Dividend.” The remaining 15 Republicans became the minority – they were dedicated to restoring the statutory formula for the dividend, with many hoping also to enshrine it in the constitution. Bipartisan coalitions are common in Alaskan politics, but the 31st legislature of the Alaska state house presents a puzzle to outsiders: why did two thirds of the Republican legislators want to spend $1.9 billion – more than ever before – on universal cash transfers? And why were the remaining third of the Republicans joined by the entirety of the Democrats in trying to prevent this?

A majority of legislators in both houses were opposed to Dunleavy's drastic budget cuts and eventually reversed most of them. The budget process was fraught and drawn out, and in the end, Dunleavy did not have enough support to pass his "full" $3,000 PFDs. At $1,606, the 2019 PFD was nearly identical to that in the year prior.

The political landscape under the Dunleavy administration has sharpened the focus on PFDs as a lightning rod issue. Dunleavy's supporters are let down and angry that he hasn't been able to meet his campaign promises. Meanwhile, many of those who support more government spending and are outraged by the budget cutting channel their anger towards the PFD and its supporters. Even though the PFD hasn't in fact increased, they blame the PFD-hungry for putting Dunleavy into office. The era of non-controversial, universal support for dividends in Alaska has come to an end.

Where do Alaskans Stand?

Sharing the Wealth

I asked interviewees to tell me what they know about where the PFD comes from and why it exists. This elicited wide-ranging responses, from "I just know it's oil money" to detailed accounts of the discovery of oil at Prudhoe Bay leading to the creation of the Permanent Fund and the dividend. There are conflicting interpretations of the purpose of the institution, yet a striking commonality across almost all respondents was broad agreement that the dividend has something to do with sharing the wealth of Alaska with the people that live here.

For some, the sharing of the wealth is based on the "owner state" ideology of Alaska's founders – the idea that the residents of the state are the rightful owners of the land and its resources. As Grace explains the creation of the Permanent Fund and the dividend: "It was done to be – okay, we kind of took this [oil] from all the landowners of the state. So we should be paying back. Because this technically belongs to all of the people in the state of Alaska." There are a number of legal and political myths and realities that Grace could be referring to when she says the oil "technically" belongs to the people, but one common justification relies on the issue of mineral rights. Unlike in most of the country, subsurface mineral rights in Alaska are not typically sold along with land to individual buyers but instead are largely held by the state. A common narrative presents the PFD as the people's restitution for this. Julian, a Head Start parent, describes learning about this:

> I was looking into it one day; I was watching a TV show and I was curious. I could be completely wrong, because it would have been years ago, but if I was to find oil on my land, I don't believe that I have rights to that. And so, if I don't have rights, and it's on my land, then the PFD needs to stay instated. You know, cause other people down [in the lower 48] – they strike it rich, they find oil on their land, that's theirs, they can turn around and sell those rights and they're making massive amounts of money. That's what I read.

Clara, who strongly disagrees with the notion that the PFD *should* be considered a right, takes this premise as a given: "That's what the PFD is: a generation of the mineral rights that we all supposedly own."

While explicit references to "the owner state" and mineral rights are more common among older, higher educated, and lifelong Alaska residents, others talk about having a claim on state resources in less specific or different terms. For example, Faith's explanation does not invoke ownership, but still demonstrates a clear belief that Alaska residents deserve to profit

from Alaska's natural resources: "The oil belongs to the state, and we are the state. So if they're making money on that, we need some. Like, it's only fair."

Theo provides a variation on this that considers labor contributions as the reason residents can claim state wealth. As an owner and operator of a commercial fishing boat, he is concerned with what he sees as a shortage of reliable local employees and laments that "guys from Seattle" are reaping too big a share of the profits of Alaska's fishing industry. Theo says he thinks the creation of the PFD was partly about trying to get people to move here to solve a labor shortage. He also sees the corporation as a metaphor for the state: "I think it was their insight to give back to the people that were living here – kind of like getting a bonus at work."

Others agree that the PFD might have something to do with enticing and rewarding people for living in Alaska, citing high prices and harsh winters. "I thought we just get it for living here," Luisa says. "Do you live here? … You don't know nothing, it sucks living here." Kameron compares the dividend to how the military offered him hazard pay to relocate to Alaska many years ago.

Finally, a handful of respondents see the PFD as stemming from resource ownership, but believe it does a poor job of compensating the people of Alaska. "In my mind, it was kind of like a payoff. Like, hey, you let us pillage and plunder your land and we'll pay you," says Emily. A young mom of two, Emily is far from a political radical – she describes herself elsewhere in the interview as "not super politically involved but trying not to be apathetic." Abe is even more assertive on this point: "Oil companies were ripping us off badly, and our governor at the time says, we should get a percentage of that wealth. So we got a mere drop in a bucket… I saw it as a way to just pacify us for a little while but not really do anything really beneficial."

All these responses have in common a rights-based framework that has nothing to do with needs or economic security. The exception that proves the rule is Christina: she is the only respondent to venture that the PFD's purpose might be to help people, and she is very unsure about this. "Is it like, from the oil? I don't know exactly how it all works. But um, I guess just help people out. I don't know." While most participants agree, when asked about the pros and cons of the PFD, that it helps people who need cash, no one describes it as being fundamentally a social welfare program.

