

We affirm, The United States *should* replace means-tested welfare with a universal basic income.

A universal basic income, or UBI, is a governmental program delivering periodic payments to all individuals with no strings attached.

Our sole contention is that a UBI would create permanent economic prosperity.

The current welfare system is broken. [Genevieve Wood of The National Interest](#) noted last year: More than five decades, several welfare programs, and \$25 trillion later, the welfare system has failed the poor. The poverty rate remains mostly unchanged, and tens of millions...are dependent on government assistance.

This is because the system has many underlying problems. [The Economic Security Project](#) writes in 2019: [Only] 1 in every 5 citizens who qualify receive...assistance, [meaning 30 million Americans in poverty are left to fend for themselves].

Even when welfare succeeds, the effect is never enough. [Ratcliffe of The Urban Institute](#) quantifies that: half of those who [escape] poverty will become poor again within five years...For those who were poor for five years and escaped poverty, more than two-thirds will return

However, implementing a Universal Basic Income would drive growth in two ways

First, by increasing worker productivity.

Currently, workers are undertrained and dissatisfied with their jobs, hindering economic growth. Santens 17 at the [The World Economic Forum](#) writes: 70% of workers are not engaged [with their jobs], the cost of which is a productivity loss of around \$500 billion per year.

A UBI would counteract such trends. [Srikumar 17 at the Milken Institute](#) explains a UBI would: give workers...financial breathing room to take the time for acquiring skills...Low-wage employees...would be freer to shop around for better jobs – or...search [for] better opportunities. [For example, in UBI trials in both Namibia and India, entrepreneurship tripled. A UBI in [Alaska](#) increased employment by 17 percent.]

By making the market for labor optional, people do more with their jobs. Santens continues: By providing income outside of employment, people can refuse...jobs that aren't engaging them. This...opens up jobs to the unemployed who would be engaged ...The result is...a market of...more employed, better paid, more productive workers.

The second is by ending the poverty trap.

Currently, means-tested welfare discourages people from making more money. [Huges of The Cato Institute](#) explains: America's welfare system [creates] situations where beneficiaries are financially worse off as they increase earned income. In these poverty traps, lost benefits and increased taxes outweigh any additional earnings, making it harder to escape from poverty... [For example,] someone [on welfare]...who increases [their] earnings to \$18 an hour...would actually see [their] net income decrease by more than \$24,800.

Implementing a basic income would change this dynamic because there would be no punishment for making more money. GMU business professor [Derek Horstmeyer](#) writes in 2017: The beauty of basic income..is that these decisions to forgo work or a raise because of a loss in [welfare] are non-existent. In a UBI system, incentives are aligned for the individual to accept a raise or to work an additional hour because it will always put more money in their pocket.

We know that there is an incentive to take on highly productive jobs without a poverty trap. [Christian Schnieder of USA Today](#) in 2017 confirms: families [who were forced off of] government assistance...saw their incomes double within one year of leaving welfare. Within four years, their incomes nearly tripled...Those affected by changes...adapted to work requirements and sought jobs rather than allowing their families to starve.

The impact of both arguments is permanent poverty reduction.

By creating higher incomes and more desirable jobs, a UBI would increase the incentive to do productive work. [Ludivic of The University of Pennsylvania](#), in a model of replacing welfare with a basic income, finds in 2019: households in the UBI economy...work more hours...followed by an increase in output of 5.2%.

Historically, the benefits extend far past escaping poverty. Through [the 50s](#), the period of highest labor productivity ever, purchasing power increased 30% and the economy grew by 37%. [Paul Morris at the Federal Reserve](#) thus concludes: labor productivity growth...is the driving force behind increases in the standard of living... if labor productivity growth [had] held steady... the living standard would double.

Because only long term solutions create prosperity, we are proud to affirm.

