Introduction

An unconditional cash transfer, also known as a universal basic income, is an amount of money that is guaranteed to a population with no requirements or strings attached. This differs from conditional cash transfer programs in that recipients are guaranteed the money whether or not they are employed, in school, caring for a relative, or any other requirement. Unconditional cash transfers can come in different forms, most commonly as a universal basic income (where everyone gets a set amount of money) or a negative income tax (where anyone who makes less than a set amount is given enough money by the government to meet that threshold). Unconditional cash transfers are politically contentious, but they have many wide-ranging benefits for individuals and society in both the short and long terms and can help the American economy adapt to changing trends in automation and employment. We support a vision of a future in which the United States has a social wealth fund that pays a universal basic income and want to convince everyone to support two concrete steps toward making that vision a reality.

History and Recent Developments

Although these programs have only become a popular subject of study and discussion in recent years, the genesis of the idea goes back centuries.

Thomas Paine: The prominent author of *Common Sense* proposed in 1796 that everyone who reaches 21 years of age be given £15 (~$2,400)[1] from a general fund, and a sum of £10 (~$1,150)[2] annually to everyone, rich or poor, that lives to the age of fifty. Paine's proposal was based on the idea that every individual had a birthright to an uncultivated part of the earth, but as much of the land was used, they were entitled to a cash payment instead.[3]

Speenhamland: Around the same time as Paine was writing, a policy was implemented in Speenhamland, England, which guaranteed money to the poor if they didn't earn a certain amount of money. Based on the price of bread, this money was designed to create a floor that would prevent anyone from falling into poverty. However, opposition from clergy members and a belief that the Speenhamland system caused a population explosion contributed to the dismantling of the program several decades later.[4]

Richard Nixon: Over a century later, American president Richard Nixon picked up the idea of a basic income and ran with it. He proposed a guaranteed income of approximately $11,000 (in 2017 dollars) for a family of four, in a program known as the Family Assistance Plan. Despite significant support in Congress and among the public for the plan, conservative opponents of guaranteed income dissuaded Nixon from pursuing the program by citing outcomes and statistics that were either lacking context, wildly inaccurate, or both.[5]

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[1] Eric W. Nye, "Pounds Sterling to Dollars: Historical Conversion of Currency," accessed November 24, 2018, http://www.uwyo.edu/numimage/currency.htm.
[2] Ibid.
[3] "History of Basic Income," Basic Income Earth Network, accessed December 9, 2018, https://basicincome.org/basic-income/history/.
[4] Rutger Bregman, "Nixon's Basic Income Plan," *Jacobin*, May 5, 2016, https://www.jacobinmag.com/2016/05/richard-nixon-ubi-basic-income-welfare/.
[5] Ibid.

Today the arguments for an unconditional cash transfer program are more practical and are driven by the larger social and economic forces that have upended the labor market over the last fifty years. Specifically, the forces of globalization and automation (both in terms of industrial production and artificial intelligence) are threatening the capability of the population to maintain employment that pays enough to maintain an adequate standard of living.

Debate and Misperceptions

Many policy makers and stakeholders often use anecdotal evidence to argue that recipients of unconditional cash transfers (UCTs) do not use the cash wisely. Unfortunately, these narratives can play a role in the global acceptance and financing of unconditional cash transfer programs. To combat these perceptions, a 2018 paper published by the *World Bank Research Observer* sought to refute these claims. It uses evaluations based on a large-scale UCTs in sub-Saharan Africa (SSA) in collaboration with the Transfer Project that explores the evidence in six common perceptions associated with UCTs: whether transfers 1) induce higher spending on alcohol tobacco 2) are fully consumed 3) create dependency 4) increase fertility 5) lead to negative economic impacts on local markets, and 6) are fiscally sustainable.[6] For the purpose of the paper, the evaluations used are from 8 unconditional cash transfer programs across 7 SSA countries: Ethiopia, Ghana, Kenya, Lesotho, Malawi, Zambia, and Zimbabwe.[7]

