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# All

### A2: Struvio

Poverty is a form of structural violence.

Kathleen **Ho, 2007**, is currently pursuing her MA degree in Human Rights at the University of Essex under a Rotary Ambassadorial Scholarship. She received her undergraduate degree in Comparative Literature and International Studies at Northwestern University. After her undergraduate degree she travelled to China on a Princeton-in-Asia Fellowship to teach oral English and English writing at the Zhejiang University of Technology. After her MA degree she will begin her law degree at the University of Virginia. “Structural Violence as a Human Rights Violation” Essex Human Rights Review,

To substantiate the claim made above, this essay will examine the structural causes of severe global poverty and the impacts of poverty on agency. Poverty is a prime example of how structural violence leads to an understanding of structural violations of human rights since, as Farmer notes, ‘**the world’s poor are the chief victims of structural violence…the poor are not only more likely to suffer**; **they are less likely to have their suffering noticed’**.15 It is the poor whose agency is severely compromised and whose actual fulfillment of fundamental human needs is visibly below the potential. Examining the position of the poor illuminates the unequal suffering of human rights violations that are the result of power differentials as exercised through global economic as well as social structures. 4. Poverty as structural violence So far, this essay has established the nature of structures and a theory asserting that power inequalities are built into these structures, yielding violent results. Here, severe or absolute poverty (according to the World Bank, people with incomes at less than about $1 per day) will be considered as a manifestation of economic inequality resulting from structural violence. To apply the theoretical framework of structural violence, then, what structures have unequal distributions of power to create this global inequality? Further, what constitutes an avoidable disparity between actual and potential abilities to satisfy basic human needs? Structural violence theorists characterize the world system as vastly unequal, exemplified by a growing disparity between those who are rich and getting richer and those who are poor and getting poorer. Taking this observation as a point of departure, further examination of the general distribution of severe poverty and understanding what this indicates about the causal role of structures in poverty persisting in the world today is necessary. According to Thomas Pogge, ‘nearly a fifth of all human beings alive today, 1,175 million, live below $1/day.’16 The recent 2006 Helsinki-based World Institute for Development Economics Research of the United Nations University (UNU-WIDER) ‘reports that the richest 1% of adults alone owned 40% of global assets in the year 2000, and that the richest 10% of adults accounted for 85% of the world total.’ It also notes that ‘average wealth amounted to $144,000 per person in the USA in year 2000, and $181,000 in Japan…India [had] per capita assets of $1,100, and Indonesia with $1,400 per capita.’ Another striking finding is that ninety per cent of the total world wealth is concentrated in North America, Europe, and high income Asia-Pacific countries.17

### Topicality

[CRS Report: Welfare Spending The Largest Item In The Federal Budget](https://www.budget.senate.gov/imo/media/doc/CRS%20Report%20-%20Welfare%20Spending%20The%20Largest%20Item%20In%20The%20Federal%20Budget.pdf)

### A2: Epsitiosmotmoetly

“US Should” means definitive policy action – not an ideological or epistemological frame

**Ericson, 03** (Jon M., Dean Emeritus of the College of Liberal Arts – California Polytechnic U., et al., The Debater’s Guide, Third Edition, p. 4, AA)<https://books.google.com/books?id=FRZjE1GsjPMC&printsec=frontcover&dq=The+Debater%27s+Guide,+third+edition&hl=en&sa=X&ved=0ahUKEwiQ1qGtjL_jAhUIv54KHfJTBO0Q6AEIJzAA#v=onepage&q=The%20Debater's%20Guide%2C%20third%20edition&f=false>

The Proposition of Policy: Urging Future Action In policy propositions, each topic contains certain key elements, although they have slightly different functions from comparable elements of value-oriented propositions. 1. An **agent doing the acting ---“The United States”** in “The United States should adopt a policy of free trade.” Like the object of evaluation in a proposition of value, the agent is the subject of the sentence. 2**. The verb should—the first part of a verb phrase that urges action**. 3. An **action verb to follow should in the should-verb combination**. For example, should adopt here means to put a program or policy into action though governmental means. 4. A **specification of directions or a limitation of the action desired.** The phrase free trade, for example, gives direction and limits to the topic, which would, for example, eliminate consideration of increasing tariffs, discussing diplomatic recognition, or discussing interstate commerce. Propositions of policy deal with future action. Nothing has yet occurred. The **entire debate is about whether somehing ought to occur. What you agree to do, then, when you accept the affirmative side in such a debate is to offer sufficient and compelling reasons for an audience to perform the future action that you propose.**

# A2: Aff

### Indicts

A2: that stupid 404/month welfare from Lexington Law

<https://www.cheatsheet.com/money-career/whos-on-welfare-9-shocking-stats-about-public-assistance.html/>

**People received an average of $404 a month in food stamps, SSI benefits, TANF, or general assistance.** Those who qualified for SSI (which primarily supports people who are disabled and can’t work) received the most on average — $698 per month. As of 2015, about 8.3 million Americans were [receiving SSI](http://www.ssa.gov/policy/docs/statcomps/ssi_monthly/2015-04/table01.pdf).

General Assistance = childless, able adults

<https://www.cbpp.org/research/family-income-support/general-assistance-programs-safety-net-weakening-despite-increased>

Thirty states[3] have **General Assistance programs, which generally serve very poor individuals who do not have minor children, are not disabled enough to qualify for the Supplemental Security Income program (SSI), and are not elderly.** [4] (See Figure 1.) Only 12 of these states, however, provide any benefits to childless adults who do not have some disability; the others require recipients to be unemployable, generally due to a physical or mental condition.

### Overviews

**Tradeoffs**

1. [Archetto 18 Hill](https://thehill.com/opinion/finance/397192-implementation-of-a-universal-basic-income-program-would-be-a-disaster)- Producers will realize that everyone has more money so they hike up prices of goods
2. Sarris 17- Landlords take all the increases
3. Sadowski 16/Wages get cut too as employers feel less pressure to pay a living wage
	1. **This becomes a turn** since inflation reduces business investment since the fed raises interest rates
	2. [NBER-](https://www.nber.org/digest/dec97/w6062.html) reduction in inflation of even a single percentage point leads to an increase in per capita income of 0.5 percent to 2 percent.
	3. [Weller 2010](https://www.americanprogress.org/issues/economy/news/2010/10/29/8510/latest-gdp-figures-show-business-investment-powering-economic-growth/)- business investment is the single largest influence on economic growth because when business invest and grow, they hire more workers, increase wages, creates cycle

**Timeframe Cuts**

1. [Greenstein 19 CBPP](https://www.cbpp.org/poverty-and-opportunity/commentary-universal-basic-income-may-sound-attractive-but-if-it-occurred)- MTW has significantly more bipartisan support and has expanded over the last 4 decades, but universal programs have faced cuts
	1. Their returns decrease over time because of cuts, functions as time frame weighing and a delink

[Weller 10](https://www.americanprogress.org/issues/economy/news/2010/10/29/8510/latest-gdp-figures-show-business-investment-powering-economic-growth/)

Today’s data confirms that private sector activities—**business investment and consumption—are the largest driving force behind continued economic expansion.** These trends are strong enough to overcome rising import growth and less spending on real estate by households. Business investment spending is a bellwether for the strength of the recovery right now and for the future. **Business spending impacts economic growth right now since more U.S. products are sold. Increased investment spending should also lead to more private-sector hiring since businesses will need people to use all of the new equipment and fill all of the new factories, office buildings, and mines. Finally, business spending is an indicator for business expectations for the economy’s future.** Businesses will only tie up a lot of their money in new projects if they expect that the economy will continue to expand, and that there will be more customers for their products in the future. After all, investing money in new projects in the United States means that the money cannot be used to speculate in the stock market or to purchase companies overseas.

[**Greenstein 19 CBPP**](https://www.cbpp.org/poverty-and-opportunity/commentary-universal-basic-income-may-sound-attractive-but-if-it-occurred)

**If anything, means-tested programs have fared somewhat better than universal programs in the last several decades.** Since 1980, **policymakers in Washington and in a number of states have cut unemployment insurance**, contributing to a substantial decline in the share of jobless Americans — now below 30 percent — who receive unemployment benefits. In addition, **the 1983 Social Security deal raised the program’s retirement age from 65 to 67, ultimately generating a 14 percent benefit cut for all beneficiaries**, regardless of the age at which someone begins drawing benefits. Meanwhile, **means-tested benefits overall have substantially expanded despite periodic attacks from the right.** The most recent expansion occurred in December of 2015 when policymakers made permanent significant expansions of the EITC and the low-income part of the Child Tax Credit that were due to expire after 2017.

In recent decades, **conservatives generally have been more willing to accept expansions of means-tested programs than universal ones, largely due to the substantially lower costs they carry** (which means they put less pressure on total government spending and taxes).

**NBER**

[**https://www.nber.org/digest/dec97/w6062.html**](https://www.nber.org/digest/dec97/w6062.html)

Unfortunately, there has been a shortage of research conducted to support this intuitive belief. In an attempt to correct this, an NBER Working Paper by Javier Andrés and Ignacio Hernando analyzes the correlation between growth and inflation in OECD countries during the 1960-92 period. In Does Inflation Harm Economic Growth? Evidence for the OECD [(NBER Working Paper No. 6062)](http://papers.nber.org/papers/W6062), **Andrés and Hernando find that even low or moderate inflation rates (as we have witnessed within the OECD) have a temporary negative impact on growth rates, leading to significant and permanent reductions in per capita income. A reduction in inflation of even a single percentage point leads to an increase in per capita income of 0.5 percent to 2 percent.**

As the authors point out, their analysis leaves little room for interpretation. Inflation is not neutral, and in no case does it favor rapid economic growth. Higher inflation never leads to higher levels of income in the medium and long run, which is the time period they analyze. This negative correlation persists even when other factors are added to the analysis, including the investment rate, population growth, schooling rates, and the constant advances in technology. Even when the authors factor in the effects of supply shocks characteristic of a part of the analyzed period, there is still a significant negative correlation between inflation and growth.

**Inflation not only reduces the level of business investment, but also the efficiency with which productive factors are put to use.** The benefits of lowering inflation are great, according to the authors, but also dependent on the rate of inflation. The lower the inflation rate, the greater are the productive effects of a reduction. For example, reducing inflation by one percentage point when the rate is 20 percent may increase growth by 0.5 percent. But, at a 5 percent inflation rate, output increases may be 1 percent or higher. It is therefore more costly for a low inflation country to concede an additional point of inflation than it is for a country with a higher starting rate. Given their detailed analysis, the authors conclude that "efforts to keep inflation under control will sooner or later pay off in terms of better long-run performance and higher per capita income."

**Sadowski 16** [Jathan Sadowski (postdoctoral research fellow in smart cities at the University of Sydney, Australia) Why Silicon Valley is embracing universal basic income, The Guardian, 6/22/16]

UBI becomes a consolation prize for those whose lives are disrupted. Benefits still accrue to the designers and owners of the technologies, but now with less guilt and pushback about the collateral damage. Rather than steer technology towards social progress by promoting projects that contribute to public benefit and human flourishing – not just reflect the desires of privileged groups – Silicon Valley elites can shake off critics by pointing to UBI as the solution, and one that does not restrict their profit motive. **UBI can**, in some ways, **be seen as welfare for capitalists.** Now, **more people can drive for Uber and work for TaskRabbit – at** even **lower wages**! – because **UBI subsidizes the** meager **paychecks earned by hustling for the sharing economy. The** tech **companies take** home the **profit and face** even **less pressure to pay a living wage to** their non-employee employees.

Archetto Hill 7/16/18

[**https://thehill.com/opinion/finance/397192-implementation-of-a-universal-basic-income-program-would-be-a-disaster**](https://thehill.com/opinion/finance/397192-implementation-of-a-universal-basic-income-program-would-be-a-disaster)

**If everyone suddenly had an extra $10K a year, and everyone knew that everyone had an extra $10K a year, prices would go up and inflation would rise, thus negating the perceived gains of such a program.**

Think of it this way. If you walk into a store right now, the price of any product is based on the maximum amount of money it can command in exchange for it in relation to the number of customers needed to pay that price and keep it moving off the shelves at a predictable pace. In other words, supply and demand. However, this is based on the fact that the shop owner has no way of knowing the wealth level of every customer that walks into his store. Now, if Scrooge McDuck waddled in, the shop owner could assume his wealth, deduce that he could afford to pay more, and try to raise the prices on the fly. However, that would be tough because prices are usually clearly marked. But generally, that price is set using the knowledge that any single customer that walks in at any given time has a wealth baseline of $0 and an upper bound of, say, $112 billion. But, if you add in the knowledge that everybody that walks into your store, because of UBI, now has a wealth baseline of X+$10K, don't you think that shop owner would charge more for his products? He knows you can afford a higher price now.

Sarris 17 (Sarris, Simon. Author @ Medium. "After universal basic income, the flood". [https://medium.com/@simon.sarris/after-universal-basic-income-the-flood-217db9889c07.](https://medium.com/%40simon.sarris/after-universal-basic-income-the-flood-217db9889c07.) 22 Oct 2017. Accessed 26 Feb 2018 SM)

Rent is currently eating the world. Rental income just hit an all-time high. **If everyone is given a very predictable amount of money, it may be seen as a system that can be gamed by landlords and maybe other essentials producers. Implementing UBI without reforming land use and zoning regulations may end up as nothing more than a slow transfer to landlords. What are the odds of that happening? Well, it seems like it already did happen with healthcare and college tuition (loans) in the US,** and if those are our guide, the “money” part and the “meaningful reforms” part should be done in a very particular order. Since housing does work well in some places (Japan and Montreal come to mind) I think this is a problem that can be fixed. But without the fix first, UBI may be punting real political problems while giving the appearance of solving them (until years later), and making the price inflation obvious for landlords, just like it was for healthcare companies and colleges getting guaranteed loans. Payments as a solution to a broken system is not the same as fixing the system. If UBI punts this real problem, we’ll be creating a financial time bomb. UBI Is a Transfer of Wealth from the Needy to… Everyone UBI can be a hard sell because it is a koan of fairness, activating one’s empathy and rage simultaneously. The income is meant to support people who desperately need it as well as wealthy hipsters who just don’t feel like working. The one hand clapping begins to feel like a slap. Many of the funding ideas for basic income involve replacing all social safety programs: Disability (SSDI), SSI1, Social Security, food stamps, medicaid, etc. The money saved eliminating all these programs (and their overhead) can be used to give everyone a modest basic income, many proponents suggest. On the face of it this makes the numbers come close to acceptable, but it also means that Basic Income schemes essentially take money out of the pot currently reserved for the needy and disabled, and distribute it to able-bodied people plus the needy and disabled.

### A2: Middle Class debt

1. Their examples (esp alaska) are in places with mtw rn
2. Tolbert 19 KFF/Uninsured 2x more likely than insured to be unable to pay medical debt
	1. Bickham 15/ Increases in medical debt in low income families associated with increased use of payday loans (type of predatory loan) to pay it off
	2. Bickham 15/ Payday loans are super high-interest, creating a cycle of debt
	3. Idk man steal cards from the new aff - something something entrench poverty
3. Aldrich 19/ Fafsa loans allow people to afford colleges
	1. 4% IR vs 8% ir privately
	2. Subsidized sometimes
	3. have fixed interest rates
	4. Concluding: saves thousands

Elizabeth Aldrich, 3-21-2019, "Federal vs. Private Student Loans: Which Should I Choose?," Motley Fool, <https://www.fool.com/student-loans/federal-vs-private-student-loans/>

Federal loans have fixed interest rates, so the interest stays the same until you finish paying off the loan, regardless of how the market rises and falls. Currently, federal student loan interest rates are fixed at 4.45% for undergraduate students and 6% for graduate students. Some federal loans are also subsidized. Subsidized loans are ideal because the government pays the interest for you while you are in school or deferment. On the other hand, unsubsidized loans begin accruing interest as soon as they are taken out. As you can see, federally subsidized loans can save students thousands of dollars before they even graduate.



[Samuel ‘19](https://www.vox.com/future-perfect/2019/10/8/20902839/universal-basic-income-stockton-trial)

“**In the Stockton trial** so far, recipients are making financial decisions that are “really rational,” according to Stacia Martin-West, a University of Tennessee professor acting as co-principal investigator on the experiment.

**Recipients have spent almost 40 percent of their basic income on food, 24 percent on sales and merchandise, 11 percent on utility bills, and 9 percent on car repairs and gas. This information is a useful corrective to the myth that people become poor because they’re irrational agent**s. As one of the Stockton recipients, 48-year-old Zohna Everett, put it, “A poor person knows how to budget.”

