Resolved: The United States should replace means-tested welfare programs with a universal basic income.

Katherine and I affirm.

<u>Contention One: Falling through the cracks.</u>

The US spends 1 trillion dollars per year on welfare programs. [1]

Yet, The Washington Post quantifies in 2019 that 13 million people living below the poverty line were disconnected from federal programs meant for them.

The problem lies within the welfare system and is four fold.

1. **Welfare is stigmatized**

According to the CBPP in 2017, only 23% of the families who are eligible for TANF receive assistance. This is in part due to stigmatization of the welfare system.

Stuber 04 writes that Americans commonly, and mistakenly, associate means-tested aid with laziness, and dishonesty. Many families do not apply for welfare because they worry that they'll face hostile treatment.

2. **Welfare is temporary.**

Under US law, an individual cannot receive cash benefits for more than five years over a lifetime. Butler 13 finds that once benefits were cut off, the income of families becomes only $3,000 a year. About 40% had no income at all.

3. **Work requirements are detrimental**

CNN reports that the President signed an executive order expanding work requirements on welfare recipients. The changes will fully take effect on April 1 of this year, effectively stripping 750,000 people of SNAP. Work stipulations on TANF also reduced recipients by 50%.

The Atlantic follows the journey of Stacy. After she lost her job, she could no longer qualify for welfare programs, so she had no source of income.

Stacy isn't alone. Semuels finds that the United States should have eliminated deep poverty by now, but because work requirements strip families of all possible streams of income, 1.5 million households are living on less than $2.00 a day.

[1] The Heritage Foundation

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4. **Welfare perpetuates the cycle of poverty**

The Center for Poverty Research[2] concluded that roughly half of those who get out of poverty will become poor again within five years. A study of Maryland[3] welfare recipients found that just 22% found **stable** employment five years after leaving welfare, and for many more, the only work available was either temporary or paid poverty wages.

There is little hope of moving up. Even if people find work, lack of cash for low-income individuals means businesses do not try to satisfy their needs, thus, they pay more for their products proportionally. If uneven inflation continues, it will push 3.2 million more people into poverty.[4]

Luckily, a UBI will provide an increase in the purchasing power of low income Americans. The market will adjust to meet their needs, increasing business competition and decreasing prices.

The impact is eliminating poverty:

The poverty threshold for a single person was an annual income of just $12,000. However, A UBI would give $15,000[5] per adult annually. Thus, Widerquist of Georgetown University found that a UBI would reduce the amount of people in poverty from 43 million to 0.

Contention 2: A UBI Stimulates the Economy

A UBI benefits the people in two ways:

1. **It increases workers' bargaining power**

A UBI would give workers the power to turn down exploitive work because they would have an alternative source of income to fall back on.

The reduced demand for low paying jobs with bad working conditions in turn will motivate employers to create more desirable jobs.[6] Blattman 13 also found that a UBI increased earnings by 38%.

McKernan of the Urban institute found that pay raises directly lift a household out of poverty completely. 70% of those leaving poverty had increased earnings.

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[2] The Urban Institute
[3] Semuels, The Atlantic
[4] https://www.theatlantic.com/ideas/archive/2019/11/income-inequality-getting-worse/601414/
[5] Clifford, CNBC
[6] Dynarski, New York Times

2. It stimulates small businesses

Saving small businesses is extremely important as they are the lifeblood of the U.S. economy, creating two-thirds of all new jobs[7]. However, this trend has been reversing as Hathaway and Litan 14[8] finds that small business formation has steadily declined by 50%[9]According to Blattman, a UBI increases business assets by 57%. The Atlantic found that this is because publicly funded safety nets like a UBI lower the risk of starting a business, since entrepreneurs need not fear financial ruin.

The impact is growing the economy:

Matthews 17 of Vox finds that a UBI would permanently grow the economy or GDP by 13%, or about $2.5 trillion. According to Romer of the Council of Economic Advisors, a one percent increase in GDP yields one million jobs.

For these reasons, we affirm.

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[7] US Small Business Administration
[8] Graph
[9] since 1978

Resolved: The United States should replace means-tested welfare programs with a universal basic income.

Cards:

Butler In, 5-1-2013, "What Happens to Poor Families When They Hit Welfare Time Limits and Cash Benefits Disappear?," Scholars Strategy Network, https://scholars.org/contribution/what-happens-poor-families-when-they-hit-welfare-time-limits-and-cash-benefits

"Welfare" as it now exists in the United States aims to provide a short-term safety net for very needy families with children and prepare adults to get jobs. **The Temporary Assistance for Needy Families law passed by Congress in 1996 said that cash assistance should be limited to no more than five years (sixty months) over a lifetime**. But states were allowed some flexibility to extend this limit for up to one-fifth of their welfare recipients who face unusual problems.