Perception 1: Transfers induce higher spending on alcohol and tobacco

A common argument against the use of cash transfers is the fear that beneficiaries will spend cash on temptation goods or luxury items such as alcohol and tobacco – a perception that is commonly associated with men. Indeed the quote below reinforces the claim of how the promoters of Mexico's *Progresa* program believe that the men will waste given cash funds inappropriately:

> So I think it is the support for the woman and not for the man because if they give it to the man, he goes out and finds some friends and they drink. He drinks a few glasses, he finishes the money that he earns. He goes home and he screams that he wants to eat but he doesn't give the money to women to buy something to eat.[8]

However, evidence from cash transfer programs from six countries in the Transfer Program (Ghana, Kenya, Lesotho, Malawi, Zambia and Zimbabwe) found that there was no increase in spending in alcohol or tobacco. In one country, Lesotho, cash transfers actually decreased alcohol and tobacco expenditures.[9]

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[6] Sudhanshu Handa, et al., "Myth-Busting? Confronting Six Common Perceptions about Unconditional Cash Transfers as a Poverty Reduction Strategy in Africa," *The World Bank Research Observer* 33, no. 2 (October 2018): 259-260, https://doi.org/10.1093/wbro/lky003.
[7] Handa, et al. "Myth-Busting?" 262.
[8] Michelle Adato, Benedicte de la Brière, Dubravka Mindek, and Agnes Quisumbing, The impact of PROGRESA on women's status and intrahousehold relations (Washington, DC: International Food Policy Research Institute, 2000), 59, http://ebrary.ifpri.org/cdm/singleitem/collection/p15738coll2/id/125438/rec/1.
[9] Amber Peterman, Jennifer Yablonski, and Silvio Daidone, *Myth-Busting? How Research is Refuting Common Perceptions about Unconditional Cash Transfers* (Florence: UNICEF Office of Research – Innocenti, 2017), 2,

Perception 2: Transfers are fully consumed (rather than invested)

Opponents of cash transfers often cite the age-old adage to "teach a man to fish" through training or investment rather than providing cash "handouts." Households evaluated in the Transfer Project are not wage workers; instead they depend on agriculture or family-run businesses for income and food. Results across all 8 evaluations found that these households made significant productive investments in: 1) livestock ownership, 2) ownership of agricultural assets, 3) use of seed, fertilizer, and value of harvest sales. Furthermore, there were significant education impacts with an increase of secondary school-age enrollment.[10]

Perception 3: Cash creates dependency (reduces participation in productive work)

Another common perception is that poor families who receive financial support will work less and become lazy, which can lead to dependency on the cash transfers in general. As one media leader in Malawi said: "If you keep giving the poor programmes that involve giving cash, food or subsidies, you end up breaking the hardworking nature of Malawians. At the end of the day we will achieve laziness. People will get used and become dependent on handouts."[11] Fortunately for everyone, evidence from the eight country-level evaluations show that the cash programs do not actually discourage work. Instead, results show that households not only have increased autonomy over productive work, but they also have more flexibility in how they allocate their time.[12]

Perception 4: Transfers targeted at households with young children will increase fertility

There is also a widespread fear that any sort of cash transfer program that is provided to households with young children will cause recipients to intentionally have more children so they can obtain more benefits or maintain the eligibility for the benefits they already have. Analyzing programs from three countries (Kenya, Malawi, and Zimbabwe), researchers found no impacts on the probability of having a child aged 0-1 years of 2-5 years. Other results show that cash programs offer other advantages such as decreased childbearing and delayed pregnancies among youth. In Zambia, cash programs decreased the probability of women reporting a stillbirth, miscarriage, or abortion by 2-3% at 24 and 48 months. In Kenya, females aged 12-14 are more likely to delay pregnancy by 5%.[13]

Perception 5: Transfers will lead to negative economic impacts on local markets

There is a concern that cash transfers infused into small communities may lead to counterproductive results that actually leaves everyone worse off than before the transfer. This is particularly true for concerns about inflation, where rapid devaluation of currency is very possible following a large increase in the amount circulating. This would both reduce the worth of the benefits received, and also lead to higher prices for those who do not even receive. After

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https://www.unicef-irc.org/publications/912-myth-busting-how-research-is-refuting-common-perceptions-about-unconditional-cash.html.