<https://www.ncbi.nlm.nih.gov/pubmed/26186423>

Bickham, 10 November 2015

<https://sci-hub.tw/10.1080/00981389.2015.1038410>

**Cash-strapped families sometimes turn to small, short-term loans with exorbitant fees—payday loans—to cope with mounting medical bills.** Given that about three-fourths of payday loan customers are repeat borrowers, consumer advocates and policymakers have increasingly raised voices of concern about the use of payday loans to finance various household expenses, including, among other things, medical bills. The present study hypothesized that **increases in medical debt are associated with increases in payday loan debt** among a sample of Chapter 7 bankruptcy filers. The results of a multivariate tobit regression analysis showed that **medical debt was associated with increased payday loan debt**, controlling for various types of debt and other socioeconomic variables. This article concludes with implications of the results for social work policy- and direct-practice.

Consumers who struggle with medical debt might use payday loans torepay their medical expenses (Gray & Villegas,2012; Seifert,2004). **Such Payday loans refer to small, high-interest, short-term extensions of cashfunds by payday lenders to consumers who need to pay expenses forwhich they do not have available funds to cover** (Caskey,2005). Consumerspay interest charges around$20 for every$100 of the payday loan principal(Karger,2004), which accrue to annual percentage rates (APRs) ranging from28% to 1,980% across the states (Pindus, Kuehn, & Brash,2010). **The majorityof payday loan consumers become over-indebted due to the expensive inter-est charges and fees of the loans**. **The burden of having to concurrently reimburse a payday loan in full on their subsequent payday and makingends meet can entrap payday loan consumers into a cycle of debt (King &Parrish**

<https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

Tolbert Dec 13, 2019

The uninsured often face unaffordable medical bills when they do seek care**. In 2018, uninsured nonelderly adults were over twice as likely as their insured counterparts to have had problems paying medical bills in the past 12 months. These bills can quickly translate into medical debt since most of the uninsured have low or moderate incomes and have little, if any, savings.**

ffcffffffr

Kim Porter,, 11-30-2018, "What Is a Predatory Loan?," US News &amp; World Report, <https://loans.usnews.com/what-is-a-predatory-loan>

PREDATORY LOANS HAVE unfair, misleading or unaffordable terms that generally benefit the lender at the expense of the borrower. They come in different forms, but predatory loans all have the potential to trap consumers in a cycle of debt. For example, payday loans are typically seen as predatory because the costs can escalate quickly: Annual percentage rates can reach 400 percent or higher, and borrowers may be encouraged to roll fees into expensive new loans. But mainstream loans, such as mortgages and auto loans, may have predatory terms, too. Learn how to protect yourself from these loans, how to spot one and alternative ways to borrow money. **Low-income families and people of color are much more likely to take out a loan with abusive terms than their higher-income or white counterparts, according to a 2015 Center for Responsible Lending report. Predatory lenders also target the elderly and people with low credit scores who may lack other options.**

### A2: Edu

1. [Sherman](https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over) 17- best indicator is child poverty

### A2: Unions

**T/ Sherk 9/ Wage increases have negative tradeoffs since companies don't want to cut into profits: 3 ways**

1. **cutting # of jobs**
	1. **Unionization decreases jobs 10%**
	2. **Decreasing number of jobs means that total wages given to workers is the same, no change in consumer spending**
2. **increasing prices to consumers**
	1. **Companies become less competitive since consumers don't want to buy their more expensive goods**
3. **decrease investments needed for product innovation**
	1. **long run decline of company which is prob way worse wage hikes**

**Concluding: unions slowly destroy the companies they’re trying to reform**

**T/ Mathur 17/Increases wages reduce profitability - incentives moving production overseas**

**Mathur and Perry 17 –** Aparna Mathur and Mark J. Perry, (Aparna Mathur is a resident scholar in economic policy studies at the American Enterprise Institute, where she researches income inequality and mobility, tax policy, labor markets, and small businesses. She also directs the AEI-Brookings Project on Paid Family and Medical Leave, for which she was recognized in the 2017 Politico 50 list. Mark J. Perry is concurrently a scholar at AEI and a professor of economics and finance at the University of Michigan), 9-1-2017, "Counterpoint: Unions are irrelevant", AEI, http://www.aei.org/publication/counterpoint-unions-are-irrelevant/, TJ-TD

Labor Day is celebrated to recognize the important contributions that U.S. workers make to the economic prosperity of America. But at the same time, it provides an opportunity to reflect on the declining relevance of organized labor to the success of our workers. A century ago, unions played an important role in the labor movement by boosting workers’ wages, improving working conditions and giving workers a voice in the workplace. Unions were relevant then because organized labor provided a platform by which workers could better negotiate these issues with employers. But unions are increasingly unable to address the challenges that workers face in the 21st century. When manufacturing employment started to decline in the late 1970s, due primarily to technological advances and automation and to a lesser degree globalization, workers did not flock to unions to shield them against these changes. In fact, union membership started to decline concurrently with the decline in manufacturing employment. In 1983, 16.8 percent of workers were part of a private-sector union — today that share has shrunk to an all-time low of only 6.4 percent. Over that period, manufacturing employment declined from 18 million to only about 12 million factory workers today. While unions cannot be blamed for the job losses that have occurred due to technological advances and offshoring, in many ways unions made matters worse for companies facing those changing global forces. Typically, union wage premiums arise because unions negotiate compensation packages that are artificially above market compensation levels. For firms facing global competition, unions raise their employers’ labor costs and make them less competitive. **This hastened the outsourcing of production overseas to take advantage of lower manufacturing labor costs in other countries**. Therefore, it’s important to recognize the hidden costs of union wage premiums. In the short run, unionized workers enjoy compensation packages that are above market levels. But **in the long run, those wages reduce the profitability of their employers, and investment in the global economy will move away from companies with such high costs and low profitabilit**y. For example, the Detroit automakers have consistently lost market share to foreign-based automakers in the United States, including Toyota, Volkswagen and Nissan. While the Big Three (GM, Ford and Chrysler) once had a 90 percent market share of U.S. vehicle sales in the 1960s, their market share slipped below 50 percent about a decade ago, and it now stands at only 45 percent. There’s no question that union wages along with burdensome union work rules contributed to the decline of the Big Three’s competitiveness and those automakers’ shrinking market share. The shift away from organized labor is also apparent in the adoption of right-to-work laws in states across the country. Today, more than half of U.S. states (28) have passed these laws that affirm the right of Americans to work without being forced to join a union. Research suggests that companies are much more likely to set up production in states with these laws. Foreign automakers like Toyota, Nissan, Volkswagen, BMW and Mercedes have almost exclusively located their U.S. plants in right-to-work states like Alabama, Mississippi, Georgia, Texas and Tennessee to take advantage of the greater flexibility in labor costs and work rules.

#### **Labor unions damage the economy --- they slow economic recovery by decreasing investment and jobs**

James **Sherk 9**, (James Sherk is a senior fellow in Labor Policy at The Heritage Foundation. He has frequently testified before committees of Congress and state legislatures on labor policy issues and has a masters in economics), 5-21-2009, "What Unions Do: How Labor Unions Affect Jobs and the Economy", Heritage Foundation, https://www.heritage.org/jobs-and-labor/report/what-unions-do-how-labor-unions-affect-jobs-and-the-economy, TJ-TD

This, along with the fact that unions function as labor cartels that seek to reduce job opportunities, causes unionized companies to lose jobs. Economists consistently find that unions decrease the number of jobs available in the economy. The vast majority of manufacturing jobs lost over the past three decades have been among union members--non-union manufacturing employment has risen. Research also shows that widespread unionization delays recovery from economic downturns. Some unions win higher wages for their members, though many do not. **But with these higher wages, unions bring less investment, fewer jobs, higher prices, and smaller 401(k) plans for everyone else. On balance, labor cartels harm the economy**, **and enacting policies designed to force workers into unions will only prolong the recession.**

The balance of economic research shows that unions do not just happen to organize firms with more layoffs and less job growth: They cause job losses. **Most studies find that jobs drop at newly organized companies, with employment falling between 5 percent and 10 percent**.[32] One prominent study comparing workers who voted narrowly for unionizing with those who voted narrowly against unionizing came to the opposite conclusion, finding that newly organized companies were no more likely to shed jobs or go out of business.[33] That study, however--prominently cited by labor advocates--essentially found that unions have no effect on the workplace. Jobs did not disappear, but wages did not rise either. Unless the labor movement wants to concede that unions do not raise wages, it cannot use this research to argue that unions do not cost jobs.

Unions function as labor cartels. A labor cartel restricts the number of workers in a company or industry to drive up the remaining workers' wages, just as the Organization of Petroleum Exporting Countries (OPEC) attempts to cut the supply of oil to raise its price. **Companies pass on those higher wages to consumers through higher prices, and often they also earn lower profits. Economic research finds that unions benefit their members but hurt consumers generally, and especially workers who are denied job opportunities.**

On balance, unionizing raises wages between 0 percent and 10 percent, but these **wage increases come at a steep economic cost. They cut into profits and reduce the returns on investments**. **Businesses respond predictably by investing significantly less in capital and R&D projects.** Unions have the same effect on business investment as does a 33 percentage point corporate income tax increase.

Unions effectively tax these investments by negotiating higher wages for their members, thus lowering profits. **Unionized companies respond to this union tax by reducing investment. Less investment makes unionized companies less competitive.**

**Less investment makes unionized companies less competitive, and they gradually shrink**. Combined with the intentional efforts of a labor cartel to restrict labor, unions cut jobs. Unionized firms are no more likely than non-union firms to go out of business--unions make concessions to avoid bankruptcy--but jobs grow at a 4 percent slower rate at unionized businesses than at other companies. **Over time, unions destroy jobs in the companies they organize.****In manufacturing, three-quarters of all union jobs have disappeared over the past three decades, while the number of non-union jobs has increased.**

### A2: Wealth Tax

1. T and DL/Michel 19 Heritage and OECD: Wealth taxes punish wealthy investors. This triggers capital flight because they move their money to other countries where they aren’t taxed. Innovation and wages are depressed in the long term without economic investment. This also functions as a delink because then revenues are not collected to fund.

[Michel 19](https://www.heritage.org/taxes/commentary/elizabeth-warrens-wealth-tax-another-radically-bad-idea-the-far-left) **Taxes on wealth are poorly designed taxes on investment. Investment is the lifeblood of our economy. It’s needed to add new jobs, update aging factories, and develop new technologies.** The little guy benefits the most from new technologies, processes, and business models. It’s this type of innovation and investment that allows us to buy cheaper clothes, better computers at lower prices, and fresher food at our grocery stores. **Under a wealth tax, the world’s wealthiest investors—many of whom live in the U.S.—would shift their businesses elsewhere, would employ citizens of other countries, and would raise wages in the U.S. more slowly. The tax would diminish the attractiveness of new breakthrough technologies and squander the even more important peripheral investments for incremental change.**

[OECD 2018](http://dl114.zlibcdn.com/dtoken/a2c04c4bf6c4bb84cd5c48be6519ad40) Many factors have been put forward to justify the repeal of net wealth taxes. **The main arguments relate to their efficiency costs and the risks of capital flight, in particular in light of increased capital mobility and wealthy taxpayers’ access to tax havens;**  the observation that net wealth taxes often failed to meet their redistributive goals as a result of their narrow tax bases as well as tax avoidance and evasion; and concerns about their high administrative and compliance costs, in particular compared to their limited revenues (i.e. high cost-yield ratio)

**Wealth taxes have generally accounted for a very small share of tax revenues. In 2016, tax revenues from individual net wealth taxes ranged from 0.2% of GDP in Spain to 1.0% of GDP in Switzerland.** As a share of total tax revenues, they ranged from 0.5% in France to 3.7% in Switzerland (Figure 1.3). Looking at longer-term trends, Switzerland has always stood out as an exception, with tax revenues from individual net wealth taxes which have been consistently higher than in other countries (Figures 1.4 and 1.5).

The revenues collected from net wealth taxes have also, with a few exceptions, been very low.

### A2: SMB

1. **DL/T/Seamans 17 Forbes: (phrase as banks giving loans) UBI increases the propensity for entrepreneurs to take risks because their downside is limited in the case of failure, the capital provided by the financier is at greater risk**
2. **Cut back spending**
	1. **Credit rationing leads to less innovation**
3. **Increase rates**
	1. **(Bankruptcy Exemption -> higher rates) Lower number and quality of patents by SMB**
4. **Stop funding altogether**
	1. **Take a guess**
5. **T/Griffith 14/ 9 out of 10 SMB fail**
	1. **Eternity 12/ SMB failing means that people can be stuck in debt for decades**
6. **NU/T?? Frick 15 / Welfare creates safety nets - guarantee for health insurance and food even if SMB fails = more willing to take risks**
	1. **SNAP expansion = 20% more likely to start business**
	2. **(mtw hc expansion = survival rate of businesses increase 8%, idk why)**

<https://harvardmagazine.com/2016/07/food-stamp-entrepreneurs>

WALTER FRICK, MARCH 26, 2015

But just as critically, public assistance reduces risk. Starting a business is inherently perilous. “**If you can guarantee some kind of a floor”—if the venture fails, “their kids will still have health insurance, that they’ll still be able to eat—then they’re more willing to take on a risk**. **And…that’s very important to firm-creating and economic growth.”**

Olds, an assistant professor in Harvard Business School’s entrepreneurial management unit, first published this conclusion in a pair of 2014 working papers during his doctoral research at Brown. One focused on the State Children’s Health Insurance Program (SCHIP), which provides health insurance to children in moderate-income families. Using U.S. Census Bureau data from 1992 to 2011 to compare households just above and below the cutoff for SCHIP, both before and after the program began in 1997, Olds found that the self-employment rate among SCHIP-eligible households rose by 23 percent versus those households that weren’t eligible. **The rate of new business starts rose by 13 percent among households that qualified for the program, and the survival rate of new businesses rose by 8 percent**. The largest growth was in newly incorporated businesses, many of which were substantial and successful enough to contribute to the family bank account: income from self-employment increased 16 percent relative to other wages.

Olds’s other 2014 paper, on “Food Stamp Entrepreneurs,” found a similar link between business starts and eligibility for the Supplemental Nutrition Assistance Program (**SNAP**), which expanded in the mid 2000s when its requirements were loosened. **Newly qualified households were 20 percent more likely to start a business, and the number of incorporated businesses rose 16 percent among those who were newly qualified.**

**Erin Griffith, 14, (), "Startups are failing because they make products no one wants", Fortune, 9-25-2014, http://fortune.com/2014/09/25/why-startups-fail-according-to-their-founders/, DOA-2-2-2018 (MO)**

**When the founder of a startup company shuts down her or his business, it’s customary to pen an essay that tells the rest of the community what went wrong. Call it a failure post-mortem. Nine out of 10 startups fail, which is why the failure post-mortem has become so common that it’s practically a Silicon Valley cliché. Some of these essays are honest, enlightening, and brave. Others point fingers or issue backward non-apologies. Medium, the publishing platform, is the preferred medium. The proliferation of the failure post-mortem has helped create a bizarre cult of failure that seems wrong-headed. Celebrating failure (“Fail fast” goes the mantra) seems to let people off the hook for bad behavior. Upon closer inspection, it seems less misguided than necessary. Starting a high-growth business is a roller coaster. Founder-CEOs feel pressure to keep up the facade of success, even when things are actually falling apart behind the scenes. Only recently, after the tragic suicide of Jody Sherman, CEO of a startup called Ecomom, did the technology community begin to publicly acknowledge the problems with its “entrepreneur as hero” narrative. Publicly admitting to failure, and examining it, can take guts. It also distills the narrative to a case study from which other entrepreneurs can learn.**

**Max Eternity (), "Failed ''Welfare'' Programs and the Web of Poverty," Truthout, 3-22-2012, http://www.truth-out.org/news/item/15095-failed-welfare-programs-and-the-web-of-poverty, 5-1-2016 (DNM)**

Changes in bankruptcy laws over the last 20 years have made it harder to declare personal bankruptcy and to escape certain kinds of debts - discouraging entrepreneurs and s**tudents, and condemning many people to perpetual debt servitude. This punitive personal debt, in fact, is a crucial, often downplayed issue in the landscape of economic injustice, according to economist Dean Baker, co-founder of the Center For Economic Policy and Research (CEPR) and regular Truthout contributor. "[T]here were never very many people who made a successful run with a small business," Baker told Truthout. "The vast majority fail…. The bigger issue here is the new [Bush administration] bankruptcy laws, which leave many people in debt for decades."**

**Seamans '17**

Seamans, Robert. "Universal Basic Income Is Not an Innovation Policy." Forbes. 6 Jun. 2017. Web. 28 Feb. 2018. [https://www.forbes.com/sites/washingtonbytes/2017/06/06/universal-basic-income-is-not-an-innovation-policy/.](https://www.forbes.com/sites/washingtonbytes/2017/06/06/universal-basic-income-is-not-an-innovation-policy/) ~Associate Professor of Management and Organizations at NYU. Ph.D. in Business Administration from UC Berkeley.~