Until last year, the state of Maine took advantage of this flexibility to provide extended help to less than 15% of its caseload. Some people could continue to get benefits if they complied with all welfare rules, including the rule about seeking or preparing for employment. But in 2011, the Maine legislature voted to make the sixty-month limit virtually absolute. Exceptions would be granted only if people were awarded a special hardship extension due to coping with disability, domestic violence, or the need to care for a disabled family member.

When the new law took effect in 2012, more than 2,000 Maine families were affected. About 44% requested hardship extensions, but only a quarter of all people scheduled for termination got the exception. Since January 1, 2012, more than 1,500 Maine families, including 2,700 children have lost cash benefits. Who are these families and what are their circumstances? To answer this question and consider whether welfare has adequate protections for the most vulnerable, I surveyed a sample of 54 Maine families whose benefits were stopped and did some additional in-depth personal interviews to probe people's experiences more deeply. **After benefits were cut off, many of these respondents, including families with children, were left facing increasingly draconian circumstances.**

Very low incomes. The typical ("median") income of families losing assistance was $260 a month, or $3,120 a year – which equals only 16% of the federal poverty level. Very low wages, if any. The average wage for the respondents who were working at the time they filled out the survey was $9 per hour. Sometimes no money. About 40% had no income at all after losing cash assistance.

Some findings in our study seemed surprising, given that Maine provides educational programs to welfare recipients and still allows very needy people to apply for hardship exceptions to the five-year limit. But such extra help had not reached many of the respondents I studied:

Three-quarters of those who said they needed more education to find a job did not have a high school diploma, yet **only a handful had participated in an educational or training program sponsored by Maine's welfare system.**

Robert **Rector**, 4-5-2018, "Understanding the Hidden $1.1 Trillion Welfare System and How to Reform It," **Heritage Foundation**
https://www.heritage.org/welfare/report/understanding-the-hidden-11-trillion-welfare-system-and-how-reform-it

In 2016, government spent $1.1 trillion on means-tested welfare providing cash, food, housing, medical care, and social services to poor and low-income individuals. Rational policymaking requires accurate information about spending, benefit levels, and living conditions, but such information is rarely available. Moreover, most spending, while boosting income, is dispensed through programs that provide counterproductive incentives to the poor; these must be changed. Another problem is that a substantial portion of this spending is simply wasteful, with funds going to fraudulent, erroneous, and excessive payments or to ineffective programs.

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Ife **Floyd**, 11-28-2018, "TANF Reaching Few Poor Families," Center on Budget and Policy Priorities (**CBPP**), https://www.cbpp.org/research/family-income-support/tanf-reaching-few-poor-families

While those may seem like high numbers, they actually represent just a fraction of American families living in poverty. **In 2017**, for instance, **only 23% of the families with children living in poverty received TANF assistance**, according to the Center on Budget and Policy Priorities.[8] The national median monthly assistance for a family of three with TANF benefits in 2018 was $486 per month. TANF's predecessor was known as the Aid to Families with Dependent Children (AFDC). The AFDC was created in 1935 as part of the Social Security Act, but it later came under scrutiny. Public perception of welfare, then officially known as the AFDC, soured significantly in the '70s. In 1976, President Ronald Reagan's campaign highlighted a case of welfare fraud and popularized the concept of a "welfare queen."[9] He pushed for welfare reforms and warned of how welfare created a cycle of poverty.[10] In 1996, President Bill Clinton created TANF as a replacement for AFDC, officially ending the original welfare system.[11]

Tracy **Jan**, 2-4-2019, "13 million people in poverty are disconnected from the social safety net. Most of them are white.," **Washington Post**
https://www.washingtonpost.com/business/economy/13-million-people-in-poverty-are-disconnected-from-the-social-safety-net-most-of-them-are-white/2019/02/04/807516a0-2598-11e9-81fd-b7b05d5bed90_story.html

More than a quarter of the people living in poverty in the United States receive no help from food stamps and other nutrition programs, subsidized housing, welfare and other cash benefits, or child-care assistance, according to a new Urban Institute analysis examining the reach of the social safety net. The analysis found that **13 million people living below the poverty line** — a household income of less than $25,100 a year for a family of four — **were disconnected from federal programs for the neediest Americans.** Among the very poorest — for instance, a family of four making less than $13,000 a year — nearly a third receive no benefits from the federal safety net.

CPBB, "Many SNAP Households Will Experience Long Gap Between Monthly Benefits Despite End of Shutdown," Center on Budget and Policy Priorities,
https://www.cbpp.org/research/food-assistance/many-snap-households-will-experience-long-gap-between-monthly-benefits

A lengthy delay between February benefits (which most beneficiaries received by January 20) and March benefits. **About 15 million households, which include about 30 million people, could experience a gap between monthly SNAP payments of more than 40 days.** More than 4 million low-income households, including 8 million people, could experience a gap of more than 50 days. **Because SNAP benefits often fall short of meeting basic monthly food needs**, and because struggling households have to use available cash to meet non-food expenses, **families can find themselves at the end of their 30-day SNAP benefit payment cycle without enough food or the resources available to buy more food.** Research has found that food spending, food consumption, and diet quality fall and that food insecurity, hospital admissions, and school disciplinary problems rise after households have exhausted their monthly SNAP benefits. SNAP families often have to turn to social networks, food pantries, and others to get through the month.