Individual shares

The broad framework of the PFD as representing a share of state wealth for the people is, on its own, rather ambiguous, and ambivalent as to policy prescriptions. I find that many Alaskans are divided into one of two major variations on this theme. The first group comprises those who see Alaska's ownership regime as primarily set up to provide *individual residents* with their own shares of the wealth. This position characterizes much of the House Minority of the 31st legislature – the group of Republican assemblymembers who fought for high PFDs as a top priority. In this view, the rights of individual Alaskans trump those of the state as a collective. Indeed, the state as a collective is not really a concept that resonates; instead, they refer to "government" or "politicians" as an entity that is separate from and in constant conflict with "the people." As Oliver puts it, "You've got two choices: either give to the people or give to the government. And I'd say give it to the people, by all means."

In this telling of the founding of the PFD, it goes back to a wise decision on the part of small government conservatives to "lock up" a big part of incoming oil revenues to keep

government from growing out of control. On one hand, the dividend was essential to getting the public to buy in to the idea of setting aside a substantial amount of revenue in the Permanent Fund rather than spending it on immediate wants of voters and interest groups. The dividend was intended to give the people an incentive to remain on watch against the kind of pork barrel spending that legislators are said to have gotten away with in the immediate aftermath of the first influx of oil money in 1969. “The idea there was to keep the people's interest so the legislators couldn't figure out a way to get their hands on this money,” says Harry. Further, most agree that the dividend itself was an important set aside for the people, meant to be distinguished from other government money as the people’s share. Connor insists upon this distinction: “The PFD was not supposed be touched at all by any government. It's separate from the government. It is not meant to be paying for government stuff.”

In conceptually separating the dividend from government, it fits well with multiple aspects of libertarian and conservative ideologies. For Grace, cash transfers are preferable to other forms of government spending because she believes in the efficiency of individuals operating in a market economy and sees targeted government spending as arbitrary and unfair. She says, “I feel it adds to the economy better. It lets people decide how the money should be added to our economy, versus the government deciding, oh, we're going to give to Group A, B and C in this location, and the rest of you, we don't care.” Throughout our interviews, Grace gives one example after another about what she sees as the wrongheadedness of government policy – from plastic bag bans that she sees wiping out forests to grow organic cotton for tote bags, to targeted interventions for underrepresented groups that she says makes it harder for people like her (white) family to find good jobs. Giving money directly to everyone limits the scope for government to make these kinds of decisions.

Willow agrees that government spending is not very effective and finds government to be non-transparent and unaccountable. The PFD offers an alternative:

> I would rather have that money come to Alaskans' pockets than have the government decide how to spend it. I know that there are services that the government provides, but generally I think that we can do better for ourselves with that money than the government can by putting into education or whatever they're going to put it. Because God knows they're *not* going to put it into education! I don't know really where it goes.

Unaccountable, corrupt, and greedy politicians are a target of scorn for many who see the PFD as a way for people to take back power from a government that doesn't work for them but rather for its own interests.

For those who see the dividend as a right of individuals and prefer a small government, cutting the PFD is not an acceptable option when it comes to solving the budget deficit. The PFD is not the problem; government spending on services is. Grace thinks even Dunleavy's cuts didn't go far enough. Oliver agrees that the government needs to learn to "live within its means" – which to him means cutting down the budget enough that it can be covered without "extracting" from the Permanent Fund.

Roland, on the other hand, doesn't think the government needs to cut any programs; politicians just need to stop stealing and wasting money for their own purposes. Reminiscent of the Tea Party politics that demanded, "keep your government hands off my Medicare," he suggests that government needs to stay "out of the way" – even of programs that it objectively funds and runs. After he explains that he strongly supports full dividend checks as per the statutory formula, I ask if he thinks reinstating that would require either cutting spending or raising taxes. He does not:

> You know, there's enough money in the PFD fund right now. It worked great till the politicians figured out how they can dip their fingers into it. Keep the politicians out of that money and it'll be back to normal again, everything will work just like it's supposed to. And think about this also: they legalized marijuana up here. Where's all that money going? A lot of it, I guarantee it's lining the politicians' pockets. They say I think it was 10 or $12 million dollars' worth of taxes from marijuana since they legalized it. Where'd the money go? Nobody knows. Nobody has a clue. Nobody's asking.
>
> [Interviewer]: So you think they have plenty of money, they don't need to tax anymore?
>
> I don't think they need to tax anymore. I don't think they need to withhold any kind of programs, like schooling or housing or senior benefits or anything like that. They don't need to touch that stuff. It's working. They just need to keep their fingers out of the pot. And if that would happen, everything would be running just as smooth as pancakes.

The complicated legal history of the PFD also leads many to believe that decreasing the check, as the last two administrations have now done, is simply unlawful, which gives more fuel to accusations of corruption. Kate comments on the dividend cuts:

> They took half the dividend in 2016, and then they took half the dividend again. They're not even supposed to touch that money, it's against the law. You could do a lawsuit, you could sue the state for that money that they took. Because that's not their money to take.