[10] Handa, et al. "Myth-Busting?" 271-274.

[11] Ibid., 275.

[12] Ibid., 277.

[13] Ibid., 279-281.

examining five evaluations, however, researchers found no significant changes in prices of commonly found goods, with one exception of a weakly significant impact of beef in Lesotho. Local economy simulations indicate that cash transfer programs provide substantial benefits to the non-recipients in the area such as local shopkeepers and service providers. Cash transfer programs boost local economies through small cash injections as money is provided to the poorest households. For example, in Ethiopia, for every dollar transferred by the program, about $1.52 was generated for the local economy.[14]

Perception 6: Cash transfers at scale are not fiscally sustainable

There have been concerns about the cost-efficiency and fiscal unsustainability of cash transfer programs in countries. To help governments in SSA understand what is needed to institutionalize these programs, costs analyses were implemented across three countries: Kenya, Lesotho, and Zambia. The cost-transfer ratio (CTR, ratio of administrative costs to transfer costs) was used to measure cost-efficiency; programs with complex targeting approaches have high CTRs because of large start-up costs (no economies of scale yet). Despite this, researchers found that CTRs fell after 3-4 years of implementation. Furthermore, based on government spending for 48 countries in sub-Saharan Africa in 2008-2012, they found that the annual cost of UCT based on the percent of government expenditures would be an average of 4.4%. This shows that cash transfers, at scale as a percentage of current spending and GDP, are feasible of any national government.[15]

Experimental Results

Although there has recently been a significant uptick in interest related to unconditional cash transfer programs, experiments on the subject stretch back decades. This section will discuss three of those experiments, which have varied greatly over time and geography, but have all come to similar conclusions.

Canada

One of the earliest basic income experiments took place in Dauphin, Manitoba from 1974 to 1979. Spearheaded by then-Prime Minister Pierre Trudeau, the "Mincome" experiment gave the 2014 equivalent of approximately CAD$16,000 to about 2,000 people each year in the small Canadian city of Dauphin. Researchers wanted to determine if giving away money to the poor would disincentivize work, so they conducted a baseline survey to gather relevant information, and then followed up with recipients each month to track important data points after they began receiving the funds. Approximately 1,800 boxes of data were collected before a more conservative government took charge at the national and provincial levels. The government quietly ended the experiment in 1979 and no final report was ever issued.[16]

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[14] Ibid., 282-285.
[15] Ibid., 285-288.
[16] Zi-Ann Lum, "A Canadian City Once Eliminated Poverty and Nearly Everyone Forgot About It," *Huffington Post*, December 23, 2014, https://www.huffingtonpost.ca/2014/12/23/mincome-in-dauphin-manitoba_n_6335682.html.

It took about thirty years for researchers to re-discover the project and the mountain of data that it produced on the impact of the experiment. A spate of papers has taken advantage of this trove of information to do sophisticated analysis, and the general conclusions are that the vast majority of those working in Dauphin continued to work, and of those that did leave the workforce did so for reasons largely at-odds with the general assumption of laziness. For instance, married women did work less, but that was mostly explained through an increase in maternity leave. Teenage boys worked less as well, but that was because most of them chose to remain in high school and graduate.[17]

The story of Mincome is not merely one of avoiding negative outcomes. Indeed, the experiment in Dauphin resulted in several positive outcomes, some that seem obvious, some that seem less so. First, there is a rich literature that points to the effect of economic insecurity on both mental health and physical health, so it is unsurprising the Mincome experiment resulted in a decline in hospitalizations for mental health diagnoses. Interestingly, there was also a decline in the rate of accidents and injuries, possibly explained by fewer individuals working dangerous jobs, decreased alcohol use, or something else altogether. In total, Dauphin saw a decrease in hospitalizations of 8.5%.[18]

Kenya

Designed to be the largest and longest-running Universal Basic Income program in the world, 21,000 adults in Bomet County, Kenya (one of the poorest in the country) is given the equivalent of $22.50 by a charity organization called GiveDirectly. The experiment is divided into four different "arms:" one group gets $22.50 per month for two years; another group gets $22.50 per month for twelve years; a third group gets $505 in two payments two months apart; and a fourth group acts as a control, receiving nothing.