The second problem with the argument that UBI will stimulate entrepreneurship is that it neglects the potential response from financiers (lenders, investors, and other providers of capital). If **a UBI** (or any other policy that shields borrowers from downside risk) **increases the propensity for entrepreneurs to take risks because their downside is limited** **in the case of failure, this means that the capital provided by the financier is at greater risk**. **Thus, the financier may cut back on the amount of lending provided, or may continue to lend, but at a higher rate than before. Or, if the financier has trouble distinguishing between high- and low-quality risky projects, the financier may stop funding altogether.** The negative response to higher levels of borrower protection by financiers has been documented in a number of settings. For example, Michelle White, a professor at UC San Diego, and coauthors find that **higher levels of bankruptcy exemptions** (the amount of money that an individual can retain when declaring bankruptcy) **are correlated with more loan denials and higher interest rates**. The negative effect on innovation has been documented in other settings as well. Ramana Nanda and Tom Nicholas of Harvard Business School find that **credit rationing by banks during the Great Depression led firms to produce fewer, and less novel innovations.** A recent paper with my coauthors Geraldo Cerqueiro, Deepak Hegde and Fabiana Penas shows that **higher levels of bankruptcy exemptions lead to less innovation—in terms of lower number of patents and lower overall patent quality—by small firms**. **This is because innovation is a costly undertaking, and when the supply of capital shrinks, these small firms have no choice but to cut back on innovation. We find particularly strong effects in industries with high costs of innovation.** To be clear, a UBI would function differently than bankruptcy exemptions, and it is possible that, even if financiers cut back funding, the net effect of a UBI may still be to increase entrepreneurship and innovation. The point is that these other effects should not be neglected, because instead of stimulating entrepreneurship and innovation, **a UBI may perversely lead to a reduction in entrepreneurship and innovation in some cases.**

### A2: Stigma

1. Sheffield 16 / Nearly all low-wage working parents with school-age
	1. Medicaid take-up rate for children is roughly 90%
		1. If child is enrolled then parent is auto enrolled as well - prob not a big threat
2. BLS 18/ Average income of people not using MTW is way higher - implies that people can afford to have stigma - at some point before desistition desire for like resources is going to overcome mental blockades
	1. SNAP: 27k vs 40k **(13k diff)**
	2. SSI: 27k vs 34k **(7k diff)**
	3. Housing Assistance: 19k vs 37k **(18k diff)**
3. Aff empirics are specific - don't account for all programs

<https://www.heritage.org/welfare/report/five-myths-about-welfare-and-child-poverty>

December 20, 2016 Rachel Sheffield

**The actual take-up rate of the EITC for adults claiming children appears to be over 100 percent.** There appear to be more adults claiming the credit than there are families eligible for it. The food stamp take-up rate among single parents with children appears to be around 130 percent: The number of beneficiaries greatly exceeds the number of eligible families.**The Medicaid take-up rate for low-income children is around 90 percent. There is a single enrollment process for Medicaid: If the children in a family are enrolled, the parent, if eligible, would be automatically enrolled as well.**

The take-up rate for free school lunches is also over 100 percent. On the other hand, only half of schools operate the school breakfast program; the benefits in the charts in this paper and the text have been prorated to reflect that fact.[16]

Single-Parent Families with Housing Benefits. The welfare benefits included in Chart 3 represent the basic welfare package in the U.S. **As noted, nearly all low-wage working parents with school-age children will receive benefits from the six programs described above.**[17]

<https://www.bls.gov/opub/mlr/2018/article/program-participation-and-spending-patterns-of-families-receiving-means-tested-assistance.htm>

Slightly over half (51.6 percent) of families who received assistance were recipients of SNAP benefits. **Average pretax income for SNAP recipients was $27,260, which was lower than the $40,264 for families not receiving SNAP benefits**. Families with SNAP benefits were less apt than other families who received assistance to be homeowners (15.9 percent, compared with 36.1 percent of families without SNAP benefits). About one quarter (25.3 percent) of families receiving SNAP benefits did not own a vehicle, compared with 12.8 percent of families not receiving SNAP benefits. (See table 7.)

A small proportion of families receiving assistance (9.9 percent) collected SSI benefits. Families with SSI benefits had an older reference person (an average age of 42.4 years, compared with 36.5 years for families without SSI benefits) and fewer earners (0.9, compared with 1.4 for families without benefits). **Pretax income for families with SSI benefits was $27,806, lower than the $34,183 for families without SSI benefits. (See table 11.)**

Housing assistance was received by 21.8 percent of families. The majority of this group were one-parent families, which is reflected by a smaller family size (3.6 people, compared with 4.1 for families without assistance) and fewer earners (0.9, compared with 1.4 for families without assistance). **Fewer earners is also a factor in the average pretax income of $19,682, which was lower than the $37,404 for families not receiving assistance.** All **families receiving housing assistance** were renters and **were less apt to own a vehicle than families not receiving assistance**. (See table 9.)

### A2: Debt Funding

1. Modern diplomacy 19- The US’s strength is preventing us from moving to multipolarity because the US exerts influence in international arenas more than any other
2. Edwards 11- growing debt means higher chance of sudden fiscal crisis since investors doubt the government stability, meaning it can’t borrow at affordable rates. This
	1. Lowers long-term growth
	2. Increases financial volatility since investors are wary, causing recession and spilling over to other countries.
3. Khalizad 12- Higher debt will destroy US heg since it erodes our ability to fund critical diplomacy and military programs
	1. Multipolar powers are more likely to go to war

**Edwards 11** -director of tax policy studies at Cato and editor of [www.DownsizingGovernment.org](http://www.downsizinggovernment.org/). He is a top expert on federal and state tax and budget issues. Before joining Cato, Edwards was a senior economist on the congressional Joint Economic Committee, a manager with PricewaterhouseCoopers, and an economist with the Tax Foundation. Edwards has testified to Congress on fiscal issues many times, and his articles on tax and budget policies have appeared in the Washington Post, Wall Street Journal, and other major newspapers (Chris "The Damaging Rise in Federal Spending and Debt", Cato.org, 9/20/11, <http://www.cato.org/publications/congressional-testimony/damaging-rise-federal-spending-debt>)//AP

As federal debt grows larger, the problems caused by fiscal uncertainty will get magnified. The CBO notes that "growing federal debt also would increase the probability of a sudden fiscal crisis, during which investors would lose confidence in the government's ability to manage its budget and the government would thereby lose its ability to borrow at affordable rates. Such a crisis would . . . probably have a very significant negative impact on the country."10

A new paper by economists at the Bank for International Settlements (BIS) similarly found that when government debt in OECD countries rises above a threshold of about 85 percent of GDP, economic growth is slower.13 As debt rises, borrowers become increasingly sensitive to changes in interest rates and other shocks. "Higher nominal debt raises real volatility, increases financial fragility, and reduces average growth," the authors note.14

The BIS economists conclude that countries should build a "fiscal buffer" by keeping its debt well below the danger threshold. They note that without major reforms, debt-to-GDP levels will soar in coming decades in most advanced economies due to population aging. Thus, one more reason for the United States to cut its spending and debt is to help it weather future financial crises spilling over from countries that are in even worse shape than we are.

#### **High debt destroys U.S. hegemony — strongest internal link.**

**Khalilzad 12** — Zalmay Khalilzad, Counselor at the Center for Strategic and International Studies, served as the United States ambassador to Afghanistan, Iraq, and the United Nations during the presidency of George W. Bush, served as the director of policy planning at the Defense Department during the Presidency of George H.W. Bush, holds a Ph.D. from the University of Chicago, 2012 (“It's Foreign Affairs, Stupid,” *The National Interest*, July 16th, Available Online at http://nationalinterest.org/print/commentary/its-foreign-affairs-stupid-7195, Accessed 07-20-2012)

The economy trumps national security as the country’s top political issue this election cycle. With the unemployment rate at 8.2 percent, this is not surprising. From a long-term strategic perspective, however, the two issues are closely connected. The current economic crisis threatens Americans’ standard of living and our capacity to address social problems. It also undercuts the U.S. ability to sustain international stability, a prerequisite for domestic prosperity. The campaign debate we must have is how the United States can deal with global problems while restoring its economic health.

In the near term, lackluster growth and ballooning deficits mean fewer resources for national security, including defense, diplomacy, foreign assistance and development. Economic challenges and dissatisfaction with the Iraq and Afghanistan wars are prompting Americans to turn inward. Pressure to reduce the international burden is growing even as U.S. influence is declining. What is worse, these domestic constraints arise at a time when problematic trends abroad are limiting our options or creating greater demands for U.S. action.

Consider some key challenges: first, traditional U.S. allies seem less and less willing to step up to mutual-defense needs. The United States has complained for decades about Europe’s underinvestment in its defense and its lagging contribution to joint efforts. As the Europeans renegotiate their political and economic priorities amid the current fiscal and monetary crisis, NATO countries are likely to spend even less on defense or new NATO missions. European defense spending fell by close to 2 percent in 2011, with countries hit hardest by the sovereign debt crisis seeing more drastic cuts: Greece, 26 percent since 2008; Spain, 18 percent; Italy, 16 percent; and Ireland, 18 percent. By 2015, Britain and Germany, two of the top three European defense spenders along with France, plan cuts of 7.5 percent and 10 percent, respectively. France, if its withdrawal from Afghanistan is any indication, also will retrench in the coming years under its new socialist leadership.

In Asia, meanwhile, our strongest ally, Japan, is suffering from political gridlock and a crisis of confidence following the tsunami, nuclear accident and rapid rise of its regional rivals, particularly China.

Second, the United States cannot rely instead on emerging powers as they do not share, for the most part, U.S. views across a range of international-security issues. Rising powers such as China, India, Brazil, Turkey and Indonesia leverage their economic growth to modernize their militaries, press regional claims and demand greater representation in international bodies. But they don’t see themselves as stakeholders in the American-led international order. Rather, they show little inclination to share in the burdens of providing the collective goods needed to maintain security, enable global commerce and make international institutions work. The United States should seek cooperation with emerging powers on issues of mutual interest, but the absence of strategic like-mindedness will inhibit the emergence of fully integrated alliances. The divergence of interest among great and rising powers thwarts agreement on matters of substance at bodies such as the G-20.

Third, key regions are experiencing destabilizing transitions, particularly in the greater Middle East. The transnational terrorist threat from the Afghanistan-Pakistan region endures. Iran’s nuclear program threatens a cascade of proliferation. Prospects are real for a sectarian war between Sunni and Shia forces in Iraq, Syria and the Gulf, fueled by regional powers such as Iran, Saudi Arabia and Turkey. The most significant great powers outside the region—America, Europe, Russia, China and India—can’t agree on how to address these challenges.

The United States cannot afford to be indifferent to these problems, yet it lacks the resources to address them. The country’s fiscal health must be its top priority. Continuing with low growth and large deficits while economically dynamic rising powers expand their military capabilities will undercut U.S. leadership over time. These trends would culminate in a multipolar world like that of the nineteenth and the first half of the twentieth centuries. A multipolar world would increase the likelihood of war among major powers. The lesson of the twentieth century is that nothing is more expensive than such conflicts. So addressing the economic underpinnings of U.S. power is vital.

### A2: IPV

TW Shell <https://docs.google.com/document/d/1AqnSAHLBpZ8va8b8QHxdjLz6kQ3KNhXPsfRfBB7hMXQ/edit?usp=sharing>

1. **Sidlowski 2017**- Root cause of IPV is poverty. When abusers feel they have no control over their financial situation, they turn to controlling their partners.
2. **Whiteshell of Cambridge 2018**- Welfare programs like TANF give measures for women to escape as well in the squo,
	1. **Morin of Pew 13-** women 2xQ likely to get food stamps too
3. No matter how the money gets to victims, there is no solvency
	1. **Gordon 2020**- 99% of domestic abuse involves financial manipulation
	2. Eg. Alaska’s UBI was through a check, women can have theirs seized. Bank accounts can also be joint.
4. The situation gets worse for women who aren’t abused to begin with
	1. **T/Boyd 2020 [Journal of Children and Poverty]/**UBI encourages a re establishment of gender roles - women are encouraged to go back to domestic/household work since would still earn money from a UBI

**Sage 2017 [Policy Network]**/One UBI case study in Manitoba - married women working hours fell 13%

**Elgarte 06[University of Cape Town]**/ This kind of gendered labor creates discrimintion against women which in turn increases violence against women

Anne Whitesell (A1), 9-13-2018, "Who Represents the Needs of Domestic Violence Survivors in State Welfare Policy?," Cambridge Core, https://www.cambridge.org/core/journals/politics-and-gender/article/who-represents-the-needs-of-domestic-violence-survivors-in-state-welfare-policy/AC7D71092AA61CFEA03313184EF10C61

**A large percentage of women receiving Temporary Assistance for Needy Families (TANF) — known colloquially as welfare—have experienced domestic violence in their lives, with studies reporting that upwards of 50% of welfare recipients have been abused at some point. Receiving TANF benefits can provide the financial stability that is necessary for a woman to leave an abusive relationship, though some TANF provisions, such as child support reporting requirements, may also put victims of domestic violence at risk. Under TANF, states may adopt the Family Violence Option and waive many program requirements, including time limits, work requirements, and child support reporting requirements, for victims of domestic violence.** Given the importance of TANF for those trying to leave, or who have left, abusive situations, this article asks: Who represents the interests of these women in the states? To answer this question, I employ a mixed methods approach, combining a quantitative analysis of the diversity of interest groups in the states with a case study of Connecticut and New Jersey. I find that feminist and domestic violence organizations do not consistently have a significant effect on the adoption of policy accommodations for survivors, but these groups are speaking out.

**Women twice as likely to use food stamps, minority women especially**

Rich Morin, Pew Research Center, "The politics and demographics of food stamp recipients | Pew Research Center", 07/12/2013, <https://www.pewresearch.org/fact-tank/2013/07/12/the-politics-and-demographics-of-food-stamp-recipients/>

Beyond politics, equally large or larger gaps emerge in the participation rates of many core social and demographic groups. For example, **women were about twice as likely as men (23% vs. 12%) to have received food stamps at some point in their lives**. Blacks are about twice as likely as whites to have used this benefit during their lives (31% vs. 15%). Among Hispanics, about 22% say they have collected food stamps. **Minority women in particular are far more likely than their male counterparts to have used food stamps. About four-in-ten black women (39%) have gotten help compared with 21% of black men.** The gender-race participation gap is also wide among Hispanics: **31% of Hispanic women but 14% of Hispanic men received assistance.** Among whites, the gender-race gap is smaller. Still, **white women are about twice as likely as white men to receive food stamp assistance (19% vs. 11%)**.