This leads to a broader conversation where Kate's partner Vanessa also chimes in on the allocation of government funds. They are not opposed to government spending generally, but since they find government to be terribly unaccountable, they don't see "social spending" as a good reason to cut dividends.

> Vanessa: Yeah, I don't understand how the [legislature] just decides like, oh, we're gonna take half that shit, and we're gonna use it for our shit. And like, why don't they pay their fucking teachers, why don't they pay for education?
>
> Kate: Where did that half of the dividend go? Why aren't these teachers or the ambulance or firefighters paid?

Opposing Welfare, Supporting the PFD

The individual ownership rights model enables people to bypass the criticisms they might have of cash transfers under a welfare scheme. For example, we can consider the common anti-welfare argument that giving people cash enables bad behavior; the idea that recipients spend too much on drugs and alcohol and consumption goods that they can't afford and don't need. This is not absent from discourse around the PFD.

Several respondents voiced concerns about people spending their dividends unwisely, especially on drugs and alcohol. In fact, there is evidence of increased substance-abuse incidents and incidents of police medical assistance in the four weeks after the PFD is distributed (Watson et al. 2019a). Gavin says, "I've seen where it really feeds the local drug dealer, people with their addictions and stuff. I've made the same mistake myself, but I was too young and dumb to really realize what was going on." Emily also mentions this when asked about any downsides she sees to the dividend program. "The only thing that would be really harmful is just drugs and alcohol, for maybe people who are addicts."

Concerning the idea that free money might encourage people to live "beyond their means," Tamara, who is Samoan, echoes popular stereotypes about welfare recipients. While she focuses her derision on Samoans, I frequently heard the same kinds of accusations leveled at Alaska Natives.

> That's why every October, I don't like to come out of the house. All these Samoan people driving around in Escalades, from the 3rd. And on the 5th you see them at the bus stop, because the bank took the Escalade back! Why? Because you never do the payment, you only get it on the first day you got the PFD. What the hell is wrong with y'all? Us, all our cars are paid off, and it's not brand new cars, it's second hand cars.

These narratives of personal irresponsibility, however, do not dominate the PFD discourse and are almost always superseded by other beliefs. First, while it is easy to demonize

welfare recipients as irresponsible, we don't hear recipients of universal programs accusing *everyone*, themselves included, of bad behavior. Grace acknowledges that there are people who blow their PFDs on a spree, not making the most responsible choices for their families, but this does not diminish her strong support for the dividend. "The misdeeds of the few shouldn't punish the many," she says. "Just because somebody decides to go on a binge doesn't mean everybody should not have the Permanent Fund Dividend." Roland holds strongly negative views towards welfare recipients as he describes welfare recipients he knew: "They didn't want to go to work. They just want to kick back and they party. Every time they got the check, two days later, they were broke. That aint right." Yet while he says he sees some of that with the PFD, he believes "75 to 80% of the money that people get from PFDs will go towards household items, vehicles – all different kinds of stuff that's needed – firewood, oil, food." Further, the understanding of the PFD as an individually held right of all Alaskans implies for many that the personal choices people make with their dividends have no bearing on whether they should receive them in the first place.

Another common objection to welfare holds that it invites the "wrong kind of people" – whether through outright fraud or by encouraging in-migration and births to collect benefits. These arguments are also present in the PFD context.

The Department of Revenue's Criminal Investigations Unit received 513 tips on PFD fraud in 2019 – 459 were cleared as unfraudulent and 15 led to criminal convictions (Alaska Department of Revenue 2020). A few respondents said they believe fraud is a problem with the dividend program. Theo says he knows of seasonal workers on his fishing crews who live year-round in Seattle and establish sham residencies by getting a PO Box in Alaska. "Anything that's

free is going to be abused," he thinks. Tamara believes that Samoan people who don't live in-state frequently come up in September and stay for a few months to collect a PFD.

Beyond actual fraud, some respondents express concern that promises of free money encourage people to come to Alaska to take advantage of the system. Oliver exemplifies the kind of conservative critique that is well known in welfare debates, and he ties the PFD to the welfare system.

> Right now I think it's inviting people that – you know, you get a family of 6 or 8 or 9 people and they all get the Permanent Fund and they stick that in their pockets. It'll draw the wrong people here. And usually those people that are drawn by 1,000 or 2,000 a year – I mean even for a baby after a year up here – they're usually on some sort of government assistance, welfare type deals. I think it draws the wrong people.

Again, much of this discourse is rife with racial stereotypes, with "the wrong people" often referring explicitly to Pacific Islanders. Georgia, a Black woman who moved to Alaska 25-years ago, believes newer waves of migrants are motivated to come here by the PFD. "I wanted to come over here, I didn't even know about the PFD. I came here to make a living for my family. The new school, like gang related, the Polynesians, they came here with six or seven children – it's a new game."

These concerns, however, are never presented as reasons to oppose the PFD program altogether. Indeed, accusations of fraud often reflect a strong sense that the dividend is a valid right of Alaska residents; this is why it is so disturbing when people who are not rightful residents are able to access it. Concerns of increasing migration and births also presuppose that there is an "honorable" way of collecting the dividend – namely, not being motivated by it. Far from opposing the program then, people with these concerns support cracking down on fraud and

in many cases extending the residency requirement to make the dividend less of an easy enticement.

