

# Are We Ready for Universal Basic Income?

By Dean T. Hartwell

I used to work for Section Eight, a federal government program that funds low income housing. I saw a lot of money spent and wondered if it was worth it.

Where did most of the money go? Bureaucracy.

A person wanting housing through Section Eight had to go through numerous case workers to determine their eligibility; analysts to determine how much money they would receive; and inspectors to determine whether the housing met quality standards to finally get housing.

What if a check from the government could give individuals housing without government intervention? Or money for health care or retirement?

There may be an answer to this question. The answer is called Universal Basic Income (UBI).

Universal as in everyone. Every adult receives a check, so the government does not need any bureaucrats to determine who is eligible and who is not.

Basic as in needs. The money allows everyone to pay for what they need instead of asking the government for assistance.

Income as in real money. No vouchers, no promises that someone from the government has to verify. Just cash.

The poverty line for one person is \$15,960 per year.<sup>1</sup> This plan would give each adult \$1,330 per month to match that amount and thus guarantee that everyone had the means to avoid poverty. The dollar amount could be adjusted annually to keep up with the poverty line.

What would this cost the taxpayers over the course of a year?

The current number of adults in the United States is per the Census Bureau is 258 million.<sup>2</sup> If we multiply the plan amount by the number of adults, we get **\$3.43 trillion**.

What if it supplanted federal spending for Social Security, Medicare, Medicaid and Section Eight?

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<sup>1</sup> <https://usafacts.org/explainers/what-is-the-federal-poverty-level/country/united-states/>

<sup>2</sup> <https://www.arcgis.com/home/item.html?id=7400d4e56d8343a9854278bac327c243>

These programs cost roughly \$3.4 trillion a year.<sup>3</sup> The result is a potential wash.

What about taxes?

Those who remain near the poverty line after receiving UBI would not pay taxes. Those who live substantially above the poverty line would be taxed enough on this new income to fund adjustments to the poverty line.

Note that there is no money given for children. The tax system could still be utilized to provide tax breaks for children.

Programs such as Social Security and Medicare promised to people who have paid into it would still need to be funded for those people. And thousands of government employees would need time to find other jobs.

Switching to Universal Basic Income would cause a major change in our economy. It would mean the end of government programs that so many people rely upon.

Ultimately, all residents would be put on notice that they would now have the responsibility to understand their own monetary limits and to plan accordingly.

Are we ready for this change?

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<sup>3</sup> <https://bipartisanpolicy.org/explainer/the-fiscal-outlook-in-cbos-latest-10-year-baseline/>