**Sidlowski** of Bucknell University, Shepard Higher Education Consortium on Poverty, 01/12/**17**

<https://www.shepherdconsortium.org/how-poverty-perpetuates-domestic-violence/>

“As previously stated, **intimate partner violence is largely about control. When persons live in poverty, there’s not much that is within their control.** They cannot control the job market, the price of housing or minimum wage. They cannot control where they were born, the caliber of schools available to them, or whether or not their parents stayed together—all factors that can contribute to the cycle of poverty. **They can, however, control their partners and families. The unique stressors associated with poverty create an environment from which IPV may stem. There is a distinct correlation between IPV and level of income; the lower the income, the higher the likelihood of IPV.**”

####

#### Studies prove UBI entrenches gender roles - this causes statistical discrimination, empirically proven.

<https://policynetwork.org/publications/papers/europes-new-social-reality-the-case-against-universal-basic-income/>

Sage 2017

This translates into two particular concerns for feminist critics of UBI. **First, a UBI could lead to more women dropping out of the labour market or reducing their number of hours at work.** McLean (2016), despite supporting UBI on gender equality grounds, recognizes the potential dilemma that women, who have generally weaker attachment to employment, will have larger incentives than men to reduce the number of hours they work. **Second, in conjunction with its downward labour market effects, UBI could cement gendered social norms around care and domestic work. As women would be more likely to reduce their labour market participation, they would simultaneously be more likely to take on added domestic duties.**Robeyns (2001) argues that these effects could damage all women, even those whose labour market behaviour remains unchanged, as wider social norms around the behaviour of men and women are reinforced. UBI could weaken hard-fought and long-term advances in gender equality on two fronts: at home and at work. Forget’s (2011) study of MINCOME, the Canadian basic income scheme trialled in Manitoba in the 1970s, provides evidence for both these claims: that female employment rates could suffer under any guaranteed income scheme and that gendered norms around care could be reinforced**. In Manitoba, the number of working hours fell by 13 per cent because** two groups **tended to reduce their working hours: (**a) adolescents, who were more likely to stay on in education and (b) secondary earners, **most likely to be married women. I**mportantly, this was especially the case for women with children and new-borns, who used UBI to extend maternity leave. In the Canadian experiments, women not only worked less but also cared more. Forget notes how these trends were replicated in the US guaranteed income trials around the same time: secondary, predominantly female, earners reduced their working hours and spent more time at home. The evidence from Canada and the US exemplifies the main critique of UBI from a gendered perspective. This is not to say it is inevitable that UBI would have downward pressures on female employment. Rather, that in a labour market context where women are dominant among secondary household earners, the evidence from North America - that secondary earners are the most likely to reduce their working hours in favour of more domestic work when in receipt of a UBI - is problematic for its claims to target gender inequality. **UBI may not eradicate existing inequalities but, rather, entrench them: both at home and at work.**

#### Hurts Women

Jacob, A., & **Boyd, R. (2020).** Addressing economic vulnerability among low-income families in America: is the basic income approach a viable policy option? Journal of Children and Poverty, 1–15. doi:10.1080/10796126.2019.1702757

[https://sci-hub.tw/https://www.tandfonline.com/doi/abs/10.1080/10796126.2019.1702757](https://sci-hub.tw/https%3A//www.tandfonline.com/doi/abs/10.1080/10796126.2019.1702757)

Some feminists argue that **a basic income could weaken women’s already more precarious position in the labor market** **and** encourage more male freeriding by **fortifying traditional roles of female caregiving within the household. For example, basic income would likely make it more rational or convenient for many women to make use of the unconditional cash payment by reducing time in employment** (e.g., for the purpose of devoting more time to care for children) **and weakening their attachment to the labor market**. **This could, in turn, reinforce, rather than challenge, the traditional, gendered division of labor, including formal and informal barriers to full and equal participation in the labor market (Birnbaum 2016)**. **A level of basic income that focuses on incentivizing work is still male-breadwinner focused and could further reinforce this division of labor in the household.** Basic income thus overlooks institutional structures that hinder the freedom and equal citizenship of women (Pateman 2004). Other feminist scholars have critiqued the focus on basic income as a way of securing gender equality by arguing that it detracts from the more fundamental issue of addressing broader systems of oppression and structural inequalities that women belonging to racial/ ethnic minority groups experience in the labor market and in society at large (Reynolds 2017). This perspective highlights the importance of moving the discussion of basic income beyond the gendered division of labor to bring to the forefront other forms of disadvantage and oppression experienced by women with intersected identities (Reynolds 2017).

#### This perception of women's inability to achieve work and decline in fatherly involvement enforces a culture of masculinity and further statistical discrimination

Elgarte 06 ~Julieta Magdalena, Researcher of Health Equity at the Universidad Nacional de La Plata, "Good for Women? Advantages and Risks of a Basic Income from a Gender Perspective", Published by the 11th Basic Income Earth Network Congress, <http://www.basicincome.org/bien/pdf/JulietaElgartefullpaper.pdf>

As employers’ hiring and promotion decisions are supposed to be based on the merits of (prospective) employees, women’s lesser ability to climb up to the top will be readily interpreted (not only by them but also by others) as a sign of their lesser capacities or inadequate attitudes, leading to a decline in women’s status. **In addition, the very reinforcement of the gendered division of labour that would trigger this increase in statistical discrimination and the decline in women’s status that follows from it, can also independently work to the detriment of the status of women**. Cross-cultural research on the determinants of women’s status, as summarized by Kimmel (2000) show that “the more that men participate in child care and the more free women are from child rearing responsibility, the higher women’s status tends to be” (53). Women’s having sole responsibility for child rearing hampers their ability to fully participate in social and economic life, what can easily lead to a lower status. But additionally, sociologist Scott Coltrane “found that the closer the relationship between father and son, the higher the status of women is likely to be” and that “in cultures where fathers are relatively uninvolved, boys define themselves in opposition to their mothers 13 and other women, and therefore are prone to exhibit traits of hypermasculinity, to fear and denigrate women as a way to display masculinity”, what suggests male uninvolvement in child rearing could causally contribute to lowering women’s status in a more direct way than through hampering women’s ability to pursue socially valued activities (Kimmel 2000: 53)

Most seriously, the lower status all women will have as a result of increased statistical discrimination is bound to have graver effects than misrecognition, since violence tends to be directed towards lower status groups or individuals (Kimmel 2000: 37), which explains why societies where the status of women is lower exhibit higher levels of violence against women. **Cross-cultural studies effectively show a negative correlation between women’s status and rates of violence against women: “the lower women’s status in a society, the higher the likelihood of rape and violence against women”** (Kimmel 2000: 54). In reviewing cross-cultural studies on women’s status, Kimmel (2000) notes that two of the central determinants of women’s status (fathers’ involvement in child rearing and women’s control of property after marriage) “are also determinants of violence against women” (54). In one of the most wide-ranging comparative studies of women’s status, Peggy Reeves Sanday found that “women had the highest levels of equality, and thus the lowest frequency of rape, when both genders contributed about the same amount to the food supply” (Kimmel 2000: 55).

### A2: Automation/Retraining

1. Lee 17 - workers don't have the foresight to figure out what jobs can be replaced and which ones cant - UBI isn’t effective
	1. Best solution is policy change
	2. Sage 17 (in the neg file) - UBI uses up
		1. Political will and funding
		2. Weaken capability to expansive social policies to actually solve for problems
	3. [Stettner 18:](https://qz.com/work/1265821/theres-a-us-trade-program-that-could-help-workers-who-lose-their-jobs-to-ai/) government program TAA provides job retraining
		1. 73% of participants found employment within first 3 months of completing the program

<https://www.washingtonpost.com/news/theworldpost/wp/2017/10/16/what-silicon-valley-gets-wrong-about-universal-basic-income/?fbclid=IwAR0imzcXiKPTJVddw0YiIjh_n3z46_yabgK180cewhI_OTH68zv97LUJLzo>

Lee

Free money given out to displaced workers may serendipitously help a few find work, but more likely, they will just move on to a new job that will also be eliminated soon. This is a familiar pattern we have seen throughout the workforce. The truck driver who once worked on an assembly line in a factory will soon have to learn, yet again, to become something else. Most displaced workers will not have the foresight to predict which professions might survive the AI revolution and therefore won’t know how to best use the UBI money to ensure a stable future.

Instead of just redistributing cash and hoping for the best, we must work together to find a comprehensive solution, including establishing new professions, values and social norms. And we need to retrain and adapt so that everyone can find a suitable profession. Here are five imperatives to get us there:

Daniel **Zamora ’17**, “The Case Against a Basic Income” Jacobin, 12-28-2017, DOA-01-19-2020 https://www.jacobinmag.com/2017/12/universal-basic-income-inequality-work

The question of UBI’s economic viability, though basically technical, is vital for determining its political character. That’s because UBI’s effects depend on the amount distributed and the conditions of its implementation. Nick Srnicek and Alex Williams, in their accelerationist manifesto, Inventing the Future, write that “the real significance of UBI lies in the way it overturns the asymmetry of power that currently exists between labour and capital.” Its establishment would allow workers to have “the option to choose whether to take a job or not… A UBI therefore unbinds the coercive aspects of wage labour, partially decommodifies labour, and thus transforms the political relationship between labour and capital.” But to do this, the authors insist, it “must provide a sufficient amount of income to live on.” If the payment isn’t high enough to let people to refuse work, UBI might push wages down and create more “bullshit jobs.”

Stettner 18

<https://qz.com/work/1265821/theres-a-us-trade-program-that-could-help-workers-who-lose-their-jobs-to-ai/>

The TAA is not without its flaws. It has earned a bad rap from some on the left as an attempt to cover up grim economic realities, and by some on the right as an ineffective program. But a closer look at the program’s overall results speak for themselves. **In 2015, 73% of TAA participants found employment in the quarter after completing the program, with 92% of those who did still remaining in their jobs six months later. Compared to a similar group of long-term unemployed workers who did not collect TAA, workers in the federal program were 11.3% more likely to be employed. Moreover, TAA recipients who completed training and found a job in that field received a $5,000 to $6,000 per year earnings boost.**

### A2: Benefit Cliffs

1. DL/T? Parrott 14/ EITC and CTC give increasing tax credits as people earn more - that effect creates a net negative tax rate, since the additional tax benefits that exceed the loss in other benefits
2. Parrott 14/ Aff empirics are cherry-picked & require being in very specific situation that doesn’t apply to most people
	1. Parrot 14/ 90% of families between 100 and 150% of the poverty line (the area to escape poverty) on net earns 40-60 cents for each 1 dollar increase in income after accounting for the cliff and tax rates
3. [NCSL 2019](https://www.ncsl.org/research/human-services/addressing-benefits-cliffs.aspx): states enacting legislation to remove benefit cliff → increasing eligibility limits, providing transitional benefits, funding job training / education
4. [Shapiro 16](https://www.cbpp.org/research/federal-tax/it-pays-to-work-work-incentives-and-the-safety-net): benefit cliff theory based on idea that many different government benefits all phase out immediately at the same level, but most families only receive a few benefits that phase out at different levels → gradual decrease in benefits
	1. This is why the safety net has no impact on work effort

<https://www.cbpp.org/research/policymakers-often-overstate-marginal-tax-rates-for-lower-income-workers-and-gloss-over#_ftnref22>

DECEMBER 3, 2014

BY SHARON PARROTT

**The phase-down rate of program or tax benefits is often called a “marginal tax rate” because the reduction in benefits as earnings rise resembles a tax (with “marginal” referring to the effect on the next dollar of income).** If, for example, a worker faces a marginal tax rate of 30 percent, that worker will lose 30 cents of each additional $1.00 he or she earns through a combination of reduced benefits and higher taxes. Many policymakers focus on marginal tax rates out of concern that workers who face higher rates are likelier to not work, to work less, or not to look for higher paying jobs than if they faced lower rates.

Indeed, **parents who are out of work or have very low earnings typically face a negative marginal tax rate — that is, if they can boost their earnings, their total income will rise by even more than their earnings rise because they’ll receive additional tax benefits that exceed the taxes they pay and the loss in other benefits.** That’s because the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) increase as earnings rise above very low levels, effectively operating as wage supplements. That creates a strong incentive for parents to work rather than not work.

For workers deciding whether to work more and by how much, however, their marginal tax rate may be less important than their average tax rate. While the former refers to taxes and benefit losses on the last dollar of income, the latter refers to taxes and benefit losses as a percentage of all pre-tax earnings. Thus, if a parent takes a $20,000 job and her income after taxes and benefits is $18,000, her average tax rate is 10 percent.  **While families with incomes modestly above the poverty line can face high marginal tax rates, they typically face very low or even negative average tax rates because they receive significant EITC and CTC benefits that often offset most or all of the lost benefits and higher taxes they face due to working.**  While the marginal tax rate may influence a worker’s decision about whether to try to increase her hours of work or seek a higher-paying job, the average tax rate is far likelier to affect her decision about whether to go to work in the first place.

Some policymakers and analysts have expressed concern that high marginal tax rates may cause workers to choose not to work, to work less, or not to seek higher paying jobs. Some also are concerned that high marginal tax rates make it harder for families to move up the economic ladder when their earnings rise.

Unfortunately**, discussions of these issues often overstate the marginal tax rates that most low-income families actually face**. For example, the March 2014 report on the safety net from House Budget Committee Chairman Paul Ryan[3] highlights a statement in a Congressional Budget Office (CBO) analysis that “some low-income households face implicit marginal tax rates of nearly 100 percent,” but fails to mention data from the same CBO report showing that most low-income households’ marginal tax rates are substantially lower.[4] The CBO report shows, for example, that 75 percent of families with incomes between 100 and 150 percent of the poverty line faced marginal tax rates of less than 45 percent in 2012, **and about 90 percent of these families faced marginal rates below 60 percent.** Similarly, a 2013 report by the Brookings Institution’s Hamilton Project states that “[A] low-income, single parent can face a marginal tax rate as high as 95 percent”[5] without clarifying that most low- and moderate-income families do not face marginal rates that high.

Urban Institute researchers measured the marginal tax rates that single-parent families with two children would face in each state if they received TANF, SNAP, and refundable tax credits (the EITC and CTC). **They found that families raising their incomes from 100 percent to 150 percent of the poverty line could face marginal rates in the 40-60 percent range in most states.[**8] However, Moffitt and other researchers who calculate marginal tax rates based on actual benefit receipt find that **most families do not face rates this high because so few eligible low-income families receive TANF.**

**To arrive at marginal tax rates in the 95-100 percent range, a family must participate simultaneously in multiple benefit programs** **— including those that assist only a small share of those eligible —** **and its income must be high enough that several of these benefit programs are phasing down at the same time but not so high that benefits have phased out. That combination of factors applies to only a small share of low-income families.**

### A2: Cap Injection

<https://www.feedingamerica.org/take-action/advocate/federal-hunger-relief-programs/snap>

On top of that, SNAP supports America’s economy and creates jobs. **Research from Moody’s Analytics suggests that for every dollar spent by SNAP, 1.7 dollars are added to the economy.** A 2010 study by the USDA found that for every $1 billion of added SNAP funding, between 8,900 and 17,000 jobs were created. By contrast, another study found that for every $1 billion in cuts, 11,437 jobs would be destroyed.

# A2: Neg

### Overview: Ligma

1. **Livingston 19/Stigma reduces people’s use of welfare benefits, even when financial need is high**
2. **Hamilton 2020/ 22% of low-income people receive no benefits at all**

Amy Livingston, 9-23-2019, "What Is Universal Basic Income & Could It Work in the U.S.?," No Publication, https://www.moneycrashers.com/universal-basic-income/

For instance, the CBPP reports that in 2016, about 18% of Americans had incomes low enough to qualify for SNAP benefits, but only about 14% of Americans took part in the program. A 2016 study from the University of New Hampshire shows that fewer than half of all families eligible for WIC benefits receive them. And a 2004 paper in the Journal of Policy Analysis and Management found that **stigma substantially reduced people’s use of both welfare and Medicaid benefits, even when their financial need was high.** Even when the stigma isn’t enough to deter people from taking benefits, it can still be harmful. For instance, psychologist Keith Payne writes in his book “The Broken Ladder: How Inequality Affects the Way We Live, Think, and Die” about the time he realized the free lunches he’d been getting at school were a benefit his classmates didn’t have. He became embarrassed about his appearance and almost stopped talking in school altogether. President Nixon made a similar point in proposing his Family Assistance Plan, saying that the current welfare system “robs recipients of dignity.”

UBI has the potential to be a form of stigma-free government aid. Because the money would go to all Americans equally, nobody could be considered inferior for needing or accepting it. However, if UBI is only an add-on to existing welfare programs, it won’t eliminate the social stigma attached to other forms of government aid.

Alt card

[Gershon 2018](https://daily.jstor.org/the-health-threats-of-welfare-stigma/)  Stuber and Kronebusch note that one argument in favor of stigmatizing government aid is to limit its use to the truly needy, discouraging anyone who can possibly get by without it from applying. But their research found that didn’t happen. **People with high levels of need—those with worse health or more kids, for example—were just as likely as anyone else to be scared away from applying for benefits by stigma.**

[2020\_Book\_WelfareDoesnTWork.pdf](https://drive.google.com/file/d/1nA5Uaxy_puxYNilz9bO6zqJCm6AV36dK/view)

Leah [Hamilton](https://drive.google.com/file/d/1nA5Uaxy_puxYNilz9bO6zqJCm6AV36dK/view), 2020, Page 143 on the file but 133 in the book itself

While these figures should give UBI advocates pause, the Cato Institute report contains several serious weaknesses. For example, it estimates a hypothetical monthly SNAP benefit of $517, when the average is actually $249 (Center on Budget and Policy Priorities, 2018a). But it is useful because, for political reasons, it’s the most generous possible calculation of our current social safety net. Politicians have already cited it to argue that generous welfare programs pay more than many full-time jobs and therefore remove work incentives (Yee Hee Lee, 2014a). Ironically, these claims usually lead to even greater restrictions on eligibility that only further disincentivize work and trap families in poverty. The primary flaw in the Cato Institute’s estimate is that very few households receive assistance from all of these programs at once. **The Urban Institute analyzed the services low-income families (up to 200% of the poverty line)** actually receive and included the same programs as mentioned earlier, plus Supplemental Security Income (for citizens with disabilities), the school lunch program, and vouchers for transportation or childcare (Edelstein, Pergamit, & Ratcliffe, 2014). **In practice**, 57% of low-income families receive assistance from one, two, or three programs,20% receive support from more than three, and  **22% receive no benefits at all.** Only 3% of low-income families receive assistance from six or more programs at once. Importantly, Medicaid and the school lunch program were the most common programs supporting these families, which would hopefully continue to exist in a post basic income world.