A Collective Share

Next, we turn to the portion of interview participants who understand the Permanent Fund and the dividend as a share of wealth "for the people" – but not the people as individuals so much as the people as a collective, sometimes indistinguishable from the state. Margot describes this clearly.

> So we in Alaska, this is an owner state. This land is your land, this land is my land, right? It's sort of like the opposite of a resource colony; it's the idea that we the people – me, you – we own the land that we live on. This is ours. When you think about the Native people owning the land, it's like that, in a sense. It's like we own it together. It's not private, it's not for drawing little boundaries and things like that; it's ours. So the PFD is supposed to – when we sell our resources, we should get the benefit of that, right? These are our resources and we're selling them, so that should be for all of us.

Margot agrees with the "individual shares" perspective that part of the purpose of the dividend program was to keep citizens engaged – but she speaks of engaging citizens with policy in a broad sense, rather than exclusively with the task of ensuring the Permanent Fund is perpetually saved and not "raided."

> The original people that were working on the PFD, they felt that in order to get people to care about the resources and the state and be engaged with land use policy, that they needed to tie money – which everybody cares about – to land use policy, so you can see it directly. This has changed though, because people don't anymore see it like this is our land, they see it like it belongs to the oil companies and we're just sort of subsisting here somehow, like trying to eke out a living out of what they leave us, little crumbs they would throw us. They don't feel engaged in it anymore. And I think, those guys that built that wanted us to really, really understand that politics really do matter, that these things matter so very much. They said it, that's what they said at the time. I think they're right and that it really is important.

Rather than being tasked with "staying out of the way" and letting dividend money flow directly to individuals, government's role, in this perspective, is to shepherd the resources of the Permanent Fund in a way that benefits Alaskans. This is a fuzzier mission; paying dividends is not the only way the Permanent Fund could benefit Alaskans, so competing priorities must be weighed. That is the basic line of the bipartisan House Majority: they support the PFD, but the budget is tight, so fiscal responsibility as well as ensuring the provision of services in the present and the protection of the Permanent Fund into the future demand reducing dividend payments to more "sustainable" levels. They support Governor Walker's approach of capping the dividend and using a portion of Permanent Fund money to fund the broader operating budget of government. Bruce is on this side, and feels that focusing on high dividends is misguided:

> I think the people in the legislature who have been obstinate about trying to say, "we're going to pay a full dividend," whatever the heck that means, are not doing their job. They are abdicating their public responsibility. We have this huge pool of money that, in part was created to provide for a rainy day. And the fact that nobody wants to touch it for that purpose makes no sense.

Gavin says that the primary purpose of the Fund was to ensure the state benefitted over the long-term from the influx of oil money. The dividend has become a distraction from and indeed antithetical to that purpose.

> People started getting the dividends, and now people have come to expect it. It's getting really political… Alaska is going to run out of money – spendable money. And if you promise we're going to have a Permanent Fund Dividend, that's all we're going to have. And, you know, so what if it's $6,000 a year? How many families can live on $12,000, in Alaska? Not very bloody many.

A few interview participants refer to Norway as a model for the path they wish Alaska's Permanent Fund would take – one that prioritizes public goods over dividends. Says Laura:

> I just think that there could be other ways of using that oil money. Like for example, free higher education for anybody. People would be coming to Alaska to take advantage of that. Like in Norway. Wouldn't that be neat? I can dream of all these things, but I know it'll never happen in Alaska.

The above quotes come largely from highly educated white Alaskans with professional jobs, who identify with a political party or persuasion. Working class people of color from the Head Start sample were much more likely to describe themselves as not interested in politics and to say they didn't have a very clear idea of how the PFD program works or why it exists. Still, the overwhelming majority of folks in this category were aligned with the idea that the PFD should be reduced if it comes down to a tradeoff between dividends and crucial social services.

I ask Devin – who said earlier in the interview that he is not interested in politics and doesn't vote – if he pays attention to the news around the PFD. He does, and he connects it immediately to education budget cuts.

> Yeah, like what's the governors name – the one that's trying to get all the PFD money back?
>
> [Interviewer]: Dunleavy?
>
> Yeah. I don't know, I really don't get it. I look at the news and I'm like, okay, it's money. You know, but then taking out the pay cuts for teachers and students? Come on, that's not right. I give, like, 2,000% love for all the teachers and all the people that's in school and stuff. Cause they're the ones that do us parents a favor. So when I heard like they're doing budget cuts off of the teachers and students or schools and stuff, that's messed up.

Devin is unconcerned by recent PFD cuts and would be happy to see the dividend traded for social services: "No, it didn't make me mad or anything like that. As long as they're cutting off our PFD to use it for a good purpose, then I understand." He clarifies that a "good purpose" could be any number of services, from education, to security, to better roads and bus stops.

