

*spotlight on*  
**POVERTY and OPPORTUNITY**  
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**A Universal Basic Income: The Next Frontier in the Fight against Poverty?**

Andy Stern, Columbia University

*Andy Stern, the former president of the Service Employees International Union, has long been one of the country's leading advocates for workers. In his most recent book, [Raising the Floor](#), Stern argues that U.S. policymakers and thinkers are failing to take seriously the threat that technology and other changes pose to the economic security of the labor force. Spotlight recently spoke to Stern about these ideas, and why he views a universal basic income as the best response to current and future challenges. The conversation has been lightly edited for length and clarity.*

**You talk in your book about having reached a strategic inflection point when it comes to the economy.**

The economy of the 20<sup>th</sup> century worked fairly consistently such that when you had economic growth and increased productivity, there also was wage growth and job growth. We now recognize that in the 21<sup>st</sup> century, even with GDP growth, we are not having wage growth. And now, it appears that we are not having job growth. All job growth since 2005 has been concentrated in part-time and freelance positions, not in the full-time jobs of my grandparents and parents. At the same time, we are also seeing a wave of technological change that is advancing at an accelerated rate.

**Can you expand on the likely disruptive impact of technology?**

We have McKinsey predicting that 45 percent of tasks are replaceable and scholars at Oxford estimating that 47 percent of jobs are replaceable. The Pew Research Center, the Brookings Institution, Bill Gross, and Larry Summers – all responsible sources – are warning that there is a massive disruption in the job market coming. It's clear that neither America nor its political candidates are thinking about the future in terms of how big this disruption will be. Fifteen percent of Americans live in poverty, and one-half of Americans do not have \$400 to pay for an unexpected bill. You have reputable research saying a major problem is on the way and very few people in America saying we should do something about it.

**Why is a universal basic income necessary to address the challenges posed to our economic system?**

What is interesting about universal basic income is that it is not just a new idea of the 21<sup>st</sup> century, but actually an old concept that dates back to Thomas Paine advocating for giving every adult fifteen pounds sterling.

The modern idea had support from diverse thinkers like Friedrich Hayek, Bertrand Russel, and John Maynard Keynes. And the concept reached a high point in America when Richard Nixon, on the recommendation of Milton Friedman, introduced a guaranteed income bill worth \$10,000 in today's dollars. The bill actually passed the House twice.

And Martin Luther King Jr. endorsed a universal basic income in his final book. He really condemned the welfare system that sprung out of the Civil Rights Movement. King believed that if you wanted to end poverty, you should directly give people money.

A universal basic income as an anti-poverty solution is simple and direct. It has the potential to ease a transition to a new technologically driven economy and can have a huge stabilizing effect.

**Can you talk about the specifics of your universal basic income proposal?**

There are many different variations of the universal basic income. My proposal is simple. The current poverty line in the U.S. is roughly \$11,900 for an individual and \$24,000 for a family of four. I pegged the universal basic income to lift individuals above the official poverty rate by giving every adult, ages 18 to 64, \$1,000 per month. This income is universal so it covers everyone from the unemployed to those who are working and even the extraordinarily wealthy. Making a policy universal means that it will be more secure.

**You also see a lot of positive impacts of a universal basic income beyond just lifting people out of poverty.**

It empowers workers because it provides them with “walk-away” money, which is what enables wealthy people to make choices. If you have “walk-away” money, now if you quit your job you still have a rent check, you have money to relocate, and you have money for more training and education.

A universal basic income compensates what has historically been the uncompensated work of raising children and taking care of aging parents. It has been proven to promote entrepreneurial activities. The dirty, little secret of Silicon Valley is that the people in garages are the sons and daughters or friends of people with money, and therefore these individuals can afford to not have a day job. With a universal basic income, writers and artists would have some floor to pursue their creative brains. It has been proven to improve mental health, population health, and in at least one case, educational outcomes as well. Holland, Finland, and Canada are all experimenting with the universal basic income, and with more experimentation, there is still more to learn about the effects it can have.

**As you mentioned there has been interest from both the left and right in a universal basic income. But that doesn't mean there is consensus on how it would operate in practice. Is there room for real compromise around this issue?**

At least in the policy and advocacy communities with healthcare reform, we saw a huge crossover with progressives, hospitals, insurance companies and even the pharmaceutical industry all saying that the current system doesn't work and that it needs to be replaced. When it gets to the last mile of legislation, though, people will push in different directions. Michael Tanner of the Cato Institute said the ultimate sacrifice will require conservatives to recognize the need to put more money into the system in order to win progressives, and progressives have to understand that we can't just build on top of the current system. We'll have to replace existing safety net programs.

Obviously, the numbers will be important. I hope everyone agrees that with such a huge amount of childhood poverty and with a failed safety net for workers, the status quo is unacceptable. We are currently drug testing individuals to see if they are the “worthy” poor—it's demeaning. There is a lot of motivation for change, and the advancement of technology is just making the need more acute. It won't be smooth sailing. There will be lots of bumping around, but there is a foundational basis for the universal basic income to be a new national policy.

**How feasible do you think a universal basic income is here in the U.S.?**

The disruption to the job market will be an accelerator for congressional action because so much of the disruption is geared towards white collar workers and college graduates. You can't just say go get a college degree. This is a Vietnam War movement where everyone's child is at risk to be drafted, not an Iraq War movement where the elite's children are safe. More people, especially political people, tend to be motivated when it's their children at risk.

Also, if Justin Trudeau's party follows through with universal income in its platform, and it looks quite possible that it will, it will create space for American politicians to talk about a universal basic income without looking like they are at an extreme.

A more immediate possibility is America beginning to put a universal child allowance in place. Nowadays, there is so much focus on early childhood development from birth to age three. I can see a state asking for waivers or the federal government conducting experimentation with this.

*Andy Stern is a senior fellow at Columbia University and the former President of the Service Employees International Union (SEIU).*

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