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JR **Edwards**, 3-20-2014.Government Data and Regional Studies Prove Inefficiency of Current Entitlement Programs "The Costs of Public Income Redistribution and Private Charity", Journal of Libertarian Studies **(DON'T READ)**
https://cdn.mises.org/21_2_1.pdf

"[Government] income redistribution agencies are estimated to absorb about two-thirds of each dollar budgeted to them in overhead costs, and in some cases as much as three-quarters of each dollar. Using government data, Robert L. Woodson (1989, p. 63) calculated that, **on average, 70 cents of each dollar budgeted for government assistance goes not to the poor, but to the members of the welfare bureaucracy and others serving the poor**. Michael Tanner (o, p. 136 n. 18) cites regional studies supporting this 70/30 split.

Tami Luhby, 4-10-2018, "Trump signs executive order pushing work requirements for the poor," **CNN Money**,
https://money.cnn.com/2018/04/10/news/economy/trump-executive-order-work-requirements/index.html?iid=EL

Trump signed an executive order Monday directing federal agencies to promote employment for those on public assistance. The president called for enforcing work requirements that are already in the law and reviewing all waivers and exemptions to such mandates. Also, the executive order asked agencies to consider adding work requirements to government aid programs that lack them.

"The federal government should do everything within its authority to empower individuals by providing opportunities for work, including by investing in federal programs that are effective at moving people into the workforce and out of poverty," the order read.

The agencies have 90 days to submit a list of recommended policy and regulatory changes.

The move is the latest step in the administration's effort to require low-income Americans to work for their federal benefits. The Centers for Medicare & Medicaid Services earlier this year began allowing states to mandate that certain Medicaid enrollees must work for the first time in the program's history, while the Department of Housing and Urban Development is looking into the issue for those in subsidized housing.The Department of Agriculture also wants to strengthen the work requirements in the food stamp program. Currently, adults without minor children can only receive benefits for three months out of every 36-month period unless they are working or participating in training programs 20 hours a week. However, states can waive that requirement for areas where unemployment is at least 10% or there is an insufficient number of jobs, as defined by the Department of Labor.

Jennifer **Stuber** and Karl Kronebusch, 2004, Stigma and Other Determinants of Participation in TANF and Medicaid, Journal of Policy Analysis and Management
https://www.jstor.org/stable/3326264?mag=the-health-threats-of-welfare-stigma&seq=1#metadata_info_tab_contents
(alt cite) https://daily.jstor.org/the-health-threats-of-welfare-stigma/

Even before the policy change, pickup rates for various programs ranged from 40 to 70 percent. Given that people who are eligible for these programs are, by definition, facing serious economic hardship, that might seem odd. Stuber and Kronebusch write that the explanation is the incredible power of stigma. **Americans commonly associate means-tested aid with laziness, dishonesty, and moral weakness** (an association that doesn't hold true for other government aid like tax breaks and Social Security). That makes applying for benefits a threat to a person's self-image. At the institutional level, that same stigma means many potential aid recipients also worry that they'll face hostile treatment as they apply for benefits. **In addition, there are practical barriers to receiving aid.** Applicants may have to make multiple trips to welfare offices, fill out complicated paperwork, and gather numerous documents. In some cases, the offices aren't equipped to work with non-English speakers. To see how changes to state-level aid policies were working out, Stuber and Kronebusch interviewed 1,405 patients at community health centers in 10 states. Not surprisingly, in states that made it more difficult to get cash benefits or Medicaid, fewer of the people surveyed were enrolled in the programs. Stigma also made a difference when it came to cash aid, with people who held more negative perceptions of welfare recipients five percentage points less likely to enroll in the programs. Looking at Medicaid, the researchers found potential recipients weren't put off by stigma about the program itself, but they were less likely to enroll if they thought providers gave worse care to people on Medicaid.