Supporting Welfare, Opposing the PFD

While we saw that the individual ownership rights framework, along with the notion of universality, provided justification for the PFD among those who generally oppose welfare payments, the opposite is true for the collective ownership model. The interviewees who see the PFD this way almost all support welfare, targeted cash transfers, and other social spending. They see some similarities between the PFD and these other programs, acknowledging that the dividend helps people and families in need to get by. Yet these sentiments don't tend to result in full-fledged support for the dividend program. Instead, the PFD is seen as subordinate to more conventional government programs. Understanding the Permanent Fund as essentially a government fund, dividends to individuals are either a nice bonus that unfortunately must be sacrificed to pressing needs or an underserved entitlement that undermines collective wellbeing.

A critique of the PFD as an "unearned" transfer did not resonate with folks with the individual ownership model, even as they often saw welfare in this way. Oliver, for example, drew this distinction very clearly: "If you get it from the government welfare, that's something from nothing. You can sit on your ass and you can get a check. It's not a healthy deal… The PFD is not something for nothing. It's property. I own one 700,000th of the royalty from Alaska, you know?" Folks with the collective ownership model, on the other hand, don't criticize welfare recipients for taking "unearned" cash, but do describe the PFD in these terms. Clara is an example of using the same language as Oliver to defend an opposing position.

> People feel very entitled to the PFD. When they talk about entitlement and "my money" – that's actually not your money, you know? Pull yourself up by your bootstraps and all that myth. It's like, you don't get something for nothing. And a lot of people are getting that for nothing.

> [Interviewer]: But with other government benefits – you do believe that people are entitled to things like public education. What's the difference?
>
> Yeah, cause I think that serves a whole group. Like with healthcare, I'd rather my taxes go towards everybody getting healthcare, cause that drives down my cost as a consumer … Everybody benefits from public education and roads, that's what makes our country a first world country is our ability to access transportation and health and education, I mean that's the whole purpose of government.

Clara directly rejects claims like Oliver's to owning "one 700,000th" of available dividend money, saying "that's actually not your money." She believes it is reasonable for Alaskans to benefit from state investments in public goods because "that's the whole purpose of government," but universal cash transfers do not fit in her conception of what government is for, and instead seem to be undeserved. Harry puts a finer point on it: "It's important we continue to provide the government services and protect the long-term value of the Fund. More than it is to see that everybody gets a check that they didn't do a damn thing to earn."

In contrast to government services, which folks in this group believe it is the right of citizens to take advantage of, the PFD is something that residents are greedy to want from the state. It represents a drain on collective resources. Lenny exemplifies the feeling behind this belief: he criticizes the ideology of those who strongly defend the dividend as being "all about me – gimme, gimme, gimme, gimme, gimme, take, take, take, take, take."

Elaborating on this, Ian and Laura explain, first, that dividend supporters tend to be against taxation. Indeed, the abolition of Alaska's personal income tax went hand in hand with the influx of oil money and the creation of the Permanent Fund and dividend. Further, they demonstrate that the fact that the PFD is universal and therefore goes to people who don't need it to get by is a large part of the reason they see it as superfluous and ultimately greedy. "To me, it's just not being a responsible citizen," says Ian. "To say, okay, I want my dividend but I don't

want to pay any income tax. Or, how dare you cut my Permanent Fund Dividend at all." He frames the dividend as more of a luxury than a necessity, describing supporters as "Well, we're counting on this dividend, and if we don't get it how are we going to go on our Christmas trip?" Laura pushes back, interjecting "they say that the dividend affects the poor more." The two agree that they would be in favor of only the poor getting PFDs – their understanding though is that "it's been determined it's not legal to make it needs based." But as a universal cash transfer, they don't see it as a valuable part of a social safety net. Ian makes this clear: "For people who don't have any knowledge of what life was like in Alaska before Permanent Fund Dividend, back when we had a state income tax – everyone survived. No one really starved. It's become something that everybody expects with no real thought about, well why am I so privileged?"

Interviewees in the Head Start sample, for whom the dividend check tends to be rather valuable, were most likely to describe the PFD as a gift or bonus, something extra and free. They didn't usually assign the negative connotations that would translate that into "greedy" or "a drain," but they accepted the basic logic that the dividend was no one's right and the government could and would do what they want with the money. For example, Jasmine is not very interested in the origins of the PFD or the politics around it. "I was told that it was supposed to be like $3,000 and then we only ended up getting $1,600, and then recently people are talking that we might get the other half. I don't really pay attention – it just helps when it's there." Christina prefers to avoid the politics and try to focus on gratitude,

> A lot of people say, be appreciative of the fact that you're getting anything, cause you know it's like, it is just extra money. It's not like you had to do anything to get it really. So trying to be appreciative of getting even just that little bit. Like, it is a blessing to be able to just have something to help people get through, you know, if they're having rough times. Especially when you have like four or five kids! So, most I'd say most people appreciate that it's at least something.

[Interviewer]: Is that how you feel as well?

I mean it would be nice to have more obviously. But I mean, I really try not to see it in the light of – you know, I would rather be appreciative of having, even if it was $500, than nothing at all.

In contrast to a welfare rights perspective, she views the PFD as state benevolence; in part, it seems, because she understands herself to be powerless over its terms. Chris expands on this idea of the PFD as a bonus that could be taken away at any time. As such, he is careful not to rely on it.