The program began in 2016 and is intended to run for about another decade. Finalized results from the experiment will not be available until after it concludes, but preliminary results from the past two years have shown extremely positive results. Local reaction to the program is best summed up by Edwin Odongo Anyango, a recipient of the cash transfers: "What this money does is it creates hope… and when people have hope, they are happy."[19]

As we saw above, one of the biggest criticisms surrounding an unconditional cash transfer program is the belief that it will simply enable people to spend more on vices like drugs and alcohol. Contrary to those expectations, however, researchers are finding that the majority of recipients in Kenya spends the money they receive on necessities like school fees, medicine, home repair, and entrepreneurial investment.[20] In fact, evidence actually points toward a decrease in spending on vice goods like alcohol and cigarettes as "many people stop using temptation goods as a way to cope with a hopeless situation."[21] And in Kenya, even the few that

[17] Evelyn L. Forget, "The Town with no Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment," *Canadian Public Policy* 37, no. 3 (September 2011): 285, https://doi.org/10.3138/cpp.37.3.283.
[18] Forget, "The Town with No Poverty," 294-295.
[19] Chris Weller, "A Village in Kenya is Quietly Disproving the Biggest Myth About Basic Income," *Business Insider*, December 30, 2017, https://www.businessinsider.com/kenya-village-disproving-biggest-myth-about-basic-income-2017-12.
[20] Ibid.
[21] Ibid.

do spend money on what would be considered unsavory things split their spending between those and practical purchases.

Native American Communities

In 1995, the Eastern Band of Cherokee Indians in North Carolina opened a casino and promised an equal share of the profits to each of the approximately 15,000 members of the tribe. Although not a true unconditional cash transfer experiment, the premise is the same which has allowed researchers to study the effects of the casino dividends on the populations. When the casino opened the first cash transfer was $595, but as of 2016, each tribe member receives about $12,000 in biannual payments. But benefits are not just paid to adult members as in many experiments, but to everyone, including children. Rather than simply handing a newborn a check, however, the tribe invests the money that the children would be entitled to, investing it. When one tribe member turned 18, his "minor's fund" paid him $105,000, with his younger sibling expected to receive even more as profits grow. Tribal leaders have staggered the payouts to avoid the recklessness that comes with being a teenager getting a lot of money.

The opening of the casino was particularly fortuitous for the researchers who arrived in Cherokee in 1993 from the Duke Institute of Brain Sciences. They wanted to study behavioral issues among children and adolescents to come to conclusions about the need for "mental health and psychiatric services for children in rural America." They looked at 1,420 children, of whom 350 were members of the Eastern Band of Cherokee Indians. Because their study began in 1993 and re-evaluated children every year until they turned 16, the researchers were in a prime position to see the before and after of the casino opening.[22]

The lead researcher initially thought that there was such a "pit of poverty" that the dividends wouldn't make any difference, but upon reviewing the evidence, she was persuaded that it did. Before the casino, poor children had twice as many symptoms of psychiatric disorders, but among those families who received the payouts after the casino opened, researchers found a 40 percent decrease in behavioral problems. Effects were also more pronounced the earlier in life the benefits started, as younger Cherokee Indians showed better results compared to older Cherokees and whites regarding emotional/behavioral issues as well as drug and alcohol abuse.[23]

In addition to providing financial security, recipients point to the psychological impact that the program has. As Skooter McCoy, one of the earliest recipients of the casino dividend writes in an opinion that is rather prescient for the many decaying industrial towns of the Midwest:

> If you've lived in a small rural community and never saw anybody leave, never saw anyone with a white-collar job or leading any organization, you always kind of keep your mindset right here… Our kids today? The kids at the high school? ...They believe the

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[22] Issie Lapowsky, "Free Money: The Surprising Effects of a Basic Income Supplied by the Government," *Wired*, November 12, 2017, https://www.wired.com/story/free-money-the-surprising-effects-of-a-basic-income-supplied-by-government/.
[23] Ibid.