For example, **66 percent of people not enrolled in welfare agreed with the statement, "Many people on welfare do not want other people to know they are on welfare,"** compared with 52 percent of people who were enrolled in welfare. Comparing the two programs, negative stereotypes associated with peo- ple on welfare were more than twice as prevalent as Medicaid stereotypes**. For example, 69 percent of respondents not enrolled in welfare said, "A lot of people in this country don't respect a person on welfare**," whereas 33 percent of respondents not enrolled in Medicaid said, "A lot of people in this country don't respect a per- son on Medicaid." Also, bad experiences associated with applying for benefits were much more common for cash benefits than for Medicaid: 45 percent of those not enrolled in welfare perceived the application process as humiliating versus 24 per- cent for Medicaid. By contrast, confusion about eligibility was more of a problem in the Medicaid program: 79 percent of those not enrolled reported this for Medic- aid compared to 71 percent for welfare. There were also observable differences with respect to policies in the sampled states: more stringent welfare reform policies, less expansive eligibility for TANF, and less generous Medicaid programs appeared to reduce enrollment, while simplification of the Medicaid app

Contini, D., & **Richiardi**, M. G. (2012). Reconsidering the effect of welfare stigma on unemployment. Journal of Economic Behavior & Organization, 84(1), 229–244.doi:10.1016/j.jebo.2012.02.010
https://www.researchgate.net/publication/257004583_Reconsidering_the_effect_of_welfare_stigma_on_unemployment
https://sci-hub.tw/10.1016/j.jebo.2012.02.010

So far, we have analyzed the behavior of the economic outcomes of interest as each of the stigma components and A varies while the other one remains fixed: in particular, **unemployment rates decrease as A increases**, while for rising A we observe rising rates with weak forecasting and a reversed U-shape with strong forecasting. However, both parameters are likely to be affected if the level of stigma changes, hence, the net effect on unemployment is a priori undetermined.

Welfare stigma appears to be positively related to long-term unemployment and poverty rates (Fig. 9); correlation coeffi-cients are respectively 0.51 and 0.69.19 A positive relationship between stigma and long-term unemployment or long-term poverty rates is consistent with our theory, while it is not in line with the predictions of traditional job-search models. Of course, these stylized facts could be consistent with other theoretical explanations, but given the scarcity of data, it is difficult to disentangle the effect of stigma from the multitude of other confounding country-level characteristic. In this light, we now discuss potential alternative explanations of the available empirical evidence.

Dave Dm, Crman H, Reichman Ne.,, 12-1-2012 , "Effects of Welfare Reform on Vocational Education and Training," PubMed Central (PMC),
https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3224084/#maincontent

Major goal of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 was to move recipients off of cash assistance and into the labor force. The legislation imposes time limits on welfare receipt, expands work requirements for recipients, and allows states to impose stricter sanctions for non-compliance with work requirements and other rules. PRWORA's "work first" approach de-emphasizes education and training, representing a departure from previous approaches that encouraged human capital formation as a strategy for achieving self-sufficiency. Although minor mothers are required to attend high school or training in order to receive welfare and are not subject to time limits or work requirements if they are full-time students, PRWORA sharply restricts the extent to which adult recipients can count education and training as required work activities. The PRWORA legislation of 1996 ended entitlement to welfare benefits under Aid to Families with Dependent Children (AFDC) and replaced AFDC with Temporary Assistance for Needy Families (TANF) block grants to states. Among the features of TANF and many pre-PRWORA state waiver programs,1 which together constitute "welfare reform," were time limits on the receipt of welfare benefits, work requirements as a condition of receiving welfare, and sanctions for non-compliance with program rules. PRWORA also strengthened child support enforcement and made it easier for married and cohabiting couples to qualify for welfare benefits. These sweeping changes ushered in a new "work first" era that de-emphasized education for adult women. The PRWORA legislation granted considerable discretion to states in establishing welfare eligibility and program rules. As a result, there is substantial state policy variation within the broad national regime of time-limited cash assistance for which work is required. Major statewide AFDC waiver programs, first implemented in late 1992, substantially altered the nature of welfare by imposing time limits, significantly reducing participation exemptions, imposing sanctions, increasing earnings disregards, imposing family caps, and/or implementing work requirements. Compared to JOBS programs, statewide waivers were broad-based in that they applied to large proportions of welfare recipients. While states were required to provide many specifics of their programs in their waiver plans, they were not required to report policies vis-à-vis educational activities. Complicating the picture, states could change their policies without having to amend their waiver plans (U.S. Department of Health and Human Services 1997).

As far as we know, only two previous studies used nationally representative data and quasi-experimental designs to investigate the effects of welfare reform on adult women's educational enrollment and those focused on formal education. The more comprehensive study, by Dave, Reichman and Corman (2008), used annual data from the October Education Supplement of the Current Population Survey (CPS) from 1992 to 2001 to estimate the effects of welfare reform on high school and college enrollment of adult women using a difference-in-differences methodology. The primary focus was on college enrollment, because the number of women in the relevant sample attending high school was quite small. The target group for the analyses of college enrollment consisted of women aged 24–49 who were unmarried, had less than a college degree, and had minor children in the household, while the comparison group was women in the same age range and with the same educational levels but who had no children. They found that welfare reform reduced college enrollment by about 20%. The authors also examined the extent to which college enrollment varied by state TANF education and work incentive policies and found that the negative effects of welfare reform on college enrollment were stronger in strict states (those that did not allow post-secondary education to be considered a valid work-related activity and those with stricter work requirements) than in more lenient states. Finally, they found that women who worked 20 or more hours per week were far less likely than those who worked fewer hours to attend college.