To me the PFD is a gift. There may come a time when everything is done and gone, and everybody's so used to having the money come in around October, November, you know, then all the sudden there's no more. What do we do? So I kind of like prepare. Cause you can't rely on a good thing forever, cause that good thing may never last.

The Exception: Anti-Austerity Politics

A small number of respondents don't fit into either of the above categories because they strongly defend the PFD as a right of the people while also supporting government interventions in social welfare. That there are so few in this group is surprising from the perspective of an outsider to Alaskan politics, who is likely to presume that universal cash transfers and support for a social safety net are not in opposition but go hand in hand. Yet as I have intended to demonstrate, the political environment of recent years is dominated by voices that insist the two are in conflict: either the PFD is a positive alternative to unwanted government spending, or it is a distraction from legitimate government spending. Higginbotham argues that this outcome is a result of politicians on both sides of the aisle in Alaska buying into a framework of austerity. The conflict between dividends and social spending which led so many liberals and Democrats to abandon previously unquestioned support of the PFD arose because of the widespread belief that

the state cannot afford both. In reality, some have argued, Alaska could have swiftly closed its budget gap in 2019 simply by eliminating a generous per-barrel tax credit for oil companies that has been on the books since 2013 (Higginbotham 2019). In the long term, reintroducing an income tax would seem to be the most sustainable way to pay for government services without sacrificing the ability to use the Permanent Fund for dividends. Yet introducing new taxes on people or corporations are the two legs of the budget "stool" that have not been seriously considered by recent administrations.

Some of the self-identified liberals in my sample argued that ideally the state should implement higher taxes, but they saw this as politically unrealistic and continued to accept the basic logic of a necessary tradeoff between dividends and social spending. Andrew and Vera, both of Homer, were the only two who respondents were committed to high PFDs not as an alternative to but as a part of social spending. This is only possible because they directly challenge the premise of austerity.

Andrew agrees with Margot that the dividend was originally connected to a goal of civic mindedness: "I read Hammond's justification – the whole point of the Permanent Fund Dividend was so that citizens became aware of what it was that was this public resource. The idea of the dividend was theoretically a way of keeping the citizenry a more vibrant, politically participatory group." He thinks this is still a worthy goal to pursue and that the PFD is the wrong place to make cuts. Instead, he would like to see the onus of fiscal responsibility put on the oil companies.

> During the last few years where we've had this huge deficit, I find it astonishing that this legislature could maintain status quo on tax incentives for oil companies that leads to the situation where we're paying out more than we're getting back. And then on top of it, to

> listen to them talk about tapping the Permanent Fund to pay for government – it's such an insult!

Vera supports the owner state concept for Alaska, which she defines as "basically, the people collectively owning the resources. And they're supposed to be managed for the good of all people, not the profits of a few." She sees the PFD as a valuable way for state resources to directly benefit the people. We can recall from the previous chapter that she's used the PFD to help her get by as a single mother when the welfare and child support systems didn't work for her. She would like to see Alaska re-implement the income tax rather than cut the PFD or services: "The whole point of not having an income tax was because we were a rich oil state. If we're saying that we're so broke now we need to cap your dividend, then why don't we have an income tax?"

Conclusion

The politics of universal cash in Alaska have a distinct logic that turns welfare politics nearly on its head. By closely analyzing the structure of this field in the limited time period I cover in this chapter, we see that the backdrop of fiscal crisis combined with existing narratives on the Permanent Fund Dividend's origin and purpose produce divisions that are well understood within their particular context but not clearly generalizable. While ambiguity in the meanings assigned to the PFD enabled it to hold a broadly unquestioned popularity for much of its existence, the challenge of budget deficit prompted a rapid politicization of the issue. (A more complete review would demonstrate that there have in fact been other periods of economic downturn in Alaska's history when the PFD was challenged. But in those cases, the dissenting voices were only small minorities and were easily dispensed with.) In this period of

politicization, cleavages in the fundamental theories behind support for cash transfers are exposed, leading to disparate viewpoints on what is to be done. These debates, apparently over state budget allocations, provoke strong emotional reactions that get to the core of what people desire from their governments.

Conclusion

I conclude the dissertation by presenting policy recommendations that emerge from my research findings – at the level of the Permanent Fund Dividend program itself as well as broader national and state policy. I also present a set of remaining questions and critiques that my analysis suggests should be investigated in future research. Finally, I summarize the study and its major contributions.

Policy Recommendations

My research on the Alaska Permanent Fund Dividend revealed a complex picture: the dividend is nearly universal but somewhat exclusionary; it helps low-income people, but it may help high-income people more; and it sustained popular support for decades, but it has recently warped state politics in a way that is extremely divisive and unproductive. Drawing on Wright's agenda for an emancipatory social science (Wright 2013), this section will offer an evaluation of the ways the PFD model does and does not serve as a viable alternative to the dominant economic institutions of capitalism and the welfare state. I find that the dividend falls short of being a "real utopia" in some important ways, but there are policy changes that would bring it closer to realizing this potential.

