

BASIC INCOME TERMINOLOGY

WHAT IS BASIC INCOME?

You may have heard about a concept called basic income, but what is it exactly? It's an idea based on the belief that human beings deserve to have their basic needs met and that giving people a monthly income is the best way to accomplish this. The overarching vision for these types of direct cash programs is that the government creates an income floor that no one falls beneath, ensuring you can access food, shelter, clothing, and other necessities, whether you are working or not. Another important facet of basic income is that the cash you receive does not have any requirements or restrictions for what you can spend it on — you are empowered to decide each month what's best for you and your family. There are a variety of terms used when talking about direct cash programs, so we've defined them below for easy reference.



Basic Income Is An Umbrella Term

Basic income is a direct cash transfer program that provides a regular stipend to meet the basic needs of the recipients. The recipients can spend the cash on whatever they choose, no strings attached. Basic income can be an umbrella term that applies to the various kinds of monthly cash transfer programs, as outlined below.



Guaranteed Income Is About Justice

Guaranteed income is a regular, unconditional cash payment meant to supplement, rather than replace, the existing social safety net — often targeted to low- and middle-income earners and aimed at addressing economic, racial, and gender-based injustices. Guaranteed income advocates focus on increasing economic security and resilience in historically marginalized communities. Unconditionality means both that people can spend the money as they choose and that eligibility is not determined by work or other behavioral requirements.



Universal Basic Income (UBI) Is About Unconditionality

UBI is a regular, recurring cash payment made to every person, regardless of income, with no eligibility restrictions and of a sufficient amount to cover one's basic needs. It is a universal, unconditional stipend, much like social security — but provided to people of any age, employment status, and income level. UBI can be taxable above certain levels of income so that those at higher income levels pay it back each year.



Negative Income Tax Is About Creating An Income Floor

A negative income tax is a refundable tax credit that provides money to tax filers whose earned income falls below a specified amount. Monthly distribution of cash is often proposed to act like supplemental income. As a person's earnings increase, the cash supplements phase out progressively, so that those with earnings above a certain threshold do not receive cash and instead pay taxes in the way we do now.