### Overview: the big red dog haha

**Campbell 17 CommunitySolutions**/ Small increases in income can cause larger drops in welfare - discourages increasing money since it results in net less wealth

**Randolph 14 Illinois Policy**/Iin order to match lost benefits workers have to jump from 8.25/hr to 38/hr - anywhere less than 38 and worker’s end up worse off than when they began

**Thats ^ super unrealistic - because it's nearly impossible to make that jump, it is safest for people to stay at the lower wage keeping them trapped in poverty.**

**Stopping economic mobility means that even if the bottom 20% have welfare resources, they still are susceptible to large scale shocks - healthcare emergencies, recessions, etc are still permanently a threat**

**Weighing:**

**Prereq - Welfare discourages people from earning more and entrenches poverty - the benefits of welfare just make the problem ever lasting**

**Timeframe/Magnitude - welfare isn't a permanent long term solution - a volatile economy and unpredictable emergency scenarios can mean that there are times when it can’t provide the same benefit as increased wealth through economic mobility**

[Campbell](https://www.communitysolutions.com/repeal-of-aca-would-deepen-ben/) 17:

**For some low-income families, even a small increase in income causes a drop in the public benefits they can receive, effectively increasing their expenses** and hurting their ability to make ends meet. **This phenomenon is often called the “benefit cliff.”** Eligibility for public benefits, such as child care subsidies, housing vouchers, and food assistance, is based on income. These benefits phase out or drop off as income increases. As families earn more, they qualify for less. Most of the time, such benefits function as intended and provide important support to help families make ends meet. However, there are instances when even a $1.00 increase in annual earnings results in the loss of a benefit worth hundreds of dollars to a family.

<https://www.illinoispolicy.org/reports/modeling-potential-income-and-welfare-assistance-benefits-in-illinois/>

<https://files.illinoispolicy.org/wp-content/uploads/2015/06/Welfare_Report_finalfinal.pdf>

Randolph Dec 2014

Welfare cliffs are significant and can trap families. A single mom has the most resources available to her family when she works full time at a wage of $8.25 to $12 an hour. Disturbingly, taking a pay increase to $18 an hour can leave her with about one-third fewer total resources (net income and government benefits). In order to make work “pay” again, she would need an hourly wage of $38 to mitigate the impact of lost benefits and higher taxes.

### Overview: Asset Restrictions

1. **Hamilton 2020-** Many programs such as TANF, SNAP, Medicaid, SSI have asset restrictions that discourage long-term wealth accumulation (eg. discouraged from owning a car to get to work)
	1. Discourages people from applying in the first place since the tests are complicated and time consuming
	2. Study concludes after 3 years on UBI people have 40% more assets

[**Hamilton 2020**](https://l.messenger.com/l.php?u=https%3A%2F%2Fdrive.google.com%2Fopen%3Fid%3D1nA5Uaxy_puxYNilz9bO6zqJCm6AV36dK&h=AT2rC2p0rFgclt26tWqZnezPQVuKhhIisVRu3lczxdAvb2cIimPYeIHC0wkLuTVHkWzuVeAdUHf1j4dqv_6qiXbWkwv7RlDXCZxAg692965ZOgVBCEs-vo5xhONCV9H8ovyc5Q)

While eligibility criteria for means-tested safety net programs in the United States, such as TANF, SNAP, Medicaid, and Supplemental Security Income (SSI) exist to ensure that scarce public resources go to those most in need**, limits on participant assets arguably create additional barriers to long-term economic security and household financial development that exacerbate wealth inequality.** It is important to note that the policy of setting asset limits for low-income populations stands in contrast to policies that exist to encourage asset accumulation among the middle and upper classes such as tax-sheltered retirement accounts, mortgage interest deductions, and relatively low capital gains taxes.

Restrictive asset tests emerged as a policy issue in the 1990s as the role of assets in long-term economic development became more clearly recognized by researchers (Nam, McKernan, & Ratcliffe, 2008; Sherraden, 1991). Asset limits have both theoretical and real-world consequences for program participation, asset holdings, financial behaviors, employment, and vehicle ownership among low-income households. These tests also have significant implications for the administrative costs associated with poverty alleviation programs.

Restrictive asset tests may influence low-income families’ safety net program participation in two opposing directions. **In the short term, strict limits may reduce participation by imposing obstacles, especially for those with modest assets (Nam et al., 2008). In the long term, low asset L. HAMILTON 67 thresholds may increase low-income families’ long-term program participation by discouraging them from acquiring the economic means for stable employment (e.g., a reliable automobile) or from saving for emergencies (Rice & Bansak, 2014), which traps low-income families in poverty and long-term reliance on public assistance.** When looking at short-term impacts, restrictive asset tests negatively impact families’ safety net program participation in multiple ways. First, **restrictive asset tests reduce participation by disqualifying income-eligible families with modest assets (Nam et al., 2008). Second, strict asset tests increase the time and efforts needed to apply for assistance. Required time, effort, and the risk of being rejected can discourage income-eligible families from even applying,** especially those whose asset levels are close to asset thresholds. Furthermore, asset tests may even deter eligible families without assets from applying for programs because the asset-eligibility verifying process is burdensome and intrusive: asset tests require applicants to prepare a series of private documents, including bank statements and vehicle information (Nam et al., 2008; O’Brien, 2008; Pavetti, Maloy, & Schott, 2002). Third, stringent asset tests often confuse low-income families about their eligibility. A substantial proportion of eligible families decide not to apply for safety net programs because they falsely believe that they are ineligible (Bartlett, Burstein, & Hamilton, 2004). Contrary to short-term impacts, strict asset tests likely increase lowincome families’ safety net program participation in the long term. Restrictive asset tests prohibit program beneficiaries from owning assets beyond certain levels. As a result, recipients are discouraged from acquiring the economic means for stable employment and long-term development (e.g., automobiles or small businesses) or to save for emergencies. **The lack of asset ownership may provide an incentive for families to stay on safety net programs for longer periods of time. Even among those who exit safety net programs, low levels of emergency savings often drive them to return to these programs for minor economic shocks, such as short-term layoffs or vehicle problems (a** “churning” phenomenon that refers to returning to safety net programs after a very short-term exit) (McKernan, Ratcliffe, & Nam, 2010; Rice & Bansak, 2014). Relaxing asset limits reduces SNAP churn by 26% and does not affect the length of time people stay on SNAP (Mabli & Ohls, 2015; Ratcliffe et al., 2016).

**Owning a reliable vehicle is strongly linked to increased labor market participation, work hours, and earnings among low-income individuals. Vehicle ownership often decreases commute time and frees up time for other activities such as caring for children, which is critical for labor market participation decisions among substantial portions of low-income individuals, including single mothers receiving cash assistance** (Bansak, Mattson, & Rice, 2010). Furthermore, vehicle ownership may improve otherwise grim job prospects among inner-city or rural low-income individuals who live far from decent jobs or reliable public transportation (Massey & Denton, 1993; Raphael & Stoll, 2001; Wilson, 1997). A transportation problem (lack of a vehicle or driver’s license) is one of the most common barriers to employment among safety net beneficiaries (Danziger et al., 2000). **Accordingly, restrictive asset tests likely deter lowincome individuals’ vehicle ownership, which may have negative impacts on their labor market outcomes.** One MTurker and former recipient of multiple welfare programs explained, “It was hard to get ahead, we desperately needed a car but could never get far enough ahead to buy one.” While findings are mixed on the relationship between asset limits and savings, the effects to vehicle ownership is straightforward. Several studies have discovered that relaxing vehicle limits in TANF and SNAP leads to increases in vehicle ownership and vehicle value among lowincome families (Baek & Raschke, 2016; McKernan et al., 2010; Owens & Baum, 2012; Rice & Bansak, 2014; Sullivan, 2006).

Few of the basic income pilots to date have tracked participant financial assets. However, those that do provide promising results. In 2011, the nonprofit Give Directly launched a basic income experiment in poor, rural villages of Kenya. Over the course of 9 months, more than 500 lowincome households received an average total of $709 USD in unconditional cash transfers. The study also followed hundreds of similar households for comparison. Four months after the pilot ended, household assets among recipients had increased significantly in comparison to the control group. **Shockingly, the positive effects remained when researchers followed up three years later; families who received basic income even for this brief period had 40% more assets than comparison households.** Significant assets included livestock, household appliances, motorbikes, and bicycles as these things can substantially improve quality of life and income prospects for rural Kenyans (Haushofer & Shapiro, 2018)**. Surveys of recipients of the Alaska Permanent Fund and in the recent Ontario pilot discovered similar improvements to participant’s financial health. When asked how they spend their dividend, 57% of Alaskans said that they either save it or use it to pay off debt (Isenberg, 2017). Half of the Ontario participants reported that the pilot had allowed them to begin saving, 46% were able to pay off debt, and nearly 65% felt less stress about unexpected expenses (Basic Income Canada Network, 2019)**

• “I was able to get out from under payday loans. I was able to feel dignity in living and hope for being able to maybe buy a cheap car, pay off debt and not being looked down on by my neighbors.” • “I was able to pay arrear taxes owed to city otherwise possible foreclosure which was putting me in deep depression and was feeling suicidal.” “I did not pay off all debt but am making headway.” • “It helped me pay my bills on time.” • “I saved money because of no late fees and not using credit.” In essence, modern government programs create two tiers of financial incentives: those discouraging savings among the poor (TANF, SNAP, and SSI) and those that encourage wealth building among middle- and upper-income citizens (401ks, mortgage deductions, and low capital gains taxes**). Wealth inequality in America cannot be remediated if we do not remove this unfair and counterproductive system. With an unconditional basic income, we would finally allow low-income Americans the freedom to build wealth and improve the financial prospects of their children currently afforded only to those who already have enough income and assets to own a home, access employer provided retirement programs, or invest in stocks.**

### Overview: Education

1. Barrow 18/74% of low income students work 15+ hours per week
	1. 59 percent of low-income working learners who work 15 or more hours a week have a C average or lower
2. Donnelly 20 / With UBI, students have greater job choice - can take less stressful jobs or work less hours
	1. = less stress and more time to study = higher student success rate and career acquisition
3. NCBI 16- Squo will never solve for edu in distressed communities because they have no good teachers and have bad resources. This is why neighborhood is the most powerful indicator of economic outcomes.

[NCBI 2016](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5748572/)

Students from poor areas are expected to be more likely to attend poor-quality schools. If not properly controlled for, the negative influence of such schools on the educational opportunities of students compared with those enrolled at higher-quality schools may spuriously be assigned to the neighbourhood instead. However, if we consider schools as a component of the institutional mechanisms through which a neighbourhood influences its residents, then controlling for school characteristics might to some degree minimise the explanatory power of the neighbourhood characteristics. In either case, we expect that studies that control for school-related variables will find weaker neighbourhood effects.

The task of disentangling the influence of schools from neighbourhood effects is not a straightforward one. Schools may be a pathway through which neighbourhood effects are expressed given that poor neighbourhoods often have poor schools that have difficulty attracting good teaching staff because of their lack of resources (Jencks and Mayer [1990](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5748572/#CR32); Wacquant [2008](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5748572/#CR64)). In addition, the demographic composition of a neighbourhood is often represented in the school population because school choice may be restricted or influenced by school catchment areas, information about schools from parents’ local social networks, or the proximity of certain schools. The resulting overlap between the demographics of the neighbourhood and those of the school makes it difficult to ascribe influence to one of the two contexts in particular. However, in disadvantaged neighbourhoods, parents may choose to send their children to schools outside their own neighbourhoods, where the quality of the education is expected to be better and the student demographics to be less disadvantageous (Furstenberg et al. [1999](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5748572/#CR23); Pinkster and Fortuijn [2009](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5748572/#CR51)). Also, in the Moving to Opportunity programme, it was found that, after moving, parents might send their children to a school near their old neighbourhood, because it might be closer to family, and parents might be more familiar with the neighbourhood (Sanbonmatsu et al. [2006](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5748572/#CR57)). In a study of youth delinquency, it emerged that adolescents who spend time outside of their own neighbourhoods with peers from other neighbourhoods are not affected by their own neighbourhoods (Oberwittler [2007](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5748572/#CR49)). This finding suggests that when school and neighbourhood contexts do not overlap and when adolescents have more opportunities in school to meet peers from outside their own neighbourhoods, the likelihood of their being affected by their neighbourhoods may be smaller.

[Smith-Barrow Hechinger Report 2018](https://hechingerreport.org/quantifying-the-risks-of-working-while-in-college/)

by DELECE SMITH-BARROW Aug 31, 2018

Students from more financially strapped households are also inclined to work longer hours, which leaves less time for studying. About **48 percent of low-income students work 15 to 35 hours per week**, and **26 percent work more than 35 hours**.

“**Among low-income working learners who work 15 or more hours a week, 59 percent have a C average or lower**,” the report states.

1. **T/**[**Donnelly of State Press 1/31**](https://www.statepress.com/article/2020/01/spopinion-how-universal-basic-income-can-help-student-finances-and-grades)**- the benefits are accrued by middle class students as well**

**With a UBI, students could take lower paying jobs in fields they enjoy, rather than higher paying jobs just to pay off student debt. Students with lower stress could have more time to focus on grades and lowering the amount of financial stress students have can help increase student success. If grades are improved, this could increase their chances for internships and careers after graduating.**

### A2: EITC

1. T/Edwards 15/EITC bas
	1. Pushing more people in the low-end job market just increases the labor supply, creating a downward pressure on wages (literally just a rightward shift of supply)
	2. 75% of people on EITC are at a point where if they earn more money, their effective marginal tax rate increases due to the loss of the EITC, creating a negative work incentive
	3. Conclusion: the EITC reduces overall U.S. output and employment.
2. Bell 19/3 out of 4 people in poverty don’t have the ability to work - youth, disabled, elderly, or in school - they don't help the vast majority of people in poverty

<https://www.childtrends.org/indicators/children-in-poverty>

^ <https://www.cato.org/publications/tax-budget-bulletin/earned-income-tax-credit-small-benefits-large-costs>

Chris Edwards October 14, 2015

A key goal of the EITC is to strengthen work incentives for lower-income individuals. **If the EITC is successful, it will increase the labor supply of low earners. On a simple supply-and-demand diagram, the labor supply curve would shift to the right, and that would tend to reduce market wages**.10

Now let's look at the other way that the EITC affects work incentives—hours worked. For existing workers, the EITC creates a complex mix of incentives to either increase or decrease hours worked. Workers face an "income effect," which may cause some individuals to reduce work because the EITC allows them to meet their income needs with less work. Workers also face a "substitution effect," meaning that the EITC makes working more valuable compared to not working.

The substitution effect varies depending on whether individuals are in the phase-in, flat, or phase-out income ranges of the EITC. Thus, at different income levels people may respond to the credit by seeking to work either more or less. Here is how one study described the effects:17

"In the phase-in region, the EITC leads to an ambiguous impact on hours worked due to the negative income effect and positive substitution effect."

"In the flat region, however, the EITC produces a negative income effect leading to an unambiguous reduction in hours worked."

"In the phase-out region, the EITC produces a negative income and negative substitution effect leading again to an unambiguous reduction in hours worked."

To summarize, **people have an incentive to reduce hours worked in both the flat and phase-out ranges of the credit. As it turns out,** **about three-quarters of people taking the EITC are in those two ranges where the work incentives are negative.**18 **So economic theory indicates that a large majority of people taking the EITC have an incentive to work less, not more**. **Based on this factor, a Tax Foundation simulation found that the EITC reduces overall U.S. output and employment.19**

<https://theintercept.com/2019/10/19/democrats-poverty-earned-income-tax-credit/>

Sam Adler-Bell, October 19 2019

This finding — as yet unconfirmed — has the potential to remake poverty policy as we know it. As it stands, the EITC excludes the poorest Americans by design. **Nonworkers, meaning those who do not earn any income, make up around 75 percent of poor people in America. As Matt Bruenig of the People’s Policy Project has found, the overwhelming majority of nonworkers are either children, elderly, have disabilities, or in school.** Kleven’s research, Bruenig said, undermines the only justification for excluding these people from the benefit.