PFD Policy

A basic contention of proponents of common wealth dividends like the PFD is that they should contribute to providing a basic level of economic security for all. The PFD fails to do this.

Eligibility Exclusions and Garnishments

First, many of the most vulnerable are excluded from the dividend program by design – this includes incarcerated felons and undocumented immigrants who are not eligible, as well as indebted people whose dividends are routinely garnished. Eligibility criteria can and should be immediately altered so that incarceration status, criminal records, and an undocumented immigration status do not disqualify otherwise eligible Alaska residents from receiving the PFD. Because I found that garnishments contribute to economic inequality overall, yet many indebted Alaskans benefit from using the PFD to pay down debts, the garnishment system should be replaced with an opt-in program that allows Alaskans to put their PFD towards government debts voluntarily. The PFD already has an assignments program that allows recipients to opt to put their dividends towards future payments to municipal housing authorities and other government agencies; allocating dividends to agency debts could work in the same way. Private creditors should not be permitted to use the public infrastructure of PFD administration to collect debts at all. Regulations should be put in place to mark PFD money – much like Social Security and disability payments – as wholly or partially exempt from garnishment so that it also cannot be seized from bank accounts.

Dividend Amount

Next, the size of the PFD is not enough to guarantee economic security – especially not for single people, and especially if it continues to be paid out at levels lower than the traditional formula. I recommend that the legislature return to following the statutory formula for calculating the size of dividend payments. This would have put the dividend at closer to $3,000 per person in recent years – in line with the $3,284 payments that were in fact approved for 2022,

with the help of a special one-time energy relief payment. The formula in itself is not unsustainable, yet I acknowledge that deviating from it has allowed the state to put funds towards general government spending since 2018. This revenue is indeed needed, but taking it from dividend payouts is a regressive policy. Further, having annual legislative fights over how to parcel Permanent Fund money between dividends and government spending has created a set of political incentives and rhetorical frameworks that unnecessarily divide Alaskans and give electoral advantages to those wishing to cut government services to a bare minimum.

A higher PFD could also be achieved by mandating that 50 to 100 percent, rather than the current 25 percent, of mineral leasing revenues be put into the Permanent Fund. Though, a change of this nature would have made more of a difference if it had been instituted at the inception of the Fund. It has also been suggested that funding could come not just from leases but from other sources of oil and gas revenue including taxes and royalties. This might have been a better route to go in 1976 – and it might have forced the state into focusing more on diversifying revenue beyond oil and gas, if more of this money was "locked up" in the Permanent Fund. At this point in time though, oil and gas taxes are badly needed to fund government services, and it doesn't make sense to add them to the Permanent Fund.

Policy Environment

Expand Tax-Based Cash Assistance

Considering the 2021 poverty guideline for a single person in Alaska is $16,000, it is hard to imagine the PFD could be reformed to provide basic security on its own – even at the higher $3,000 payment level, it is far from sufficient. We should consider the dividend as a useful tool among a broader set of cash transfers and non-cash programs. Of the groups I talked

to, the PFD contributes most to economic security for low-income parents. These families were typically able to piece together a nearly workable safety net to supplement their deplorably low wages between dividends, tax refunds, and a few other assistance programs like food stamps. Further expanding the Earned Income Tax Credit and the Child Tax Credit would help even more.

Tax the Rich

The primary reason the dividend is falling short of its potential is that the creation of the PFD smuggled into the state an extremely low tax regime and an economy overly dependent on oil and gas. Economic security relies not just on cash but also on public infrastructure that is increasingly under threat in Alaska. The repeal of the income tax was the first mistake; this was clearly short-sighted as there was no way the exorbitant revenues of the early boom in Alaska were going to continue forever. The state should instate a progressive income tax, as proposed by scholars including Braunlich (Braunlich 2020).

As Alaska failed to invest in significantly diversifying the economy since the 1970s, the power of oil companies in state politics grew, and thus taxes and regulations on this sector got even lower. This feedback loop continues with vicious effects. If the state had personal income tax revenue along with more corporate tax revenue available to fund government, we would not see the battle pitting cash transfers against services like we see today. The state could preserve the PFD at levels dictated by the statutory formula without cutting services – and indeed growing them. My recommendation is that Alaska take this route of anti-austerity, which could start with something like Alaska's Fair Share Act – a tax reform proposal that would increase state revenues from the largest and most profitable oil fields (Alaska's Fair Share 2022).

Applying Lessons Learned to Go Beyond the PFD

The Alaska Permanent Fund Dividend shows us some of what could be gained from more broadly adopting universal cash transfers, universal ownership shares, or some combination of the above. While the cash transfers do not guarantee economic security for all or the amelioration of inequality, the evidence is convincing that they have reduced poverty in Alaska – especially among the rural Alaska Native communities that were not the focus of my study (Berman 2018). Pilot programs in guaranteed income are largely finding the same thing; larger cash transfers of $500 to $1,000 a month are especially good at reducing poverty and instability, even when only implemented for a short time (Lee 2022). In my interviews, I found that having a source of no-strings-attached cash allows people to creatively tackle some of their financial problems and implement their chosen ways of living. Unconditional cash helps people get by and live in dignity.