We found suggestive evidence that **welfare reform significantly decreased the probability of full-time vocational training** and had no significant effects on part-time vocational education acquisition or participation in any other type of work-related education among adult women in the United States. We found considerable heterogeneity across states, suggesting that states with stricter educational policies and stronger work incentives experienced larger declines in full- and part-time vocational training participation. Indeed, participation in part-time vocational education appears to have significantly increased (relative to no education or training) in more lenient states. The negative effects of welfare reform on vocational education appear to be confined to women with less than a high school education. We found no evidence that the previously-reported negative effects of welfare reform on enrollment in formal education (particularly college), which we replicated in this study, have been offset by increases in vocational education and training on average. In other words, welfare reform appears to have decreased adult women's education and training overall, and again, the effects appear to be confined to those with very low levels of completed education.

Jeffrey **Dorfman**, 10-13-2016, "Welfare Offers Short-Term Help And Long-Term Poverty, Thanks To Asset Tests," Forbes, https://www.forbes.com/sites/jeffreydorfman/2016/10/13/welfare-offers-short-term-help-and-long-term-poverty/#54b49a4f32cd

The third flaw in the government welfare system is the way that benefits phase outs as a recipient's income increases. **As a household's income approaches the poverty line and rises above it, families on various welfare programs can actually face effective marginal tax rates of 50 or 60 percent** (see this CBO report for the details). That means that the combination of taxes owed on new income and benefits lost because of the rising income causes the family to lose 50 to 60 percent of its initial income gain to the federal government. In simple terms, a poor family trying to escape poverty pays an effective marginal tax rate that is considerably higher than a middle class family and higher than or roughly equal to the marginal tax rate of a family in the top one percent. Given that our federal income tax system is supposed to progressive, meaning higher income families pay a higher percentage of that income in taxes, it is nonsensical to impose such high tax rates on families in poverty.

Dylan **Matthews**, 8-30-2017, "Study: a universal basic income would grow the economy," **Vox**, https://www.vox.com/policy-and-politics/2017/8/30/16220134/universal-basic-income-roosevelt-institute-economic-growth

Resolved: The United States should replace means-tested welfare programs with a universal basic income.

The Roosevelt study, written by Roosevelt research director Marshall Steinbaum, Michalis Nikiforos at Bard College's Levy Institute, and Gennaro Zezza at the University of Cassino and Southern Lazio in Italy, comes to a dramatically different conclusion. And it does so using some notably rosy assumptions about the effects of large-scale increases to government spending, taxes, and deficits, assumptions that other analysts would dispute vociferously.

They find that enacting any of these policies by growing the federal debt — that is, without raising taxes to pay for it — would substantially grow the economy. The effect fades away within eight years, but GDP is left permanently higher. The big, $12,000 per year per adult policy, they find, **would permanently grow the economy by 12.56 to 13.10 percent — or about $2.5 trillion come 2025. It would also,** they find, **increase the percentage of Americans with jobs by about 2 percent, and expand the labor force to the tune of 4.5 to 4.7 million people.** They also model the impact of the plan if it's paid for with taxes. That amounts to large-scale income redistribution, which, the authors argue, would stimulate the economy, because lower-income people are likelier to spend their money in the near-term than rich people are. Thus, they find that a full $12,000 a year per adult basic income, paid for with progressive income taxes, would grow the economy by about 2.62 percent ($515 billion) and expand the labor force by about 1.1 million people.

Andrew Harrop, Cameron Tait, 6-2017, "Universal basic income and the future of work" , Fabian Society https://www.tuc.org.uk/sites/default/files/UBI.pdf

The alternative view is that **a UBI could give workers the power to turn down exploitive work, both because they would have an alternative source of income and because there would be no conditionality requiring jobseekers to take whatever work is available**.59 **This might lead to reduced demand for low paid work, better pay and conditions and the possibility of better worker organisation**. Indeed, one view is that a generous UBI could transform worker-employer relationships and should primarily be seen as a policy for redistributing power not resources. Confusingly, some UBI advocates argue at the same time that UBI will increase supply and improve terms: it will 'enable citizens to accept low wages *and* to bargain more strongly.

A universal basic income creates bargaining power by increasing all workers' capacity to refuse a raw deal. - A UBI increases workers' "reserve price" — the minimum each worker must be paid before she is willing to accept a given job with particular working conditions

Susan **Dynarski**, 7-6-2018, "Fresh Proof That Strong Unions Help Reduce Income Inequality," New York Times, https://www.nytimes.com/2018/07/06/business/labor-unions-income-inequality.html

In the new study, the four scholars have mined newly available Gallup Organization data going back to the 1930s, based on surveys of American households that include questions about political beliefs as well as union membership, education, and income. A rich trove of these older surveys is now publicly available at the Roper Center at Cornell University. The four economists painstakingly cleaned and coded hundreds of these surveys spanning nearly 90 years. The data encompass the growth of unions during the 1930s and '40s, their heyday in the '50s and '60s, and their slow decline to the present. **Union workers now earn about 20 percent more than nonunion workers in similar jobs.** Remarkably, this union premium has held steady since the 1930s.

