

UNIVERSAL BASIC INCOME IS A PIPEDREAM

Catholic League president Bill Donohue comments on the latest misguided program to help the poor:

The greatest enemy of the poor are those who champion their cause. It sounds counterintuitive. How can this be? Because most of those who lead the charge against poverty have no personal stake in their cause.

Unlike Mother Teresa, who made it clear that helping the poor must begin with those who carry their banner, most of the professional champions of the poor believe that writing a check—with other people's money—will solve the problem. It rarely does.

To be sure, the aged, the disabled, and the infirm benefit from a safety net. The late Daniel Patrick Moynihan once noted that social security did more to alleviate poverty among the elderly than any other factor. But when the subject switches to able-bodied men and women, the check-writing approach fails. Indeed, it typically makes matters worse by fostering dependency.

There is a ton of empirical evidence to back up this observation. Yet in many influential quarters, all the data in the world mean nothing. Ideology wins every time. The latest gambit to catch fire is called Universal Basic Income.

Offering a guaranteed annual income is not a new idea, but the latest incarnation is novel: credit the Silicon Valley with giving birth to it. Those who live there are overwhelmingly wealthy and overwhelmingly burdened with guilt. Everyone of them became rich through hard work and ingenuity, but they are convinced that those at the bottom of the income scale do not possess these attributes. Which is why they want to send them

a check.

Forget about the racist assumptions—the successful ones are either white or Asian and the ones at the bottom are mostly black or Hispanic—the fact remains that these schemes are bound to fail.

Mark Zuckerberg, the founder of Facebook, is leading the cause for a universal income. He broached this idea while speaking to Harvard graduates in 2017. His net worth exceeds \$55 billion, meaning that his stash is bigger than the GDP of over 100 nations.

Zuckerberg and his rich left-wing friends in the Silicon Valley have endorsed a policy that would give a monthly stipend to those who live in Stockton, California, 80 miles away. The plan is to make Stockton the first city in the nation to participate in a test of the Universal Basic Income policy. It will begin by selecting 100 people, each of whom will receive \$500 a month for 18 months. It will begin next year; they hope to make it available to everyone citywide.

They haven't determined who the lucky first 100 people will be, but they'll figure it out. The goal is see to it that none of the 300,000 residents live in poverty. Not sure how they will keep illegal aliens from moving to Stockton—there is no talk of a wall (not yet anyway)—but again, the rich boys will figure it out. The good news for the recipients is that there are no conditions on how the money is to be spent. They can spend their money on food and shelter or on booze and heroin. Everything goes. No questions asked.

Chicago will be the first big city to test Universal Basic Income. Alderman Ameya Pawar has introduced a bill that would give \$500 a month to 1,000 Chicago families. Following the Stockton model, they can spend their money on anything they want. Let's hope they don't buy any more guns.

Pawar is working with Mayor Rahm Emanuel to get his bill

through and he already has the support of a majority of Chicago lawmakers. Emanuel, whose net worth is \$14 million, likes the idea of giving away free money to the poor, many of whom are killing each other on the streets of Chicago on a daily basis.

No one has given the idea of Universal Basic Income a lift more than Barack Obama. When he spoke in Johannesburg, South Africa on July 17, at an event honoring Nelson Mandela, he endorsed the Chicago plan. "It's not just money a job provides," he said, "it provides dignity and structure and a sense of place and a sense of purpose."

Yes, a job can do all that. But the Universal Basic Income policy does not require anyone to work. The effect of giving a handout to able-bodied persons who are not in the labor market is fundamentally different from giving social security to retirees who paid into the fund for decades.

Alaska has had something like this program for a long time. Rich with oil money, it has provided a universal income to virtually everyone for decades. The few economic studies done on this initiative indicate that it has not had any noticeable effect on overall employment (though part-time rates have spiked). What has not been studied is the effect on able-bodied persons at the bottom of the income scale who are not working.

Alaska, of course, is not typical. It has tens of billions of oil money to play with, and since the program is not aimed at the poor, the effect on the middle class is similar to the effect of social security on seniors, which is negligible. These people have their dignity precisely because they have earned the money they live off of, something which is not true of many in the lower class.

Obama may mean well, but what he is promoting is likely to retard the upward mobility chances of the poor. He has a

proven track record of doing just that. To wit: African Americans are doing much better economically under President Trump's growth-oriented approach than they did under Obama's redistributive policies.

"I'm surprised how much money I've got," Obama told the South African audience. So are many Americans—his net worth is over \$40 million. He added that he would have no problem paying "a little more in taxes" to pay for Universal Basic Income. Again, it's the multimillionaires (and multibillionaires) who sponsor such programs. They know full well that the effect of new taxes on them has almost a zero effect as compared to the burden levied on the middle class who must pay the lion's share of this pipedream.

As usual, little attention is being given to the unintended consequences of a Universal Basic Income policy. Why shouldn't the recipients receive \$1500 a month, instead of \$500? What will the proponents say when the recipients demand a raise? What will the sponsors say to those not selected to participate in their scheme?

What effect will the program have on those who should be working, but have now elected not to? How will it affect hard-working persons living just above the poverty line knowing that their taxes are going to some who prefer to hang out on the corner rather than seek a job? How will they feel when they learn that the cash allotment is being spent on drugs, not groceries? What will happen if the program goes bust? Are the proponents ready for the riots?

Mother Teresa said that helping the poor should be an act of love, and that love should cost: it should cost those who work with the poor to enhance the condition of the needy. Universal Basic Income does none of this. It is nothing but another cheap trick played by some very rich Americans who harbor a patronizing and condescending attitude toward the poor. They are the poor's greatest enemy.