### A2: housing

1. [Calder](https://www.cato.org/publications/commentary/why-welfare-needs-reform) 18: 75% of low-income tenants do not receive federal housing vouchers even though they are eligible
2. [Jan](https://outline.com/FfjLE3) of Washington Post in 2019: low income families using housing vouchers are concentrated in impoverished and racially segregated neighborhoods with little opportunity, worsening crime and education
	1. [Cunningham](https://www.urban.org/research/publication/pilot-study-landlord-acceptance-housing-choice-vouchers) of the Urban Institute 18: up to 78% of landlords don’t accept vouchers because they associate it w poverty
	2. [Santens 14](https://medium.com/basic-income/wouldnt-unconditional-basic-income-just-cause-massive-inflation-fe71d69f15e7): there are five times more vacant homes than homeless people in the United States today. The reason many people are not living in these homes is because they were at one time but couldn’t afford to keep them. Basic income rectifies this and puts people back in homes.
3. UBI solves these issues of vouchers.
	* 1. **T/Prochazhka 2020/ Bargaining power with landlords - can just go to other place in same city - can drive down rent**
		2. **Prochazhka 2020/ Increased purchasing power through a UBI means they can pay for market rate housing**
		3. **Prochazhka 2020/ Long term solvency - Increased overall demand increases supply of housing in long term, lowering costs**

[Santens 14](https://medium.com/basic-income/wouldnt-unconditional-basic-income-just-cause-massive-inflation-fe71d69f15e7)

Rising rent is a particularly worrisome fear for many when first introduced to the idea of basic income. However, two very important things in particular need to be understood when it comes to housing.

There are five times more vacant homes than homeless people in the United States today. This represents a large unused supply that need only be made available. The reason many people are not living in these homes is because they were at one time but couldn’t afford to keep them. Basic income rectifies this and puts people back in homes.

[Calder](https://www.cato.org/publications/commentary/why-welfare-needs-reform)

Or consider the Community Development Block Grant, an economic development program to “ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs.” In practice, CDBG funds yuppie pipe dreams like craft beverage trails, breweries, microbreweries, minor‐​league baseball stadiums, the expansion of an art museum, a Louisiana marina, and more. Given that 75 percent of qualifying low‐​income tenants do not receive federal housing vouchers, the Department of Housing and Urban Development’s allocation of CDBG funds is particularly galling.

### A2: Bond rates

<https://www.macrotrends.net/2521/30-year-treasury-bond-rate-yield-chart>

### A2: Child Pover

### A2: SNAP

1. [Moench](https://apnews.com/e07b127e984744fc8f51bb38806a4d51/Study-shows-SNAP-benefits-don%27t-cover-most-meal-costs-in-US) 18: SNAP couldn’t pay for the cost of an average low-income meal in 99% of counties
	1. [CBPP](https://www.cbpp.org/research/food-assistance/policy-basics-the-supplemental-nutrition-assistance-program-snap) 19: avg SNAP recipient got $4.17/day, or $1.39/meal
	2. [Burnside 19](https://www.cbpp.org/research/family-income-support/tanf-cash-benefits-have-fallen-by-more-than-20-percent-in-most-states): SNAP benefits often don’t last the entire month
2. [Carlson](https://www.cbpp.org/research/food-assistance/who-are-the-low-income-childless-adults-facing-the-loss-of-snap-in-2016) 16: Unemployed childless SNAP recipients get their benefits cut off after 3 months, even if they are searching for a job

[Carlson](https://www.cbpp.org/research/food-assistance/who-are-the-low-income-childless-adults-facing-the-loss-of-snap-in-2016) 16

**Some 500,000 to 1 million childless adults will be cut off SNAP (the Supplemental Nutrition Assistance Program, formerly the Food Stamp Program) over the course of 2016 as a three-month limit on benefits for unemployed childless adults returns in most areas of the country.**[2] This paper addresses some basic questions about childless adults aged 18-49 without disabilities who may be subject to the time limit based on a review of research in the nearly 20 years since it was first imposed as part of the 1996 welfare law.

Burnside

<https://www.cbpp.org/research/family-income-support/tanf-cash-benefits-have-fallen-by-more-than-20-percent-in-most-states>

Housing is only one essential need that TANF **families** need cash income to cover. **They have to buy food since SNAP benefits often do not last the entire month**. Parents must buy clothes and shoes on a regular basis for growing children. Families also need cash to pay for transportation, telephone service, laundromats, toiletries, diapers and other baby supplies, school and work-related expenses, household cleaning supplies, health expenses not covered by Medicaid, and other miscellaneous costs. Because decent housing can prove expensive, TANF families without housing assistance often live with families and friends, contributing what they can to rent and utilities, or opt for more affordable but substandard housing. As a result, they have high rates of housing instability, resulting in frequent involuntary moves, eviction, or homelessness.[12] Such instability can harm both adults and children and is associated with poor school performance, poor cognitive development, increased health risks, and mental health problems.[13]

### A2: Medicaid

1. Work req
	1. NPR yesterday - work requirements in 20 states
2. Block grant
	1. [**Armour Jan. 30, 2020-**](https://www.wsj.com/articles/trump-administration-to-give-states-wide-berth-to-make-changes-to-medicaid-under-block-grant-plan-11580392873)Trump has just allowed states to make Medicaid into block grants if they want - 5 states have already signed up
	2. [**Reich 2017**](https://www.cbpp.org/research/federal-budget/block-granting-low-income-programs-leads-to-large-funding-declines-over-time)- Under block grants, you can’t document spending and they are susceptible to manipulation
	3. [**Wilke 2017**](https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/Medicaid-Financing-Dangers-of-Block-Grants-and-Per-Capita-Caps.pdf) gives 2 implications
		1. During recession, states fill their funding gaps by cutting funding and repurposing it
		2. There will be no more standards, meaning states cut eligibility
3. T/Rural hospital closure destroys rural communities
	1. [**LaPointe**](https://revcycleintelligence.com/news/rural-hospital-closures-boost-mortality-rates-by-nearly-6) **of Revcycle 19**- rural hospitals now care for older, sicker populations that depend on medicaid, but ⅕ are on the verge of closing
	2. [**LaPointe**](https://revcycleintelligence.com/news/medicare-medicaid-reimbursement-76.8b-under-hospital-costs) explains because of negotiations, hospitals only get 87 cents of every dollar spent caring for Medicaid beneficiaries.
		1. !Rural hospital closure increases mortality 6%
	3. [**Kacick modern Healthcare 19**](https://outline.com/7NahME)- Since rural hospitals often drive rural economies, closure causes 1.6% more unemployment and 4% wage loss
		1. Census says 60 million live in rural areas
4. Beaton 18/ 90% of mid/large companies offer medical benefits
	1. Employers cover on average 80% of premiums for family coverage

<https://www.npr.org/sections/health-shots/2020/02/14/806119263/federal-appeals-court-upholds-ruling-blocking-medicaid-work-requirements>

Wamsley 2-14-20

Such requirements have either been proposed or are underway in some 20 states. A few states, like Indiana, have temporarily suspended work requirement initiatives while the issue makes its way through the courts.

<https://www.nytimes.com/2018/01/16/business/economy/work-medicaid.html>

But the fact remains that the plan is expected to reduce Medicaid spending by $2.4 billion over five years. Roughly half of the 350,000 able-bodied Medicaid beneficiaries in Kentucky currently do not meet the work requirements, by the government’s estimates, and could lose their benefits. Five years from now, the Bevin administration calculates, the change will have culled some 100,000 people from the rolls.

Kentucky won’t be the last. Arizona, Arkansas, Indiana, Kansas, Maine, New Hampshire, North Carolina, Utah and Wisconsin have already submitted their own similar proposals. Barring legal challenges, the Trump administration is [eager to let them](https://www.nytimes.com/2018/01/11/us/politics/medicaid-work-requirements.html) do it. Millions of Americans stand at risk of losing their health care. Many — the most fragile, the least great — could die as a result.

uly 24, 2018 Thomas Beaton

[**https://healthpayerintelligence.com/news/about-90-of-large-mid-size-employers-offer-medical-benefits**](https://healthpayerintelligence.com/news/about-90-of-large-mid-size-employers-offer-medical-benefits)

**July 24, 2018 - Close to 90 percent of employees in large and mid-size private businesses are offered medical benefits, according to data released by the Bureau of Labor Statistics. Larger businesses tend to see higher participation in employer-sponsored insurance plans than their smaller counterparts.**

**Employers are also quite generous when it comes to setting cost sharing rate for their employees. Employers cover an average of 80 percent of single-coverage premiums and pay 68 percent of premiums for family coverage.**

[Armour Jan. 30, 2020](https://www.wsj.com/articles/trump-administration-to-give-states-wide-berth-to-make-changes-to-medicaid-under-block-grant-plan-11580392873)

**WASHINGTON—The Trump administration on Thursday released details for how states can apply to convert federal Medicaid funding to block grants that would let them impose changes such as eligibility requirements and prescription drug limits for millions of adults.**

**The instructions, outlined in a letter to states, show the administration is accelerating its push to give states unprecedented leeway in revamping parts of Medicaid,** the federal-state health program for low-income and disabled people.

First-ever work requirements have already been approved and **plans are under way to stiffen eligibility verifications**. The administration says the shift would grant states autonomy to design programs that save money while safeguarding coverage.

[**Reich 2017**](https://www.cbpp.org/research/federal-budget/block-granting-low-income-programs-leads-to-large-funding-declines-over-time)

**Block grants’ basic structure makes them especially vulnerable to funding reductions over time. Block grants are usually designed to give state and local governments very broad flexibility over their use of federal funds. As a result, the funds are used in a variety of ways and their impact is hard to document.** Often, it is difficult even to track in detail how the money is used. That, in turn, makes it easier for national **policymakers seeking resources for their own priorities to look to block grants for savings**, and has made block grants particularly vulnerable to funding freezes for years on end. **It should come as no surprise that block grants in general have fared very poorly** in the competition for resources.

[Wilke 17](https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/Medicaid-Financing-Dangers-of-Block-Grants-and-Per-Capita-Caps.pdf)

**1. Funding will not keep up with need, burdening state budgets**

**If Medicaid financing is changed to a block grant or per capita cap,there is significant risk that states would not receive enough funding to keep pace with the rising cost of health care while simultaneously continuing to provide the same coverage, benefits, and payments to providers.** As a result, state policymakers would be forced to decide how to make up the difference and/or Medicaid recipients would lose services or eligibility. Erosion in Medicaid funding is detrimental not only to those without other affordable health care options, but also to doctors, other health care providers, hospitals, nursing homes, and managed care organizations that all receive Medicaid funding to provide services

**2. Medicaid will no longer respond automatically to economic downturns.**

Shifting financial risks to states is especially damaging **during economic downturns**. Unlike the federal government, which can run a deficit, nearly all states are legally required to balance their budget each year. When state tax revenues drop during recessions, federal dollars can help alleviate state budget crises. **Without federal support that responds to increased need, states would be forced to cut eligibility and/or benefits at a time when more people are in need.**

**4. States may cut eligibility, pitting vulnerable populations against each other**

**Converting Medicaid to a block grant would likely undermine the basic eligibility requirements of the program. The current Medicaid structure requires states to cover certain populations, such as low-income pregnant women, children, seniors, and persons with disabilities.Under a different financing structure, these minimum standards would likely be eroded or left entirely to states' discretion. For example, states may be allowed to deny coverage for some populations or establish waiting lists.Cutting eligibility due to fiscal pressures will force states to choose which vulnerable populations to cover**

[**LaPointe 19**](https://revcycleintelligence.com/news/rural-hospital-closures-boost-mortality-rates-by-nearly-6)

**More rural hospitals are also on their way to closing. Consulting firm Navigant recently** [**reported**](https://revcycleintelligence.com/news/21-of-rural-hospitals-at-high-financial-risk-of-closing) **that one in five rural hospitals is on the verge of closing based on the organization’s total operating margins, cash on hand days, and debt-to-capitalization ratios. The at-risk hospitals represent 21,500 staffed beds and 707,000 annual discharges.**

**Recent economic downturns and job losses are putting rural hospitals in crisis mode, researchers from the University of Washington explained. Outmigration and shrinking populations are leaving behind patients who are older, sicker, and more reliant on Medicare and Medicaid, which significantly** [**underpay**](https://revcycleintelligence.com/news/medicare-medicaid-reimbursement-76.8b-under-hospital-costs) **hospitals.**

[**LaPointe of Revcycle 2019**](https://revcycleintelligence.com/news/medicare-medicaid-reimbursement-76.8b-under-hospital-costs)

Medicare and **Medicaid underpayments occurred because the large public payers set reimbursement rates through rules and regulations, rather than negotiations** like with private payers and managed care organizations. And typically the Medicare and Medicaid payment laws set hospital reimbursement rates below the actual costs of providing care to program beneficiaries.

For example, the most recent AHA data showed that**hospitals only received 87 cents for every dollar they spent caring for** Medicare and **Medicaid beneficiaries**.

Furthermore, about two-thirds of hospitals received Medicare reimbursement less than cost in 2017, while **62 percent of the facilities were underpaid by Medicaid.**

The most recent Medicare and Medicaid reimbursement shortfall should come as no surprise to hospitals. The public payers have been underpaying hospitals for the past several years.

In 2016, the AHA [reported](https://revcycleintelligence.com/news/reimbursement-shortfalls-uncompensated-care-costs-grew-in-2016) that **Medicare and Medicaid reimbursement shortchanged hospitals by about $68.8 billion**. The previous year the shortfall was approximately [$57.8 billion](https://revcycleintelligence.com/news/reimbursement-shortfalls-uncompensated-care-costs-grew-in-2016).

[Kacick Modern Healthcare 2019](https://outline.com/7NahME)

**Hospitals are often the economic drivers of rural communities. Per capita income falls 4% and the unemployment rate rises 1.6 percentage points when a hospital closes, a related** [**study**](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1702512/) **found. Ninety-seven rural hospitals have closed since 2010, according to the** [**University of North Carolina Cecil G. Sheps Center for Health Services Research**](https://www.shepscenter.unc.edu/programs-projects/rural-health/rural-hospital-closures/)**.**

### A2: Disabilities

1. **Forbes 2020**- Trump cutting it by 75 billion over 10 yrs
2. Barely any covered overall
	1. **Forbes** furthers that the government defines disabilities so strictly barely any people get benefits
	2. **CBPP 19**- only 8 mill get SSI
	3. **NSIP**- 48.9 million have a disability
3. Work requirements screw people over
	1. **Forbes 2020**- because of the complicated appeals system, it can take 2 years before you even start getting any benefits.
	2. **AIP-**375k people become disabled every year and they can’t afford to wait 2 years because 1 year of disability payments wipes out 10 years of income
	3. **BLS 2019-** 8/10 of these are out of the workforce
4. Alts:
	1. SSDI, not means tested
	2. Medicare

[Forbes 2020](https://www.forbes.com/sites/elenabotella/2020/02/10/what-seniors-need-to-know-about-trumps-2021-federal-budget/#69764ef73842)

**Trump’s budget calls for a $75 billion decrease to spending on the two federal disability programs, SSDI and SSI, over the next ten years. $10 billion of this reduction comes from reducing the amount of retroactive benefits someone can receive after they’ve been found to be disabled.**

**Forbes 2020**

In looking for such substantial cuts to our disability programs, the White House “appears to be working off a mistaken assumption about who receives Social Security Disability Insurance,” said Adcock. “**The vast majority will never be able to return to work,” he said, because their conditions are so severe. The Social Security Administration itself** [**admits**](https://www.ssa.gov/disabilityfacts/facts.html) **that the federal government “defines disability so strictly, Social Security disability beneficiaries are among the most severely impaired in the country** [...] Among those who start receiving disability benefits at the age of 55, 1-in-6 men and 1-in-8 women die within five years of the onset of their disabilities.”

[**CBPP 2017**](https://www.cbpp.org/research/social-security/supplemental-security-income-ssi)

Supplemental Security Income (SSI) provides cash assistance to the most vulnerable Americans: low-income aged, blind, or disabled individuals who either aren’t eligible for Social Security or whose benefits are too low to provide a subsistence income. More than **8 million people — including 1.2 million children with disabilities — rely on SSI to meet their basic needs.** Monthly benefits average just $541. The Social Security Administration runs SSI.

[**NSIP**](http://www.serviceandinclusion.org/index.php?page=basic)

**How Many People in the United States Have a Disability? An estimated 48.9 million people, or 19.4% of the non-institutionalized civilians, have a disability. An estimated 24.1 million people have a severe disability. An estimated 34.2 million people, or 17.5%, have a functional limitation.**

[**AIP**](https://www.affordableinsuranceprotection.com/disability_facts)

**More than 375,000 Americans become totally disabled every year, and approximately 110 million Americans don't have long-term disability coverage.**

**If you have saved 10 percent of your income each year, one year of being totally disabled could wipe out 10 years of savings.**

[**BLS 2019**](https://www.bls.gov/news.release/disabl.nr0.htm)

Persons who are neither employed nor unemployed are not in the labor force. **A large proportion of persons with a disability--about 8 in 10--were not in the labor force in 2018,** compared with about 3 in 10 of those with no disability.

In part, this reflects the older age profile of persons with a disability; persons age 65 and older are much less likely to participate in the labor force than younger age groups. **Across all age groups,** however**, persons with a disability were more likely to be out of the labor force than those with no disability.** (See table 1.)