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Christopher **Blattman**, Nathan Fiala, Sebastian Martinez, 12-15-**2013** “Generating Skilled Self-Employment in Developing Countries: Experimental Evidence.”The Quarterly Journal of Economics https://academic.oup.com/qje/article-abstract/129/2/697/1866610?redirectedFrom=fulltext

We study a government program in Uganda designed to help the poor and unemployed become self-employed artisans, increase incomes, and thus promote social stability. Young adults in conflict-affected north were invited to form groups and submit grant proposals for vocational training and business start-up. Funding was randomly assigned among screened and eligible groups. **Treatment groups received unsupervised grants** of $382 per member. Grant recipients invest some in skills training but most in tools and materials. After four years, half practice a skilled trade. Relative to the control group, the program **increases business assets by 57%, work hours by 17%, and earnings by 38%.** Many also formalize their enterprises and hire labor. We see no effect, however, on social cohesion, antisocial behavior, or protest. Effects are similar by gender but are qualitatively different for women because they begin poorer (meaning the impact is larger relative to their starting point) and because women’s work and earnings stagnate without the program but take off with it. The patterns we observe are consistent with credit constraints

Walter Frick, 2015, “Welfare makes America More Entrepreneurial”, **The Atlantic** https://www.theatlantic.com/politics/archive/2015/03/welfare-makes-america-more-entrepreneurial/388598/

The same is true of recent immigrants to the United States. Contrary to claims by the right that welfare keeps immigrants from living up to their historic role as entrepreneurs, CHIP eligibility increased those households’ chances of owning an incorporated business by 28 percent. The mechanism in each case is the same: **publicly funded insurance lowers the risk of starting a business, since entrepreneurs needn’t fear financial ruin.** (This same logic explains why more forgiving bankruptcy laws are associated with more entrepreneurship.) A 2010 study by RAND found a similar effect with Medicare. American men were more likely to start a business just after turning 65 and qualifying for Medicare than just before. Here again, **government can make entrepreneurship more appealing by making it less risky**. By this logic, Obamacare doubles as entrepreneurship policy by making it easier for individuals to gain health insurance without relying on an employer.

Ben Schiller, 09-13-2017, "A Universal Basic Income Would Do Wonders For The U.S. Economy," Fast Company, https://www.fastcompany.com/40463533/a-universal-basic-income-would-do-wonders-for-the-u-s-economy

Marshall Steinbaum, Roosevelt Institute’s research director, says the effect comes mostly from increasing consumer demand. The think tank argues that the economy is sluggish because people on middle and lower incomes aren’t earning enough money relative to inflation. Economic growth is going disproportionately to higher earners who are more likely to save than lower earners, who tend to spend more of whatever they have left. “It’s like buying a yacht. Saving is something that rich people are more likely to do,” Steinbaum, who coauthored the paper, says in an interview. Steinbaum is not a fan of the automation argument for UBI. But he does think UBI could help workers to win better wages when they work. Like other left-of-center economists, **Steinbaum argues that wages are stagnating not so much from business or economic factors, but rather because of power dynamics between employers and employees. UBI would give workers more voice**, he says. “The absence of job opportunities means employers can benefit at the expense of employees by reducing wages and benefits. If you make benefits not conditional on having a job, that increases workers’ bargaining power because they’re supporting themselves separately and they’re not dominated and manipulated,” he says.

Resolved: The United States should replace means-tested welfare programs with a universal basic income.

Christopher **Blattman**, Nathan Fiala, Sebastian Martinez, 12-15-**2013** “Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda”, The Quarterly Journal of Economics
https://academic.oup.com/qje/article-abstract/129/2/697/1866610?redirectedFrom=fulltext

We study a government program in Uganda designed to help the poor and unemployed become self-employed artisans, increase incomes, and thus promote social stability. Young adults in Uganda’s conflict-affected north were invited to form groups and submit grant proposals for vocational training and business start-up. Funding was randomly assigned among screened and eligible groups. **Treatment groups received unsupervised grants** of $382 per member. Grant recipients invest some in skills training but most in tools and materials. After four years, half practice a skilled trade. Relative to the control group, the program **increases business assets by 57%, work hours by 17%, and earnings by 38%.** Many also formalize their enterprises and hire labor. We see no effect, however, on social cohesion, antisocial behavior, or protest. Effects are similar by gender but are qualitatively different for women because they begin poorer (meaning the impact is larger relative to their starting point) and because women’s work and earnings stagnate without the program but take off with it. The patterns we observe are consistent with credit constraints