> sky's the limit. It's really changed the entire mindset of the community these past 20 years

Overall, unconditional cash transfer experiments have shown much promise when it comes to improving outcomes related to physical health, mental health, education, and much more, with little-to-no impact on the labor market.

The Role of Unconditional Cash Transfers in the Future

The American economy is an enormously complex collection of individual and group actors making millions of decisions each day that all affect each other in some way. Many of these actions are contributing to a number of disturbing trends that an unconditional cash transfer program can help solve (or at least mitigate) in the future.

Automation and the Future of Work

Rapid technological advancement has historically had significant effects on society and the labor market, often at the expense of the workers within it. Each industrial revolution displaces workers and destroys many jobs that working people have traditionally relied on to support themselves. The nineteenth century Luddite Movement, for instance, was not the anti-progress movement that many characterize it as today. Rather, it was a protest movement against machine owners who used the new technologies to gain an advantage at the expense of their traditionally-trained workers.[24]

The upcoming wave of automation enabled by artificial intelligence technologies will be no different than those waves caused by steam or electricity. Indeed, McKinsey & Company Global Institute estimates that half of current work activities can be automated with already-existing technologies. Their worst-case prediction is that by 2030, thirty percent of global work hours will have been automated and 800 million workers will be displaced. Up to 375 million workers globally will need to switch occupational categories and learn the requisite skills those occupations call for. The potential for social upheaval and economic desperation that artificial intelligence could bring for large swaths of American workers is clear.[25]

Blue collar work such as factory jobs or automated checkout lines are traditionally considered to be most under threat of job loss due to automation, and this view is correct on a number of counts. Indeed, McKinsey's analysis shows that repetitive, predictable manual labor such as machine operation and fast food service is one of the sectors most under threat. However, much white-collar work is not immune to effects from automation. Office jobs that involve repetitive data collection, aggregation or entry can be done much more efficiently by machine

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[24] Richard Conniff, "What the Luddites Really Fought Against," *Smithsonian Magazine,* March 2011, https://www.smithsonianmag.com/history/what-the-luddites-really-fought-against-264412/.

[25] James Manvika et al. *Jobs Lost, Jobs Gained: What the Future of Work Will Mean for Jobs, Skills, and Wages* (San Francisco: McKinsey Global Institute, 2017), 2, https://www.mckinsey.com/mgi/overview/2017-in-review/automation-and-the-future-of-work/jobs-lost-jobs-gained-workforce-transitions-in-a-time-of-automation.

learning software. This means that paralegal work, accounting, and spreadsheet manipulation are all types of jobs that may be entirely carried out by artificial intelligence in the future.[26]

Wealth Inequality in the United States

Widespread worker displacement also lends itself toward increasing economic inequality as an increase in productivity generates more and more wealth for capital owners. This will only accelerate a trend that is already ongoing in the United States and shows no sign of slowing down. Indeed, those on the top 1 percent of the wealth distribution own more wealth than the entirety of the bottom 90 percent.[27] The bottom forty percent of American families have no wealth or even negative net worth on average, indicating debts in excess of assets.[28] The distribution is only moving towards more inequality as well. Between 2007 and 2016, the average wealth of the top 1 percent increased by almost $5 million, while median family wealth actually decreased by $42,000.[29]