Frontlines

Link1

Turn- ppl work less hours

1. Ppl alr work less bc of welfare, most examples dont do the comparative- unemployed v employed. Also hours didnt go down in alaksa?
2. Even if ur hours go down, if ur productivity and labor OUTPUT goes up, then net economic output is going up then we good
3. In the us example when hours went down, education went up so its long term weighing as in like u make more shit long term

more [than 90 per cent would continue](#) to work if they had a BI.

No, it appears in Alaska. Only 1% of respondents believe that the dividend makes them work less. Rather, it may empower people to find more productive work: 11% said the dividends made them more likely to take risks, learn new skills, or start new businesses.

Link2

[Aimee Pichin](#) of CBS News reports in 2019: Millions of middle-class Americans are just one missed paycheck away from poverty, with 4 of 10 considered...without enough money...to cope with a disruption in income...

https://iseralaska.org/static/legacy_publication_links/2016_12-PFDandPoverty.pdf

Roosevelt Institute--

A UBI would loosen these constraints, allowing more educational investment, including on-the-job training. Effects might be particularly strong for mid-career workers who see value in retraining but cannot forgo earnings to do so. Any impact on human capital accumulation would naturally translate into higher wages in the medium to longer run.

Ubi fixes- <https://basicincome.org/news/2017/02/basic-income-ends-poverty-trap/>
Ubi is unconditional, which means there's no punishment to making more money.
As a result, ppl would

Job flexibility
up

Even if people try to escape the welfare trap, losing welfare benefits immediately causes them to fall back into poverty.

[Jeffery Dorfman for Forbes Magazine](#) writes in 2016: The failure of government welfare programs is to favor help with current consumption while placing almost no emphasis on...anything that might allow today's poor people to become self-sufficient in the future... It is the classic story of giving a man a fish or teaching him how to fish. Government welfare programs hand out lots of fish but never seem to teach people how to fish for themselves.

CBO's analysis looks at the range of effective marginal tax rates households face at different levels of income. The median marginal tax rate for households just above the poverty level is almost 34 percent, the highest for any income level.

Thirty-six percent of individuals return to poverty within four years of ending a spell.

Among households headed by African Americans or single females, rates of re-entry within four

years are 46 to 50 percent. Exit probabilities fall as the duration of the poverty spell increases. The exit rate from poverty is 56 percent after just one year poor, but falls to 13 percent after seven or more years in poverty. Similarly, rates of return to poverty decline with time spent out of poverty.

For example, a study by Bruce Meyer and James Sullivan found that the majority of improvements in a more accurate poverty measure occurred prior to 1972. Less than a third of the improvement has taken place in the past four decades, despite massive increases in expenditures during that time (Figure 41.2).

<https://democracyjournal.org/alcove/theyll-always-have-welfare/>

For example, [income inequality is at an all-time high](#) and [small business creation is at a forty-year low](#).ns.

The greatest cause of poverty in America today is the current welfare system itself. That is because the incentives of the welfare system lead people to take the counterproductive actions that cause poverty in the first place – not working, or non-work, and single mothers bearing children outside of marriage.

Today In: [Opinion](#)

Taxpayers today are paying the poorest people in America a trillion dollars a year not to work. And so that is what they are doing in response. In 1960, nearly two-thirds of U.S. households in the lowest-income one-fifth of the population were headed by persons who worked. But after the War on Poverty began in 1965, by 1991 this work effort had declined by about 50 percent, with only one-third of household heads in the bottom 20 percent in income working at all, and only 11 percent working full-time, year-round. One central

reason for the inequality between the top 20% and the bottom 20% is that according to the Census Bureau families in the top 20% work 16 times as much as families in the bottom 20%.

“[The] declines in hours of paid work were undoubtedly compensated in part by other useful activities, such as search for better jobs or work in the home,” noted the Seattle experiment’s concluding report.

In the first reform, an expenditure-neutral level of unconditional transfers generates an income effect that lead households in the UBI economy to work 49 more hours and decrease the participation in the labor force. Due to the absence of restrictions on maximum level of assets, households save more and aggregate capital increases, followed by an increase in output of 5.2%.