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| Teacher: | Subject/Grade: Junior/Senior year high school; Economics. |
| Objective/Standard: Introduce the concept of universal basic income, explaining its benefits and cons | Materials: paper, pencils |
| Length of Lesson: 1 hour | Goal: Explain the advantages, disadvantages, and costs of UBI. |

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| Engage: *story/pictures to connect students to what they will be learning*   * *Explain the story of “Utopia” by English scholar, Thomas More. It is a political satire which takes place on an island. On this island, everything is perfect and as it should be. On this island, every citizen is provided with some means to support their basic livelihood. Every citizen is subsequently happy and content in their wellbeing. It is a fairly equal state.* * *Ask them their thoughts on giving citizens the means (money) to support themselves.* * *Ask them when they think this was written and this idea first constructed in an academic/literary work (1516)* |
| Explore:  *Ask question to gather student knowledge- hands on activity students can do to activate prior knowledge and begin to connect to new learning*   * *Explain the current injustices in the world that UBI can solve; state: Almost 70% of middle-class black children are likely to fall out of middle class as adults; in the USA the top 20% are 8.5x richer than the bottom 20%; the more unequal a country is, the worse the social climate is in said country on nearly all levels (physical and mental health, crime, violence, unemployment, etc.); the minimum wage in the US and UK has stayed stagnant over the past 30 years whereas inflation has continued. Hence, real wages have DECREASED (real wage = nominal wage - inflation).* * *Ask the students what do they think is causing that problem. Have them spend five minutes trying to brainstorm the causes of these social and economic problems we face.* * *Ask them if they think giving every citizen some means to support themselves (as demonstrated in “Utopia” would resolve these issues? They should be able to discuss their answers.* |
| Explain: *Meat of the lesson- where you teach what you want them to learn*  *This should include activities for students/ Vocabulary*   * ***Define UBI****: “Universal basic income is a proposed government-guaranteed payment that each citizen receives.”* * ***Motivation of UBI****: to create greater opportunities, promote general welfare, and reduce reliance on other benefits.* * ***Benefits of UBI****: Mental health problems alleviated as income security increases; people would be allowed to work for employment and passion instead of necessity - this would spark greater creativity in our societies. Artists and creators alike would be able to support themselves sufficiently. People would be allowed to take risks - whether this be retraining/re-educating themselves, or simply switching to a job they prefer more. Young couples would be more encouraged to start families as they would be better equipped to support themselves, which is necessary for countries with low birth rates (Japan). May alleviate people form the “poverty trap” which encircles traditional welfare programs. IF UBI is to replace ALL OTHER welfare programs, then people will no longer benefit from being below a certain threshold where they get means-tested benefits. Moreover, no more means-tested programs would reduce government administration costs, so UBI would be more efficient as a flat-rate program. Lastly, these constant payments would help stabilize the economy during recessionary periods and hence make the economy less cyclical (stability is key to economic growth). The citizen would be set free and allowed to explore his desires and passions - government intervention would be far less necessary and so the paternal state can shrink.* * ***Cons of UBI****: The central con of UBI is it could actually destabilize the economy completely though hyper inflation. Demand-pull inflation occurs when there is an upward pressure on prices due to an increase on the money supply and a constant supply on goods, which in turn causes the prices of goods to increase. If prices increase, the standard of living in the long run won’t really increase, and we will just end up with a period of extended inflation which is not good for the economy. Moreover, if we replace ALL OTHER welfare programs then these payments (which for the families on the poor end of the spectrum will be smaller than their payments from welfare programs) will be less effective for more disadvantaged families. Free income could also create an incentive for people to leave the labor force and not work.* |
| Elaborate: *Connect to real world- where or how will they see this concept in life*  ***Experiments of UBI:*** *Finland, the Social Insurance Institution Kela. From Jan. 2017 - Dec. 2018.*   * *2,000 unemployed, randomly selected citizens were given a monthly flat payment of $675. This is a relatively low sum, which equates to the minimum unemployment benefit in Finland. The results: small increase in employment; a HUGE boost in well-being - better feelings of health and happiness. Recipients sought out more expansive opportunities, including volunteer work and retraining. Nationwide trust increased in Finland as well, which is one of the largest indicators of happiness.* * ***Explain the costs of UBI:*** *in 2012 there were 179 million working-age adults in the USA. Subsequently, for that year, UBI would cost $2.14 TRILLION. However, traditional welfare programs cost about $1 trillion that year, so UBI would cost more like an additional $1.14 trillion for that year.* * *After explaining the promising results of the experiment and the real world costs of UBI, ask the students their thoughts on the matter. Would they support UBI? If not, why? How would UBI change their life?* |
| Evaluate: *How will you assess that they learned it- project- quiz- daily question to gather that they are making progress.*  *Write a persuasive essay on UBI, taking one side of the argument, and explaining the costs and benefits of UBI.*  *Or*  *Go home and write a paragraph about how UBI would change your life specifically. Would it give you more opportunities you wish you had? How would you spend the money? Do you think it would be useful.* |

By Kaya Caouki