Further, aspects of the PFD experience point to the potential for cash transfers based on resource dividend or shared ownership models in particular. Although ownership is not a panacea, the research bears out the notion that it does represent a plausible alternative to welfare as a conceptual and practical vehicle by which states can support people. While there is not currently universal agreement on the PFD in Alaska, it is notable that those who are most opposed to other kinds of government assistance are in favor of it. Considering its long history, the policy has achieved remarkably broad bipartisan support. Racist ideologies about the worth and deservingness of different groups do make their way into how people understand the PFD, yet the ownership model of the dividend seems to contribute to a shared identity of Alaskans –

one that is wide and plural enough to fit essentially anyone who demonstrates the endurance to stick it out in the state for a few winters.

Still, there are glaring ways in which the PFD undermines the aspirations of social emancipation. First, it is funded by oil and gas extraction, which must be ended in order to avoid the most catastrophic consequences of global climate change. Fortunately, a universal dividend model does not need to rely on the fossil fuel industry. Alternative examples in the literature on common wealth dividends include proposed legislation in Maine to form a citizen's water trust funded by groundwater extraction (Ranalli 2021), as well as ideas to distribute dividends that recoup the wealth created by corporations' use of public airwaves (Rowe 2013), personal data (California Data Dividend Working Group 2021), or atmospheric services (Barnes 2014). For an existing oil fund like the Permanent Fund, the state could also leverage this wealth to borrow money and invest it in any other assets, shifting over time towards using the earnings from these assets to pay dividends. Louis Kelso helped develop a plan for implementing this kind of broad-based stock fund in Puerto Rico (Anon 1972; Vasquez 1972), which was not ultimately adopted but could be used as a model.

A capital fund entirely divested from fossil fuels, however, still relies on profit-seeking, growth-oriented corporations, which can harm people and communities in innumerable ways in pursuit of those aims. Instead of simply incorporating people in sharing the profits of this system, wealth funds could and should look to models of community control that democratize decision-making. Spreading the notion of the people as co-owners of common resources is just a start; it must be accompanied with meaningful channels for exercising power over those resources. Norway's and New Zealand's sovereign wealth funds present potential models for community control, with highly transparent and accountable management practices and ethical investing

frameworks created in response to public demands. Cummine's framework for "community funds" is a blueprint for combining these mechanisms with direct citizen participation and Alaska-style distribution (Cummine 2016).

Finally, the PFD runs counter to emancipatory goals insofar as it relies on a settler colonial state capturing the value of indigenous lands. While broad-based ownership may be preferable to ownership by a small group of capitalists and landlords, we should ultimately be concerned with critiques of the private ownership framework, especially when it comes to land. Future research should look to scholarship from indigenous studies to consider alternative models of ownership.

Dissertation Summary and Key Findings

The Alaska Permanent Fund Dividend has been a substantial policy experiment and test case within the US economic system, and a close-in analysis of it – how it has worked, who is had benefitted, and how it has evolved – is an important subject for sociology and social policy. This dissertation has provided such an analysis. Using original interview data as part of a flexible mixed methods approach, I discovered aspects of the PFD program that have gone unnoticed in previous literature. First, I provide the first investigation of the dividend's coverage rate. I reveal that coverage falls short of universal and has decreased over time, and I demonstrate the roles of eligibility criteria, access, and take-up in contributing to these overall statistics. Next, I bring to light the way debt interacts with the cash transfer through the garnishment system. The garnishment of social benefits is an important phenomenon for the sociology of inequality because it may undermine the effectiveness of social assistance policy for people with debt burdens and those who have been multiply marginalized by the criminal legal system.

Chapters 3 and 4 make contributions to economic and political sociology, respectively. In Chapter 3, I provide detailed qualitative evidence on how PFD recipients allocate the cash benefit. I find strong similarities in working class families between the PFD and the Earned Income Tax Credit – both supplement wages in a way that enables folks to get caught up on bills, debts, and needed purchases, as well as conferring the dignity and choice to pay for experiences, gifts, and wants. Fewer studies exist examining how wealthier families spend cash influxes. I find that those with children most often set aside children's PFDs for savings, and high-income adults tend to simply fold their own dividends into their general accounts. I also highlight a handful of cases from my rural sample where people use the dividend to fulfill wants and needs that are not well covered by other social assistance programs. In chapter 4, I provide a detailed case study of the state-level politics of the Permanent Fund Dividend from 2015 through 2019, complemented by an analysis of Alaskans' attitudes towards the program in their own words. I find that the dividend cannot be understood through a framework of social assistance. Rather, a notion of wealth sharing that can be traced back to Wally Hickel's ownership state concept structures public understanding. The concept is flexible enough to encompass at least two primary divisions – individual shares and a collective share – which support opposing policy routes under conditions of crisis.

Altogether, this study contributes sociological evidence that will bring increased nuance to discussions on universal basic income, cash transfers, and wealth share programs. The Alaska Permanent Fund Dividend is a unique case that provides glimmers of a possible alternative to the existing capitalist welfare state while also raising serious questions about how a much-lauded model works in practice.

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