

# THE WEEK

## Are pandemic relief checks making UBI inevitable?

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December 31, 2020

Major crises can effect rapid changes in public opinion that otherwise would have required years or even decades to develop. Among the permanent opinion shifts of the COVID-19 pandemic, I expect to see a new — and perhaps even bipartisan — move toward universal basic income (UBI) or something like it, an evolution influenced by Americans' experience with pandemic relief checks, both the fact of them and the drawn-out political fights surrounding their passage.

UBI is exactly what it sounds like: a government income program which is not tied to recipients' employment (like unemployment insurance), age (like Social Security), income (like TANF), medical care (like Medicare or Medicaid), or food purchases (like SNAP). It's simply a monthly cash stipend that goes to everyone. The stipend could be big enough to cover all basic expenses (this is called a full UBI) or it could merely supplement other income (former Democratic presidential candidate Andrew Yang's proposal of a \$1,000 per month "Freedom Dividend" is an example of this sort of partial UBI).

A year ago, when Yang was promoting his dividend, he was a clear outlier in mainstream politics — maybe not entirely outside the Overton Window, but perched precariously on the sill. Surveys in 2017 and 2019 showed a consistent minority of 43 percent were supportive of the idea.

This year, the polling picture is revealingly messy. An August poll by Pew Research Center showed 45 percent support for UBI, statistically identical to the prior year's 43 percent. But Pew asked about "\$1,000 per month for all adult citizens, whether or not they work," a phrasing I'm guessing raised concerns about mass UBI-induced indolence. A Hill-HarrisX poll published the same month described UBI as a way to "help Americans whose jobs are threatened by automation." With that framing, 55 percent were in favor of UBI. When UBI is linked to COVID-19, support moves even higher. A Data for Progress survey in April found 66 percent of Americans — including 52 percent of Republicans — were supportive of a \$1,000 monthly payment for the duration of the pandemic.

Senate Republicans' handling of this second round of relief checks is another bellwether here. Majority Leader Mitch McConnell (R-Ky.) is determined to retain control of the Senate, which requires winning at least one of the two runoff elections in Georgia. Both are tight races with GOP incumbents. And both of those incumbents — undoubtedly informed by swing voters'

opinions on this issue — endorsed President Trump's proposal of increasing the checks from \$600 to \$2,000 per person.

McConnell blocked a direct vote but indicated he'd pass the raise as part of a package with other elements Senate Democrats oppose. However this shakes out, one thing remains true: Supporting a nearly universal stipend with a value well into full UBI territory has become an acceptable *Republican* opinion.

It could move from acceptable to downright popular in years to come. For one thing, fiscal conservatism (or, at least, its pretense) is no longer Republican orthodoxy post-Trump. Trump himself is the loudest proponent of these \$2,000 checks, and he has made new space for populist economic views — and UBI is certainly populist — in the GOP.

But even for those fiscal conservatives still present in the Republican Party (as well as conservatives and libertarians more broadly), a future of rising support for UBI is plausible. There are already resources for it in this economic tradition: Economist Milton Friedman supported a negative income tax (NIT), which is similar to UBI but scaled to income. (For example, if we set an individual adult income floor of \$30,000 per year, those making \$0 would receive a \$30,000 stipend from the NIT; those making \$20,000 would receive a \$10,000 stipend; those making \$30,000 or more would receive nothing; and progressive taxation would apply only to income in surplus of that initial \$30,000.) Charles Murray of the American Enterprise Institute has argued for an annual \$10,000 stipend to all Americans (plus \$3,000 for health insurance). Libertarian economist and Nobel laureate F.A. Hayek endorsed some sort of UBI too, arguing that the "assurance of a certain minimum income for everyone, or a sort of floor below which nobody need fall even when he is unable to provide for himself" is not only legitimate but "necessary."

For those on the economic right, UBI is most attractive when it has some upper income limit and, crucially, when it *replaces* the current welfare state rather than simply *supplementing* it, as Yang proposed. "UBI would be far simpler and more transparent than the current hodgepodge of more than 100 existing federal and state programs. With overlapping and often contradictory eligibility levels, work requirements, and other restrictions, our existing welfare system is a nightmare of unaccountability," Michael D. Tanner of the libertarian Cato Institute wrote in 2019. UBI would be "far less paternalistic than traditional welfare," he said, allowing recipients to decide for themselves how to spend the support they receive. It also would have better incentives, Tanner added: Our current approach discourages work, he explained, because the "highest marginal tax rates are not on the wealthy, but on a poor person who leaves welfare for work."

Replacing the current welfare system with UBI could appeal to fiscal conservatives like Tanner who have accepted the reality of the modern welfare state — even if they oppose it in principle — as a sort of least-worst option. Total cost and funding sources would be the biggest sticking point, of course, and the stipends would have to be fairly generous for the replacement plan to win agreement from the left. A budget-neutral scheme is possible, particularly if we include funds from current state-level welfare spending, but it probably wouldn't hit the needed generosity benchmark.

Friedman's NIT, far cheaper than a truly universal stipend, may be the most politically viable variant of UBI. It might, for example, only supplement the income of the 37 percent of U.S. households making less than \$50,000 a year (with appropriate adjustments for household size). A negative income tax would eliminate poverty at a much lower price than UBI can offer, and it avoids sending government checks to rich people. It's more straightforward than clawing back stipends sent to higher-income households via progressive taxation. It could also be scaled according to widely variant local costs of living — or not scaled if, as Yang suggested, the goal is to incentivize population and economic growth outside of expensive metro areas.

I won't venture any timeline prediction here. I continue to think we're within a decade of something like Medicare-for-all, but UBI or NIT might need more time to marinate in the public consciousness. Yet I do feel confident saying the economic disruption of COVID-19 has made Americans newly open to the idea of a government-guaranteed income floor which undergirds both models. And the glacial pace with which relief checks have been approved in this moment of crisis will make a permanent, reliable floor more attractive still.