Christina **Romer**, Jared Bernstein, 1-9-**2009**, “The Job Impact of the American Recovery and Reinvestment Plan”, Council of Economic Advisers
https://www.economy.com/mark-zandi/documents/The_Job_Impact_of_the_American_Recovery_and_Reinvestment_Plan.pdf

The final step is to take the effect on GDP and translate it into job creation. Not all of the increased output reflects increased employment: some comes from increases in hours of work among employed workers and some comes from higher productivity. We therefore use the relatively conservative rule of thumb that **a 1 percent increase in GDP corresponds to an increase in employment of approximately 1 million jobs**, or about three-quarters of a percent. This has been the rough correspondence over history and matches the FRB/US model reasonably well. The effect on jobs using the estimates from most private sector forecasting models would be somewhat larger. We look at the effects in 2010Q4, which is the end of the two-year period that is the focus of the recovery plan.

UBI lowers taxes and more effectively distributes wealth than current government programs.
Zwolinski, Matt. "The Libertarian Case For Basic Income." CATO Institute . December 05, 2013.
Web. February 10, 2018. https://www.libertarianism.org/columns/libertarian-case-basic-income
Current federal social welfare programs in the United States are an expensive, complicated mess. According to Michael Tanner, the federal government spent more than $668 billion on over one hundred and twenty-six anti-poverty programs in 2012. When you add in the $284 billion spent by state and local governments, that amounts to $20,610 for every poor person in America. Wouldn’t it be better just to write the poor a check? Each one of those anti- poverty programs comes with its own bureaucracy and its own Byzantine set of rules. **If you want to shrink the size and scope of government, eliminating those departments and replacing them with a program so simple it could virtually be administered by a computer seems like a good place to start. Eliminating bloated bureaucracies means more money in the hands of the poor and lower costs to the taxpayer.** Win/Win. A Basic Income Guarantee would also be considerably less paternalistic then the

current welfare state, which is the bastard child of "conservative judgment and progressive condescension" toward the poor, in Andrea Castillo's choice words. Conservatives want to help the poor, but only if they can demonstrate that they deserve it by jumping through a series of hoops meant to demonstrate their willingness to work, to stay off drugs, and preferably to settle down into a nice, stable, bourgeois family life. And while progressives generally reject this attempt to impose traditional values on the poor, they have almost always preferred in-kind grants to cash precisely as a way of making sure the poor get the help they "really" need. Shouldn't we trust poor people to know what they need better than the federal government?

Maybe - cards:

Catherine Clifford, 1-14-2020, CNBC, "This free cash plan would pay you $1,320 per month and wouldn't cost the government a cent"
https://www.cnbc.com/2020/01/14/budget-neutral-universal-basic-income-plan-would-pay-1320-per-month.html

The plan, which is only theoretical, was released by the American Enterprise Institute (where Pomerleau now works) on Jan. 6 and **provides for a universal basic income payment of $15,845 per year, or $1,320 a month, to U.S. residents 18 or older. For individuals under 18, the plan provides for a $7,923 per year payment, or $660 per month**.However, to make the plan budget-neutral, the American Enterprise Institute proposal repeals benefit programs, from Medicare and Social Security to veterans' benefits and disaster relief. It also removes a long list of deductions and credits from the tax system, including the ability to write off medical expenses and business losses. (The full list of things that would be repealed is extensive.)

Signe-Mary McKernan, 9-2009, The Urban Institute, "Transitioning In and Out of Poverty"
https://www.urban.org/sites/default/files/publication/30636/411956-Transitioning-In-and-Out-of-Poverty.PDF

Job gains and **pay raises most often lift a household out of poverty**. Broadly, **50 to 70 percent of those leaving poverty have a family member get a job or have increased earnings** (Bane and Ellwood 1986; Ruggles and Williams 1987). While there are some differences in the literature, a recent study finds that employment gains for any household member have roughly equal importance in facilitating poverty exit (McKernan and Ratcliffe 2005). Increases in educational attainment, such as completing a high school or postsecondary degree, have a large association with poverty exits, as do shifts from female-headed to two-parent households.

Roughly half of those who get out of poverty will become poor again within five years. For those who were poor for at least five years and then escaped poverty, more than two-thirds will return to poverty within five years (Stevens 1994). People cycle in and out of poverty over the course of their lives, which can add up to a significant number of years in poverty.