**Forbes 20**

**The budget would also force states to take away** [**Medicaid and food stamps**](https://www.whitehouse.gov/wp-content/uploads/2020/02/budget_fy21.pdf) **from adults who don’t meet work requirements. This can cause a particular hardship for** **Americans in their early 60s who often have to cut back on work due to debilitating health conditions, or who have a harder time finding work after a layoff, but don’t yet qualify for Medicare. Although these work proposals contain exceptions for people with disabilities, it can take**anywhere from 30 days to **two years to receive a government** [**finding of disability**](https://www.marksandharrison.com/blog/waiting-period-disability-benefits/)**, particularly because** [**more than a third of people**](https://www.cbpp.org/research/social-security/chart-book-social-security-disability-insurance) **who are eventually approved for federal disability insurance aren’t approved until after an appeal.**

### A2: LIHEAP

1. [Washington Post](https://outline.com/xW62VA): LIHEAP is chronically underfunded and can only serve 20% of eligible homes
	1. [Kogan 19:](https://www.cbpp.org/research/federal-budget/cuts-to-low-income-assistance-programs-in-president-trumps-2020-budget-are) Trump proposing to cut the entire program away in the 2020 budget
		1. It’s going to become so small, it’s irrelevant

### A2: VAT Bad (empty)

### A2: Stabilizers

1. **Unemployment benefits are the largest stabilzie prob**
2. **DL/ Spross 19 (1)/politicians fear increasing welfare during recession**
	1. budget holes in a recession
	2. Fear that Welfare causes people to not work
	3. **Spross 19-** Since many now have work requirements, they literally don’t work as auto stabilizers
		1. None of their 08 cards apply since the requirements are new
	4. **Deparle 12**/ 16 states have cut welfare since start of 08 recession to fund budget gap
3. **T/Spross (2) 19/** UBI can be adjusted in times of recession - as long as its universal its fine
4. **T/Standing 17/** basic income would be a form of automatic economic stabilizer, since it would ensure more spending power in recessions.

Jason Deparle, 4-7-2012, "Welfare Limits Left Poor Adrift as Recession Hit," No Publication, https://www.nytimes.com/2012/04/08/us/welfare-limits-left-poor-adrift-as-recession-hit.html

Faced with flat federal financing and rising need, Arizona is one of 16 states that have cut their welfare caseloads further since the start of the recession — in its case, by half. Even as it turned away the needy, Arizona spent most of its federal welfare dollars on other programs, using permissive rules to plug state budget gaps.

Welfare gets cut during recessions, ubi is an auto stabilizer

Standing 17 https://drive.google.com/open?id=1FScfJdf9JmLXg8zcRKwiDztBMvfUNtA6

Basic Income as Automatic Stabilizer A traditional Keynesian argument in favour of welfare states, and social insurance systems in particular, used to be their stabilizing role over the economic cycle. When the economy was booming and inflationary pressure was building up, public spending on welfare benefits tended to decline because there were fewer unemployed requiring assistance. In recessions, expenditure on unemployment and other benefits tended to rise, helping to boost demand and employment. **The capacity of existing welfare systems to act as automatic macroeconomic stabilizers is now much reduced. The extent of social insurance has been eroded by the relentless trend towards means testing and conditional assistance schemes. And the neo-liberal thinking behind austerity programmes, aimed at balanced budgets and public debt reduction, has led governments deliberately to cut public spending in recessions. A simple basic income would be a form of automatic economic stabilizer, since it would ensure more spending power in recessions**.

1. Welfare gets cut during recessions pt 2

Jeff Spross, 10-7-2019, "America needs to put recession-fighting on autopilot," No Publication, https://theweek.com/articles/869684/america-needs-recessionfighting-autopilot

**Of course, when spending programs like SNAP and Medicaid automatically expand during recessions, federal deficits automatically increase as well. And that tends to freak politicians out. There's more or less constant pressure to cut these programs, both on budgetary grounds and fears that they discourage people from working.** The Trump administration is trying to open options for state lawmakers to slap various work requirements and other conditions on SNAP and Medicaid, for example. **All of this is entirely self-defeating. A recession happens when not enough demand is flowing through the economy**. If taxes rose with spending to prevent deficits, the net effect on demand would be zero. Moreover, the U.S. government creates the currency it taxes, spends, and borrows in, so a "debt crisis" is intrinsically impossible. The government can create too much inflation, but that risk comes from pumping too much money into the economy when it's at the peak of the business cycle, not the trough. **Finally, if you make receipt of these benefits conditional on having a job, then by definition they can't do anything to arrest the feedback loop of job loss.**

####

2. UBIs can be automatically adjusted based on the economy

Jeff Spross, 10-7-2019, "America needs to put recession-fighting on autopilot," No Publication, https://theweek.com/articles/869684/america-needs-recessionfighting-autopilot

If you wanted to get really ambitious, **you could imagine something like a self-adjusting universal basic income. A UBI is a monthly check that goes out to all Americans, with no conditions or qualification thresholds whatsoever. It's generally envisioned as a poverty eliminator; but you could also imagine a UBI geared towards stabilizing the economy instead, whose monthly generosity rises or falls in response to metrics like the unemployment rate** or the rate of wage growth. Or, if you want to use government spending to directly create jobs, as opposed to just drive more consumption, a national job guarantee is another ideal framework for an automatic stabilizer. (Or, you know, why not both?)

### A2: Pell

Education overview but actually written out this time

### A2: Inflation

Prochazka, 1-29-2020

**Guaranteed wealth for previously impoverished lower class populations increases demand for all kinds of goods and services. Increased demand for these goods increases supply, as manufacturers and sellers want to meet this new demand, increasing competition. Increased competition decreases prices overall, making everything more affordable.**

**Also:**

1. **Redistribution means no increase in money supply**
2. **Welfare create the same level of demands/follows the same principles - things like EBT/SNAP can be used for alot of things, also cash transfers**
	1. **Inflation not skyrocketing in the squo proves**

**Empirics:**

1. **Alaska - inflation is lower than the US average**
2. **Mexico - cash transfer doesn't create inflation**

**Lovell 2020/UBI induced Economic growth and productivity keep inflation down - more services and more goods sold control inflation pressures**

Joanna **Lovell**, 1-30-**2020**, "The 15 most-asked questions about Universal basic income," hulldailymail, https://www.hulldailymail.co.uk/news/hull-east-yorkshire-news/universal-basic-income-questions-expert-3791373

"When people on modest incomes have more money, they’ll invest it locally. "As local economies and businesses grow from people spending more locally, then that [which] would be good for living standards, quality of life and the economy for the whole country. "**A UBI will boost incomes and support local economies across this country. As local economies grow and businesses grow, and they deliver services and sell more goods, then that controls inflationary pressures. "Economic growth and productivity keep inflation down. A UBI could help with this."**

**Also works as a2 houses - bargaining power decreases rents**

Tyler Prochazka, 1-29-2020, "Three big misconceptions about Yang’s Freedom Dividend&nbsp;," National Chengchi University, https://basicincome.org/news/2020/01/three-misconceptions-about-yangs-freedom-dividend/

The inflation misconception has been around for many years, but it has become more convincingly debunked since I first wrote about it nearly three years ago.

**It is essential to note that Yang’s plan is redistributing existing cash, not printing new cash. For every dollar spent, there must be a dollar taxed first, which would offset inflationary pressures.**

**As Karl Widerquist noted, basic income is no different than other welfare programs in terms of increasing demand for goods. Denmark has one of the most generous welfare states in the world, but they also consistently experience a low and stable inflation rate below two percent.**

**In the United States, food assistance, which can be freely spent like cash on most food items, has not produced inflation in food prices. On the contrary, research from the London School of Economics shows in states with higher take-up of food stamp assistance, prices have dropped and there is greater product variety relative to those areas with lower food assistance take-up. This is because suppliers respond to increased demand with more competition entering the market.**

**Thus, the guaranteed demand from basic income could generate higher levels of competition that brings down costs for low-income people.**

**In Alaska, which has a small Universal Basic Income funded by oil revenues, inflation has been lower than the U.S. average since the program started. Other research in Mexico demonstrates that directly giving cash does not produce inflation.**

**In Alaska, which has a small Universal Basic Income funded by oil revenues, inflation has been lower than the U.S. average since the program started. Other research in Mexico demonstrates that directly giving cash does not produce inflation.**

**Since the United States is a globalized market, any short term demand spike creates an economic profit that is resolved by increased production, bringing the price down in the long-run.**

### A2: Interest Rates

1. **Puzzanghera 16-** Fed hates raising interest rates in election years because it wants to remain politically impartial
2. **Amadeo 2020-** Trump plans to add 5 trillion to the debt in the first term overall
	1. Despite this, **Heeb of BI 2020** reports the fed sees no need to raise interest rates anytime soon
3. **Ness 2019-** Emerging markets have learned from the past and are reforming their economies to be more resilient and are diversifying away from US dollar denominated debt.
4. T/ [**Smialek**](https://www.nytimes.com/2020/01/04/business/economy/low-interest-rates-ben-bernanke.html) **2020** - The fed cuts interest rates in order to stimulate investments to get out of a recession. Interests rates are too low right now - no room to cut to stim econ in recession
	1. Recession inevitable
	2. Recessions bad
5. T/Our whole case links in
	1. **Kose 2017**- Because US growth increases demand for foreign goods, every 1% increase in US growth boosts developing economies by 0.6%

Jim **Puzzanghera, 9-19-2016**, "Is the Fed politically biased? Look at its interest-rate decisions as elections near," Los Angeles Times, https://www.latimes.com/business/la-fi-federal-reserve-election-20160919-snap-story.html

Former House Financial Services Committee Chairman Barney Frank (D-Mass.) doesn’t think the economy is strong enough for a rate hike right now. **But he said the risk that a hike before the election would be interpreted politically is another reason for the Fed to stand pat.**

“This close to an election, there should be a bias toward not acting rather than acting,” he said.

[**Amadeo 2020**](https://www.thebalance.com/us-debt-by-president-by-dollar-and-percent-3306296)

**Trump plans to add $5.088 trillion to the debt in his first term.8﻿ That's a 25% increase from the $20.245 trillion debt at the end of Obama's last budget for FY 2017. If he remains in office for a second term, he plans to add $9.1 trillion for both terms.** [Trump had promised to eliminate the debt](https://www.thebalance.com/trump-plans-to-reduce-national-debt-4114401) during his campaign.

[**Heeb 2020 BI**](https://markets.businessinsider.com/news/stocks/fed-says-interest-rates-unlikely-to-change-anytime-soon-2020-1-1028793983)

**Federal Reserve policymakers saw fewer risks to the economy at the end of 2019 and predicted there would be little to no need to adjust interest rate levels anytime soon.**

**Ness**, **10-31-2019**, "Emerging Markets Show a Quiet Resilience," Investment Adventures in Emerging Markets, <https://emergingmarkets.blog.franklintempleton.com/2019/10/31/emerging-markets-show-a-quiet-resilience/>

**We believe today’s emerging markets are now more resilient than in previous decades, emerging stronger after periods of economic hardship—such as the 1997 Asian Financial Crisis that affected much of Southeast Asia.**

**Many emerging economies learned lessons from the past, building up cash reserves and diversifying away from US dollar-denominated debt.**

**Turn:** [Smialek](https://www.nytimes.com/2020/01/04/business/economy/low-interest-rates-ben-bernanke.html) 20: Interest Rate and inflation is too low right now, it could trigger deflation - we need higher rates to prevent collapse

Jeanna Smialek, Jim Tankersley and Ben Casselman, 1-4-2020, "Low Interest Rates Worry the Fed. Ben Bernanke Has Some Ideas.," NYT, https://www.nytimes.com/2020/01/04/business/economy/low-interest-rates-ben-bernanke.html

As long as **the neutral interest rate** — the setting at which Fed policy neither stokes nor slows growth — remains from 2 percent to 3 percent counting inflation, the Fed should be able to rely on tactics like snapping up bonds and promising to keep rates low in the event of another recession. Butthe neutral rate**has been creeping lower for decades, dragged down by powerful and slow-moving forces like population aging. Should it continue to fall, the tricks Mr. Bernanke and his Fed used to coax the economy back from the brink in the 2007 to 2009 recession might prove insufficient.**

#### **Slow U.S. growth undermines the global economy.**

**Kose et al. 17** — M. Ayhan Kose, Director of the World Bank Group’s Development Prospects Group, author of Collapse and Revival: Understanding Global Recessions and Recoveries, Nonresident Senior Fellow at the Brookings Institute, Research Fellow at the Center for Economic Policy Research, former Assistant to the Director of the Research Department and the International Monetary Fund, Csilla Lakatos, Economist in the Development Prospects Group, PhD from Purdue University, Franziska Ohnsorge, Manager of the Development Prospects Group, formerly worked in the Office of the Chief Economist of the European Bank for Reconstruction, Marc Stocker, Senior Economist in the World Bank’s Development Prospects Group, author of Global Economic Prospects report, 2017 ("Understanding the global role of the US economy," *Vox CEPR Policy Portal*, February 27th, Available Online at https://voxeu.org/article/understanding-global-role-us-economy, Accessed 08-30-2018)

Because of its size and interconnectedness, developments in the US economy are bound to have important effects around the world. The US has the world’s single largest economy, accounting for almost a quarter of global **GDP** (at market exchange rates), one-fifth of global **FDI**, and more than a third of **stock market capitalisation**. It is the **most important export destination** for one-fifth of countries around the world. The US **dollar** is the most widely used currency in global trade and financial transactions, and changes in US monetary policy and investor sentiment play a major role in driving global financing conditions (World Bank 2016).

At the same time, the global economy is important for the US as well. Affiliates of US multinationals operating abroad, and affiliates of foreign companies located in the US account for a large share of US output, employment, cross-border trade and financial flows, and stock market capitalisation. Recent studies have examined the importance of global growth for the US economy (Shambaugh 2016), the global impact of changes in US monetary policy (Rey 2013), or the global effect of changing US trade policies (Furman et al. 2017, Crowley et al. 2017).

How large are global spillovers from US growth and policy shocks?

**A surge in US growth – whether due to expansionary fiscal policies or other reasons – could provide a significant boost to the global economy. Shocks to the US economy transmit to the rest of the world through three main channels.**

An acceleration in US activity can lift growth in trading partners directly through an increase in import demand, and indirectly by strengthening productivity spillovers embedded in trade.

Financial market developments in the US may have even wider global implications. US bond and equity markets are the largest and most liquid in the world and the US dollar is the currency mostly widely used in trade and financial transactions. This makes US monetary policy and investor confidence important drivers of global financial conditions (Arteta et al. 2015, IMF2015).

Given its role in global commodity markets (the US is both the world’s largest gas and oil consumer and producer), changes in US growth prospects can affect **global commodity prices**. This affects activity, fiscal and balance of payment developments in commodity exporters.

**Estimates indicate that a percentage-point increase in US growth could boost growth** in advanced economies by 0.8 of a percentage point, and **in emerging market and developing economies by 0.6 of a percentage point after one year** (Figure 2.A). **Investment could respond even more strongly.** A boost to investment could come for instance from fiscal stimulus measures – but the effect would largely depend on the circumstances of the implementation of these measures, including the amount of remaining economic slack, the response of monetary policy, and the adjustment of household and business expectations to the prospect of higher deficit and debt levels. A faster tightening of US monetary policy than previously expected could, for instance, lead to sudden increases in borrowing costs, currency pressures, financial market volatility, and capital outflows for more vulnerable emerging market and developing economies.

### A2: Foreign Aid

1. Ingram 19 Brookings/ Foreign aid has overwhelming congressional support from both parties, including bipartisan rejection of the cuts to international spending proposed by the Trump administration.
	1. Holland 19/ White House removed plan to cut aid in 2019 bc of bipartisan congressional backlash - its not politically feasible
	2. Ward 20/ Bipartisan pushback on trump’s planned cuts to foreign aid in the recently announced budget
2. Alt sources popular: wealth tax
	1. White 19/ 76% of registered voters believe the wealthiest should pay more in taxes
	2. Tuttle 20 / nearly ⅔ believe the very rich should contribute more to support public programs
3. Ingram 19 Brookings/ Even if the term “foreign aid” is unpopular, a majority Americans support working collaboratively with other nations
	1. BT 18/ Aid incentives countries to be greater allies of the US
4. Call for the foreign aid unpopular card - its gonna be like 50ish % - thats not enough to create dramatic spending reform

<https://bigthink.com/think-tank/why-humanitarian-aid-is-a-powerful-foreign-policy-strategy>

BT, 20 July, 2018

The United States as a donor can decide which countries will receive aid, when they’ll receive it, what it is and how to deliver it. In 2016, the most recent available data, the U.S. spent $49 billion on foreign aid—about 1% of its annual spending—which includes supporting the UN. Many critics of overseas foreign development and assistance feel that this is a waste of resources, and a 2017 Rasmussen poll reports that 57% of Americans feel that the U.S. gives too much—but there is evidence to show that this is not the case.