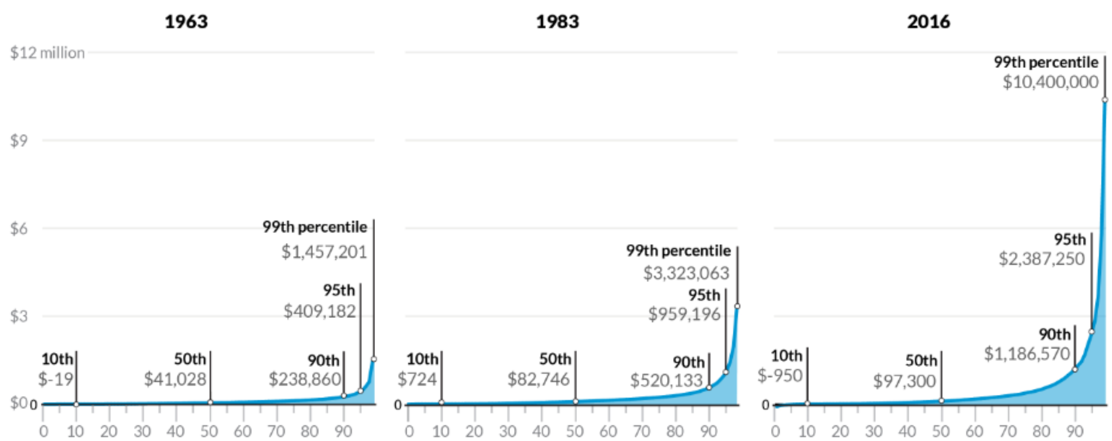

Figure 1: Distributions of Family Wealth, 1963-2016[30]

Stock ownership in the US is similarly unequal. In 2016, the top 10 percent of families owned 84 percent of all stocks, and only 27 percent of the middle 60th percentile of Americans owned any stock at all.[31] Furthermore, the trend of stock ownership rates is downwardly sloping. In 1998, 60 percent of US adults owned stock compared to 52 percent in 2016.[32] For rising

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[26] Ibid., 6.

[27] Jesse Bricker et al., "Changes in U.S. Family Finances from 2013 to 2016: Evidence from the Survey of Consumer Finances," *Federal Reserve Bulletin* 103, no. 3 (September 2017): 11, https://www.federalreserve.gov/publications/files/scf17.pdf.

[28] G. William Domhoff, "Poverty in America: Wealth, Income, and Power," accessed December 9, 2018, https://whorulesamerica.ucsc.edu/power/wealth.html.

[29] Matt Bruenig, "Social Wealth Fund for America," People's Policy Project, accessed December 9, 2018, https://www.peoplespolicyproject.org/projects/social-wealth-fund/.

[30] The Urban Institute, *Nine Charts about Wealth Inequality in America (Updated)*, October 5, 2017, http://apps.urban.org/features/wealth-inequality-charts/.

[31] Rob Wile, "The Richest 10% of Americans Now Own 84% of All Stocks," *Time*, December 19, 2017, http://time.com/money/5054009/stock-ownership-10-percent-richest/.

[32] "60 Stock Market Statistics & Facts," Lexington Law, November 20, 2018, https://www.lexingtonlaw.com/blog/finance/stock-market-statistics.html.

corporate profitability to mean much to many Americans, ownership of stocks would have to be distributed much more equally.

Those who rely on their own labor to earn a living are also falling farther and farther behind as wages from labor have not risen in proportion to returns on capital investment. From 1948 through 1973, productivity and real hourly compensation rose in tandem at rates of 95.7% and 90.9% respectively. Since this period, massive gains in productivity have been made while wages have been almost completely stagnant. From 1973 through 2017, productivity rose 77% but compensation grew a meager 12.4%.[33]

The Social Wealth Fund & Universal Basic Dividend

A social wealth fund (SWF) is a collectively held financial fund, fully owned by the public and used for the good of society as a whole.[34] The Alaska Permanent Fund model, a SWF that pays a universal basic dividend (UBD) to all qualified individuals, is a policy scheme that can mitigate or avert the issues previously discussed by distributing gains on capital investment more equitably.

The proposed model is as follows. The federal government establishes an agency tasked with managing the fund's assets or designates the task to an existing bureaucracy. It uses a revenue generating mechanism, potentially a tax levy, to provide seed funding. The agency then invests that seed funding into a conservative and diversified asset portfolio which is to be actively managed over time. Once the fund has grown and stabilized to an acceptable degree, the government distributes an annual or bi-annual dividend to all eligible citizens. Dividends for children can either be kept in a separate fund made available at adulthood, given to the guardians, or some combination of both. Dividend amount will vary from year-to-year based on market fluctuations and the discretion of the managing agency. The Alaska Permanent Fund uses a five-year moving average on returns as a basis for dividends so that families can expect some stability form year to year.[35]

