

To end persistent poverty, a guaranteed job or free money?

Boston Globe, by Evan Horowitz, Globe Staff, July 26, 2016

Let's break through the narrow confines of political possibility. Say you're ready to end poverty and ensure that everyone in America has a chance to thrive. Would it better to give every willing person a job? Or simply give them some money?

If we pursued a guaranteed jobs program, that could eliminate unemployment and dramatically boost economic output, but it would mean lots of government-sponsored work, with the risk of spending good money for poor results.

A guaranteed income would be more universal, reaching those who can't work, like children or people with disabilities. But such a promise could also have some perverse side-effects, like enabling people to laze about rather than pursue full-time jobs.

The US welfare system leans heavily toward the workfare side of things, providing benefits to people who either hold jobs or earnestly pursue them. Only a few run on the "free money" principle, like food stamps (and even then, some states add work requirements).

But with income inequality rising, and one in seven Americans still living in poverty, our half-hearted hybrid approach isn't working. Why not start pushing for a more ambitious solution?

Everyone gets a job

The economy doesn't produce enough jobs for everyone. That's not because people are lazy or undertrained; grit and new skills might help many folks find jobs but there would still be unemployment. And it's not because regulations are stifling new businesses. It's just the way capitalist economies operate. In fact, part of the responsibility of the Federal Reserve is to make sure unemployment doesn't get too low because that might spark inflation.

And so long as unemployment is a natural part of the modern economy, there will always be families with one-too-few paychecks -- and less money than they need.

But what if the government stepped in, with a massive jobs program open to anyone willing to work?

It's not exactly an original idea. During the depression in the 1930s, the federal government organized a variety of large-scale jobs program through the Works Progress Administration, which not only put people to work but also helped improve the nation's infrastructure.

A guaranteed jobs program for the 21st century could be built on a similar model. After all, we have our mix of infrastructure needs: fixing roads, restoring bridges, expanding rail services, building an energy grid better suited to a post-carbon world.

And while it's true that the unemployment rate is a low 4.9 percent -- nothing like during the Great Depression, when a quarter of the country was out of work -- there are still a lot of people without a paycheck. Many of them just don't count as unemployed because they've given up on their careers. To give a sense, back in 1965 nearly 95 percent of men aged 25 to 54 held jobs. Today, it's less than 85 percent.

A guaranteed jobs program could woo these lost workers back into the job market, with huge benefits for their current and future families.

That includes not just economic but also psychological gains. After all, there's more to work than just a paycheck. Work gives meaning to peoples' lives, a sense of productive purpose that unemployment can take away -- and that a universal jobs program might help restore.

Obviously, there are a lot of details that would have to be worked out. How much do workers get paid? How would projects be chosen? What happens to workers who break rules or fail to contribute?

But with the right approach, a universal jobs program could help provide struggling Americans with much-needed money, training, and daily purpose -- not to mention a fix for the country's crumbling infrastructure.

Everyone gets a check

There's a big problem, though, with a universal jobs program. It's not really universal. It's only for people who can work.

But most people living in poverty don't actually fit that description. About 25 percent are children. The elderly and those with disabilities make up another 25 percent. For these people, it's not clear that the promise of ready employment would make a substantial difference.

A monthly check, though -- as part of what's often called a universal basic income -- that could make a real difference in their lives and prospects. Even a relatively small benefit, like \$3,000 per year, might cut the nation's poverty rate in half.

Also, think how much easier it is to run a universal basic income, as opposed to a massive jobs program. All the government needs to do is cut checks and send them to every tax-filing household in the country -- no vetting of beneficiaries, no detailed project management, no layers of bureaucratic oversight.

There's a certain "get-the-government-off-my-back" appeal too, because the money doesn't come with any strings. Everyone is free to use it as they like, based on their own priorities and interests.

Of course, with simplicity and freedom come certain risks. What recourse is there for children whose parents spend selfishly? Or women whose abusive husbands demand control of the money?

And once stories of prodigality start to surface—as they inevitably will—could the program really survive? Imagine the lurid tales of people who blow their money on alcohol, gambling, or video games. Or those who choose to stay home, rather than take jobs. Which might well happen; give people free money, and they have less incentive to work.

Nonetheless, despite all these challenges, a universal income could still be the simplest, most effective way to spread opportunity across the US economy.

Wait...you forgot to talk about the costs

There's no question that the costs would be high. For a universal jobs program, you'd need a big pot of money for payroll; with a universal basic income, you'd need to fund every check.

Depending on the details, the annual tally could run into the trillions.

But in some ways cost is a distraction. There is no cheap way to end poverty and radically increase opportunities for all Americans. There's only a choice between various, expensive routes. These are two of them.

What should we do?

"A little of both" counts as a perfectly fine answer. But even then, the balance is important and the political obstacles daunting.

Since the welfare reforms of the Bill Clinton era, the United States has shifted toward welfare programs that emphasize work. That's not the same as actually providing jobs, but it does mean that help comes with lots of work requirements.

That would seem to favor a WPA-style jobs program. Not all at once, perhaps, given the likely costs and logistical difficulties of managing work for millions. But perhaps it could start with more robust support for job training -- targeted at workers hurt by global trade. That way, you could build a constituency for something broader.

A universal basic income is trickier. Politically, there's not much stomach for aid that looks like a handout. Partly, that queasiness is about wasting taxpayer dollars, but also about long-simmering concerns about the mythical welfare queen.

Still, there may be ways to inch in this direction, possibly with a child-focused version benefit aimed at all families with kids.

In the end though, dreaming big and acting small is no way to address the human cost of poverty, or change the economic landscape so that everybody has a shot at success.

Sometimes, large-scale change really does require dramatic action. And while there are certainly important, debate-worthy differences between a universal jobs program and universal basic income, the real fight is more primal. Should the richest country in world history marshal more of its resources to boost opportunity. Or should we accept poverty and inequality as the inevitable shadows of economic life?

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