**Investments in foreign aid enhance the recipient country’s wellbeing and ensure greater stability and security. Meanwhile, it spurs them to become more peaceful societies and greater allies of the United States.**

<https://www.vox.com/2020/2/10/21131273/trump-budget-fy2021-foreign-aid-nuclear>

By Alex Ward Feb 10, 2020

**In years past, Republicans and Democrats have pushed back against these draconian slashes to foreign aid, and they are likely to do so again.** But the president’s insistence on tearing down America’s assistance programs to bare bones — even though they hover at only around 1 percent of the federal budget — shows how misguided he is about their outsize impact.

<https://www.brookings.edu/opinions/what-every-american-should-know-about-u-s-foreign-aid/>

George Ingram, October 2, 2019

**In fact, some of the most rapid increases in foreign aid have come during Republican presidencies**—the first term of Ronald Reagan and George W. Bush. Since the creation in the early 2000s of President Bush’s signature popular and successful programs of the Millennium Challenge Corporation (MCC), the President’s Emergency Plan for AIDS Relief (PEPFAR), and the President’s Malaria Program (PMI), **foreign aid now also carries a Republican brand and has received overwhelming congressional support from both parties, including bipartisan rejection of the one-third cuts to international spending proposed by the Trump**

**Administration**.

<https://www.brookings.edu/opinions/what-every-american-should-know-about-u-s-foreign-aid/>

While the term foreign aid is not popular and polling reveals that some feel our foreign policy is overextended, **Americans support U.S. active engagement in the world. A substantial majority of those polled support working collaboratively with other nations.**

<https://finance.yahoo.com/news/most-americans-want-rich-pay-110047694.html>

Brad Tuttle, January 20, 2020

According to a new Reuters/Ipsos poll, **nearly two-thirds of respondents strongly agreed or somewhat agreed with the idea that “the very rich should contribute an extra share of their total wealth each year to support public programs.”**

That’s the gist of what a wealth tax is — like the one being proposed by Elizabeth Warren. In the poll, **77% of Democrats agreed with the statement, while a majority of Republicans (53%) agreed too.**

<https://www.politico.com/story/2019/02/04/democrats-taxes-economy-policy-2020-1144874>

By BEN WHITE 02/04/2019

Surveys are showing overwhelming support for raising taxes on top earners, including a new **POLITICO/Morning Consult poll released Monday that found 76 percent of registered voters believe the wealthiest Americans should pay more in taxes**. A recent Fox News survey showed that 70 percent of Americans favor raising taxes on those earning over $10 million — including 54 percent of Republicans.

Steve Holland

<https://www.reuters.com/article/us-usa-trump-aid/trump-drops-bid-to-slash-foreign-aid-after-congress-objects-idUSKCN1VC285>

Aug 22, 2019

WASHINGTON (Reuters) - **The White House will not move forward with plans to cut billions of dollars in foreign aid, U.S. officials said on Thursday, after an outcry from Congress about what was seen as an attempt to sidestep lawmakers’ authority over government spending.**

President Donald Trump said he was considering scaling back the effort to cut aid on Tuesday, and would decide on the proposal within days.

**Members of Congress, including several of Trump’s fellow Republicans as well as Democrats, had contacted administration officials to object to the latest Trump administration effort to cut foreign assistance** and tie it more closely to support for U.S. policies.

“I’m glad to see important foreign assistance programs - which Congress had already approved - going forward,” Republican Jim Risch, chairman of the Senate Foreign Relations Committee, said in a statement.

### A2: Rent

1. **T/Prochazhka 2020/ UBI increases ability to buy houses**
	1. **Bargaining power with landlords - can just go to other place in same city - can drive down rent**
	2. **Increased purchasing power through a UBI means they can pay for market rate housing**
	3. **Long term solvency - Increased overall demand increases supply of housing in long term, lowering costs**
2. Assorted other warrants
	1. If a landlord raises rents too aggressively, they risk backlash from their tenants (ex: tenants moving away (and leaving a vacancy that accrues no rent) or organizing tenant unions and rent strikes)
	2. With extra financial security and resources, renters will be able to exert more influence over the terms of their living conditions and demand better prices

Tyler Prochazka, 1-29-2020, "Three big misconceptions about Yang’s Freedom Dividend&nbsp;," National Chengchi University, https://basicincome.org/news/2020/01/three-misconceptions-about-yangs-freedom-dividend/

In fact, the United States is experiencing unusually low levels of inflation. Contributing factors could include the Amazon.com effect, automation, immigration, and global trade. Basic income would not change these underlying factors keeping a hold on inflation. The main area where there could be meaningful inflation in the medium term is the cost of rent because there is a fixed supply of land.  **Basic income could empower more people to move and find other options. Renters would have a better bargaining position with their landlord if they had a guaranteed dividend than if they are desperately clinging to their job. In the long-run, greater purchasing power from low-income people should induce more homebuilding and open up a greater share of unoccupied housing.** That said, the high cost of rent exists now in many areas and should be addressed as a separate policy issue. Nonetheless, it is unlikely that any inflation from UBI could completely wipe out the improvements from UBI.

### A2: Crowding Out

1. Impact TURN: Even if crowding out did exist, it would be a good thing because it funnels investment away from speculative stock market purchases and into safer bonds,preventing bubbles than inevitably pop and cause recessions.
	1. **Phan 17 of the Federal Reserve:** An increase in government debt shrinks investment into the bubble and thereby shrinks the bubble.
2. Uhhh Impact defense/TURN: Corporations aren't using borrowing for long term investment anyway.
	1. **Colombo 2018:** Corporations have been using their borrowing to boost their stock prices via share buybacks and perform mergers and acquisitions.
	2. ???????? [CNBC](https://www.cnbc.com/2019/05/05/corporate-buybacks-will-fuel-the-next-recession-says-wall-street-bear.html): Corporate buybacks could cause the next recession because it artificially inflates the value of stocks and incentivizes investors to start a bubble

**Phan of the Federal Reserve (PDF)**

[**https://www.aeaweb.org/conference/2018/preliminary/paper/3rzzQbA5**](https://www.aeaweb.org/conference/2018/preliminary/paper/3rzzQbA5)

**DEc 17**

Starting from the effects of government debt, the government debt has two opposite effects in the bubble-less economy. On the one hand, government bonds are traded between lenders and borrowers and facilitate saving and investment; on the other hand, they crowd out investment by shifting resources away from production. These two effects are cancelled out in the bubble-less economy, and thereby there is no permanent stock effect of changing the amount of government bonds circulating in the market in the bubble-less steady state. However, the government debt can have permanent impacts in the stochastic bubbly steady state. **When the bubble is “large,” so that speculative investment in the bubbly asset absorbs lenders funds and completely crowds out lenders’ capital investment, an increase in government debt crowds out funds into the bubble asset and thereby shrinks the bubble asset price. This attenuates the expansionary effect of the bubble and causes a decrease in capital and output. Although the government debt is neutral in the bubble-less economy, it has negative impacts on output and capital in the large-bubble economy.**

Colombo 2018 from Forbes

<https://www.forbes.com/sites/jessecolombo/2018/08/29/the-u-s-is-experiencing-a-dangerous-corporate-debt-bubble/#3ca0f887600e>

**Corporations have been using the proceeds of their borrowing to boost their stock prices via share buybacks, dividends, and mergers & acquisitions, instead of making the long-term business investments and expansions that were typical in the past**

### A2: Debt

House Budget Committee 17 - best way to lower deficit and make it sustainable is increase economic growth

* 1. Warrant is probably tax base?

House Budget Committee, 2-8-2017, ["Economic Growth is Key to Reducing Deficits," https://budget.house.gov/press-release/394499/, DOA: 11-26-2018] // ZWS

Last month’s report from the [Congressional Budget Office](https://www.cbo.gov/publication/52370) gave a forward-looking projection of the nation’s economic growth rate and fiscal outlook, and it painted a bleak picture. **The chart below illustrates that after a few years of slightly declining deficits under current law, the next decade will see deficits rise significantly – hitting $1.4 trillion by 2027**. One of **the best ways to lower the deficit is growing the economy**. According to CBO, for **every 0.1 percentage point of higher real economic growth, deficit levels could be reduced by roughly $270 billion over the course of 10 years**. **Unfortunately, economic growth is set to average only 1.9 percent over the next decade – well below the historical average of 3 percent**. This makes getting our fiscal house in order that much harder. It’s clear that **growing the economy is crucial to reducing deficits and putting the federal budget on a sustainable path.** That’s why the House Budget Committee will advocate for policies such as tax and regulatory reform, expanded energy production, and greater innovation to help spur economic growth, boost job creation, and work towards a balanced budget.

### A2: Dollar denominated Debt

Dollar stronger = local currency weaker = improve ability to export

### A2: Debt to Interest Rates Increase

If its debt causes higher interest rates bc need to increase investor incentive

1. **Puzzanghera 16-** Fed hates raising interest rates in election years because it wants to remain politically impartial
2. **Amadeo 2020-** Trump plans to add 5 trillion to the debt in the first term overall
	1. Despite this, **Heeb of BI 2020** reports the fed sees no need to raise interest rates anytime soon

demand for us bonds is limitless:

1. **Stewpak 18**:
	1. increased domestic and international regulation post 2008-recession require banks to have higher minimum liquid assets in case of emergency
	2. Banks meet this requirement by buying bonds since they are the safest and most liquid form of assets
	3. Ie demand for bonds at a domestic and intl level will always exist
2. **Spross 18** - vast majority of bonds are bought by foreign, state, or local govt to hedge against risk in times of emergency, since bonds exist as the most liquid asset

In order to get people to invest - they get people to pay for debt in dollars

**Spross 18**

[**https://theweek.com/articles/798463/america-going-pay-lot-interest-soon-but-dont-fear-debt-crisis**](https://theweek.com/articles/798463/america-going-pay-lot-interest-soon-but-dont-fear-debt-crisis)

The standard argument you hear is that federal interest payments will crowd out other priorities in the national budget. "The heavy burden of interest payments could make it harder for the government to repair aging infrastructure or take on other big new projects," [warned *The* *New York Times*](https://www.nytimes.com/2018/09/25/business/economy/us-government-debt-interest.html). The paper even suggested the interest burden could force the government to cut spending and raise taxes in the next recession, despite the economy needing additional stimulus to recover. "There will eventually be another recession, and this increases the chances we will have to slam on the brakes when the car is already going too slowly," Jeffrey Frankel, a Harvard economist, told the *Times*.

It's difficult to overemphasize how utterly wrong this is. The U.S. government controls the supply of U.S. dollars. While private households, businesses, or even state and local governments must bring in dollars before they can spend them, the federal government must spend dollars before it can tax them. This is more intuitive than it sounds. Since the government literally prints dollars for circulation, it must provide money before it can take it back. (If you don't believe me, here's former New York Federal Reserve Chairman Beardsley Ruml, [making the same point](http://home.hiwaay.net/~becraft/RUMLTAXES.html) way back in 1946.) When one line item in the federal budget grows, it doesn't "crowd out" other priorities because the government can never run out of dollars. "But what about inflation?" you might ask. *That* is the proper question: The inflation level, not the risk of a debt crisis, is what actually determines the government's room to spend on public priorities. When inflationary pressure is too great, the U.S. can relieve it by raising taxes or hiking interest rates to remove money from the economy.But simply introducing new dollars into the economy does not necessarily lead to price increases. Where the money goes is crucial. To create inflation, new dollars must go into new spending and consumer demand. Interest payments on the national debt are extremely unlikely to do that.**The key thing to understand here is that most U.S. government debt is denominated in treasury bonds, which are pretty much the most liquid asset in the world. If you own a treasury bond, but you'd rather have cash, you will have no trouble finding a buyer.** That means pretty much anyone who owns a treasury bond *prefers* it to cash because they're looking to save it. And since owning a treasury bond is the prerequisite for receiving federal interest payments, people are almost certainly going to save those payments as well.

 [**About 42 percent of all treasury bonds**](https://www.thebalance.com/who-owns-the-u-s-national-debt-3306124) **are owned by foreign governments or foreign investors, as reserve funds in case of a foreign exchange emergency.** Another 23 percent are held by state and local governments, again as savings funds, or by the Federal Reserve, which literally remits all its earnings above operating costs right back to the Treasury Department. Another 7 percent of treasury bonds are held by financial and insurance firms, and the remaining 28 percent are in personal investment portfolios and the like. **In other words, the vast majority of treasury bonds are owned for institutional purposes to hedge against risk, not as a source of supplementary income to spend in the economy.** To the extent that treasury bonds do function as a form of personal wealth, it's important to note that the vast majority of wealth is owned by the very richest Americans, even after you account for 401(k)s and retirement portfolios. Being rich, they're much less likely to spend the additional money as consumption and much more likely to save it. None of which is to say federal interest payments are never spent and thus never add to inflation, just that the effect is likely marginal.So how does this connect to the way recessions are fought? Well, recessions by nature are deflationary events; they open up the room the government needs to stimulate the economy back to health. That's why Frankel's warning that interest payments could shackle the federal response to another recession is so off base.

**Stewpak of the St. Louis Federal Reserve (2018) https://research.stlouisfed.org/publications/economic-synopses/2018/03/09/on-the-supply-of-and-demand-for-u-s-treasury-debt/**

Throughout the early 2000s, federal debt held by the public—the amount of outstanding U.S. Treasury securities (Treasuries) held by the Federal Reserve System and private investors—was stable at around 35 percent of gross domestic product (GDP). Since the financial crisis of 2007-08, however, **[while] the federal debt has grown significantly.** As of 2017:Q4, debt held by the public was 75 percent of GDP.   Whenever the supply of an object increases, economic theory suggests that—all else equal—its price can be expected to drop. Using this logic, the large increase in the supply of Treasury debt should have caused bond prices to fall—that is, bond yields to rise. In fact, the exact opposite transpired: Treasury bond yields fell (bond prices rose) dramatically and persistently. For example, a 10-year nominal Treasury bond yielded 2.9 percent per annum as of February 2018, about half the pre-crisis interest rate in mid-2007. Is economic theory wrong? Not necessarily. The key qualifier in the prediction is all else equal—that is, assuming that all else remains unchanged. In fact**, evidence suggests that the demand for Treasury debt was growing at the same time. Indeed, one way to interpret the evidence is that the demand for Treasury debt grew more rapidly than its supply (as evidenced by very low bond yields, for example).** **What was the source of this elevated demand for Treasury debt? The increased demand for Treasuries has taken place throughout the domestic economy and global economies**. As shown in Figure 1, ownership of Treasuries has spiked in several sectors since the start of the crisis. As one might expect, the reasons behind these increases are also quite diverse. In this essay, we take a closer look at some of the various factors that have caused this increased demand for Treasuries throughout the domestic economy and global economies. While the impact of this flight to quality on demand for Treasuries has likely diminished as global financial conditions have stabilized, the safety of Treasuries will continue to attract investment. As shown in Figure 2, European holdings of Treasuries began to rise more rapidly starting in 2007, and they have continued to grow at that pace even after the crisis officially ended. One potential explanation is that investors are holding more Treasuries as part of a flight to quality in the wake of the ongoing European sovereign debt crisis, which began in 2010. **Since the 2007-08 financial crisis, governments have undergone regulatory efforts to keep such a severe crisis from happening again. In 2010, the Dodd-Frank Act was signed into law in the United States, imposing several new stipulations for commercial banks. Primarily, it requires banks to hold a larger portion of high-quality liquid assets than before. Again, Treasuries are among the safest and most liquid assets, making them attractive for banks looking to satisfy their new requirements**. As shown in Figure 3, the ratio of Treasury holdings to private loans for commercial banks was declining until the crisis. However, partly because of Dodd-Frank, this ratio has increased fivefold since the crisis as banks have increased their holdings of Treasuries. **Similar international regulations that impose high-quality capital and liquidity requirements, such as Basel III, could have comparable effects on the foreign demand for Treasuries**.2 More recent regulatory actions have also made Treasuries attractive in what is known as the "shadow banking" sector.3 One component of shadow banking is money market funds, which invest in short-term debt securities and pass through gains to shareholders. "Prime" money market funds invest in private money market instruments such as commercial paper and securities issued by municipalities. As of October 2016, prime money market funds were subject to new regulations that affect pricing of shares and that ultimately have made prime funds less attractive to investors.4 These new rules have led to an increase in demand for "government" money market funds, which invest solely in Treas­uries and are not subject to the same regulations as prime funds. As shown in Figure 4, investors have replaced prime money market fund investments with government money market fund investments, indirectly raising the demand for Treasuries.