The benefits of this model are many. First, it creates a model of egalitarian growth by making returns on capital growth a universal privilege as opposed to one enjoyed primarily by a small segment of society. Second, it has low bureaucratic overhead when compared to other social spending programs. Programs that are means tested or involve the provisioning of physical services require more management than a SWF. The only costs are in management of the fund, which requires only a small cadre of finance professionals, and distributing dividends. The infrastructure for the latter service already exists through the social security program. Finally, its universality and tangibility make it resilient to political undermining and can form a common sense of ownership among citizens. Jay Hammond, the former governor of Alaska and father of the Alaska Permanent Fund, observed that citizens were better able to recognize and appreciate the dividend over a tax credit because of its tangibility.[36]

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[33] Economic Policy Institute, *The Productivity–Pay Gap*, August 2018, https://www.epi.org/productivity-pay-gap/.
[34] Bruenig, "Social Wealth Fund for America."
[35] Ibid.
[36] Ibid.

A natural question to ask is whether governments can act as responsible, efficient managers of financial assets. To answer this question, it's helpful to look to Norway, the world leader in social wealth funds. The small Nordic nation has a Social Wealth Fund worth almost 250% of its GDP. Through these funds and other government corporations, the state owns 59 percent of the country's total wealth and 76 percent of its non-home wealth. It manages this vast wealth with very low overhead as well. The funds, which are actively managed, have expenses around 0.06 percent of total asset value, a rate competitive with any private management company. Norway is proof of the ability of governments to responsibly manage wealth on behalf of their people.[37]

Recommendations

Recommendation 1: Expansion of the Earned Income Tax Credit

The current Earned Income Tax Credit is targeted toward working individuals, but because what constitutes "work" is fairly limited, we recommend that the United States **expand the definition of work to include caregivers and students.** A small monthly transfer of $200 to people in these categories would provide for a cushion against a wave of unemployment (such as a future in which many jobs are displaced), and also help normalize the idea of unconditional cash transfers. Rather than attempting to implement a universal basic income all at once, an expansion of the Earned Income Tax Credit could act as a small step that helps the population acclimate to the idea of unconditional cash transfers. In this way, a future implementation of such a policy could be more politically feasible, as the population already understands the policy and sees the benefits first-hand.

Recommendation 2: Creation of a Social Wealth Fund for Children

As the previous section showed, a social wealth fund is a viable and valuable instrument for a nation's economic policy, and we suggest that United States **create a social wealth fund for the benefit of children.** Such a policy would see the country seeding the fund with tax revenue and then setting it aside to grow for a number of years. Funds could be deposited annually at the governmental level to continue the growth of the fund, and continually through smaller private donations, but withdrawals would be prohibited until the fund had grown to a sufficient size. From there, each child would be entitled to an equal share of the revenue, to be paid upon reaching eighteen years of age (or potentially staggered at 18, 21, and 25 years of age, given the size of the payment). Such a program can easily be implemented by the Social Security Administration, which already directs regular payments for millions of Americans throughout the country. An investment in the capabilities and workforce of the Social Security Administration would be important, but the architecture of the program is already in place.

As shown in the earlier discussion of the Native American Community in North Carolina, the benefits of such a program would be enormous, particularly as a changing socio-economic landscape makes the future of wage labor more precarious for more people. Particularly for impoverished children, such a program can break the cycle of poverty and lead to greater

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[37] Ibid.

outcomes for their life and the lives of their own children. Furthermore, such a program would be extremely popular politically, as supporting and investing in children is a nonpartisan proposition.

Conclusion

Despite significant concerns from the general public about the feasibility and potential negative externalities of such a program, research shows unconditional cash transfers to be extremely effective at reducing poverty and inducing other positive changes. Furthermore, most concerns (such as work disincentives or increases in fertility) are shown to be either completely unfounded or entirely over-emphasized. Multiple real-world examples in Canada, Kenya, Native American Communities, and more show how unconditional cash transfers can have positive benefits. More importantly, these benefits will be maintained as landscape of work in the United States shifts greatly due to automation, globalization, and the rise of artificial intelligence. Because of this, we suggest the expansion of the Earned Income Tax Credit to cover more people, and the creation of a social wealth fund to provide a universal cash transfer to every child in the country. In this way, we hope to invest in a long- and short-term vision of the United States as a country with a true universal basic income.