

Comments for PIIE Conference
on
Combating Inequality

Greg Mankiw

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Two Possible Social Safety Nets

A. A means-tested transfer:

- \$1000 per month to those with zero income. The transfer is phased out: Recipients lose 20 cents of it for every dollar of income.
- Financed by a progressive income tax: The government taxes 20 percent on all income above \$60,000 per year.

B. Universal basic income:

- A transfer of \$1,000 per month to everyone.
- Financed by a 20-percent flat tax on all income.