Ann Huff Stevens, Director of UC Davis Center for Poverty Research, "Transitions into & out of Poverty in the United States"

Resolved: The United States should replace means-tested welfare programs with a universal basic income.

https://poverty.ucdavis.edu/policy-brief/transitions-out-poverty-united-states

Many individuals experience multiple spells of poverty, so that these spell lengths substantially understate the total time spent in poverty. **Thirty-six percent of individuals return to poverty within four years of ending a spell.** Among households headed by African Americans or single females, rates of re-entry within four years are 46 to 50 percent. Exit probabilities fall as the duration of the poverty spell increases. The exit rate from poverty is 56 percent after just one year poor, but falls to 13 percent after seven or more years in poverty. Similarly, rates of return to poverty decline with time spent out of poverty.

Alana Semuels,The Atlantic, 6-11-2016, "The Near Impossibility of Moving Up After Welfare"

https://www.theatlantic.com/business/archive/2016/07/life-after-welfare/490586/

Those who do find jobs are often not much better off than they'd been on the dole. The job market is tough these days for those without more than a high school education. **A study of Maryland welfare recipients exiting TANF, for example, found that just 22 percent found stable employment five years after leaving welfare, and for many more the only work available was either temporary or paid poverty wages.** There is little hope of moving up. In today's economy, most people cannot expect to receive the on-the-job training or promotions they might have decades ago. Because wages have stagnated, most people who enter low-wage jobs and stay in them will never see their pay go up significantly.

Karl Widerquist, Georgetown University, "Less Than 3 Percent of GDP Could End U.S. Poverty, New Research Shows", 30 January 2018,

https://www.georgetown.edu/news/less-than-3-percent-of-gdp-could-end-u-s-poverty-new-research-shows/

The average net beneficiary of this UBI proposal is a household of an average household size of two people making about $27,000 per year, the professor adds. The couple's net benefit would be nearly $9,000, which raises their net income to almost $36,000. 'This UBI scheme is a net financial benefit to most households with incomes up to $55,000 annually,' he says. 'This would be an effective wage subsidy (or tax cut) for tens of millions of working-class families.' Facebook CEO Mark Zuckerberg suggested a universal basic income for Americans during a commencement speech at Harvard in 2017. Widerquist says the $539 billion per year that is 2.95 percent of America's GDP is about one-sixth of the cost of commonly circulated estimates, and that this amount is less than 25 percent of current entitlement programs. The study used U.S. Census Bureau data for 2015 to examine an estimated poverty-level UBI of $12,000 per adult and $6,000 per child. **Widerquist's research also found that some 43.1 million people (including 14.5 million children) would benefit from this increased income, reducing the poverty rate from 13.5 percent of the population to zero.**

Rich McHugh, EPI, 3-9-2015, "How Low Can We Go? State Unemployment Insurance Programs Exclude Record Numbers of Jobless Workers"

https://www.epi.org/publication/how-low-can-we-go-state-unemployment-insurance-programs-exclude-record-numbers-of-jobless-workers/

The Great Recession and its aftermath created severe challenges for unemployment insurance (UI) programs in the United States and for jobless workers relying upon them. In this briefing paper, we show that state UI programs are failing their critical goals of income replacement and supporting economic growth. **The proportion of jobless workers receiving benefits** from state programs, referred to as the UI recipiency rate, **fell to 23.1 percent in December 2014**—below the pre-Great Recession record low of 25.0 percent in September 1984. Due to the expiration of federal emergency unemployment benefits at the end of 2013, jobless individuals were solely dependent upon state UI programs for support in 2014. While state UI benefit recipiency overall has declined due to the improving economy, these state programs in many cases failed to assist jobless workers. This brief focuses special attention on those states that have cut their potential available weeks of UI benefits to below the long-accepted norm of 26 weeks. Because state UI programs are mainly designed to address short-term unemployment, we focus our analysis on the short-term recipiency rate, which excludes people who have been unemployed for 27 weeks or more from the proportion of jobless workers receiving benefits from state programs.

Resolved: The United States should replace means-tested welfare programs with a universal basic income.

US Small Business Administration, 1-30-2019, "Small Businesses Generate 44 Percent Of U.S. Economic Activity" https://advocacy.sba.gov/2019/01/30/small-businesses-generate-44-percent-of-u-s-economic-activity/

Small businesses are the lifeblood of the U.S. economy: they create two-thirds of net new jobs and drive U.S. innovation and competitiveness. A new report shows that they account for 44 percent of U.S. economic activity. This is a significant contribution, **however this overall share has declined gradually.** U.S. gross domestic product (GDP) is the market value of the goods and services produced by labor and property located in the United States. Across the 16 years from 1998 to 2014, the small business share of GDP has fallen from 48.0 percent to 43.5 percent. Over the same period, the amount of small business GDP has grown by about 25 percent in real terms, or 1.4 percent annually. However, real GDP for large businesses has grown faster, at 2.5 percent annually. "This useful benchmark shows us that small businesses continue to be big contributors to the U.S. economy," Acting Chief Counsel for Advocacy Major L. Clark said. "While their contribution has grown at a slower rate than that of large businesses, small businesses continue to be at the forefront of driving innovation, jobs and economic growth."