We negate, resolved: 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 basic income would create an economic crisis.

While the current system of means-tested welfare is not perfect, it catalyzes sustainable, growth. However, a universal basic income by removing welfare would hinder the economy in three ways.

First, by removing automatic stabilizers.

The current system of welfare stabilizes our economy. Spross 19 of The Week explains: automatic stabilizers [such as welfare]...are spending programs...reacting to conditions like income levels and employment levels as they change, expanding whenever the economy slumps, and stimulating us back to health. Food stamps, unemployment insurance, and Medicaid all fit the bill. [For example, in the 2008 recession, total welfare spending in America increased to $16,800 per person.]

A basic income would not follow this trend. Ortiz 18 of The International Labor Organization writes: UBI does not act as an automatic stabilizer as it does not go up or down in a downturn. Because of low benefit levels, overall poverty rates would increase significantly.

Wiping away automatic stabilizers would prevent America from passing effective stimulus. Sarah Estep at The Center for American Progress in 2019 writes: Automatic stabilizers should be in place...so that Congress [can craft] fiscal policies…[For example in the 2008 recession] unemployment insurance prevented approximately 1.4 million foreclosures...avoiding an additional 18 percent [drop] in GDP.

The second is by increasing the country's debt.

Current welfare funds aren't enough to pay for a basic income. While a UBI is projected to cost 3.8 trillion dollars annually, means-tested welfare only accounts for 1.1 trillion in spending, leaving 2.7 trillion to be funded per year.

As such, a UBI would have to be funded mainly through federal debt because of political incentives. Kimberly Amadeo of The Balance writes this year: voters don't like tax increases...[because of] benefit decreases... As a result, politicians who use contractionary policy are voted out of office. [Historically this is proven, as trials of an American basic income in the 1970s were financed through government spending.]

Rapidly increasing debt hinders economic growth. The Congressional Budget Office in 2018 writes: Large federal budget deficits...reduce investment...If the government borrowed more money, a greater amount of...household and business savings would be used to buy Treasury securities, crowding out private investment...With less investment in capital goods...workers would be less productive. [Indeed, every $1 increase in the federal deficit decreases private investment by 33 cents].

Consequently, the economy would plummet. The Wharton School of Business in 2018 concluded: UBI plan would increase the federal debt by...81 percent [and] GDP falls by 9.3 percent by 2032.

The third is by spiking income inequality.

While the welfare system isn't perfect, families in the system can finance their specific needs. Tanner of The Cato Institute writes in 2013: the median value of the welfare package is $28,500. [In comparison, the common proposal for a basic income is 12 thousand dollars a year, meaning the poor would lose money.]

Inequality would spike, as Jerry Waltman at Baylor University reasons: Because everyone gets the same UBI, there is no compressing of income skews...a UBI [would] increase inequality. Affluent people would have more money to invest...versus spending [by the poor] would exacerbate the wealth gap

This sudden spike in income inequality would make it harder to escape poverty. Christopher Ingraham of the Washington Post finds: inequality affects growth by undermining education opportunities, lowering social mobility and skills development...That makes less productive employees [and] lower wages. [In fact, a 1 percent increase in income inequality reduces GDP per capita by around 1.1%.]

Continuously distributing money upward would make recessions more frequent. Cohan 19 of Forbes explains: spiking income inequality causes recessions... because the bottom of the income distribution…[will] take financial risks...For example...before the 2008 recession, people with low incomes borrowed more than they could afford...People lost their homes, consumer spending...went down, [and] companies…[cut] millions of jobs.

For these three reasons, only 2 percent of economists are reported to support a basic income. Because preserving current economic growth is better than none, we are proud to negate.