

ENTREPRENEURS

What billionaires and business titans say about cash handouts in 2017 (Hint: lots!)

Published Thu, Dec 28 2017

9:00 AM EST Updated Thu, Dec 28 2017 9:00 AM EST

Catherine Clifford

[@IN/CATCLIFFORD/](#)

[@CATCLIFFORD](#)



Facebook's Mark Zuckerberg delivers an address at Harvard's 366th commencement exercises on May 25, 2017 in Cambridge, Massachusetts.

Getty Images

The idea of universal basic income, or distributing cash handouts regardless of employment status, had a moment in 2017.

Billionaires and the tech elite talked about the idea publicly, with perhaps the crown jewel of UBI's moment in the cultural zeitgeist being the push [Mark Zuckerberg](#) gave the idea in his commencement speech at Harvard in May.

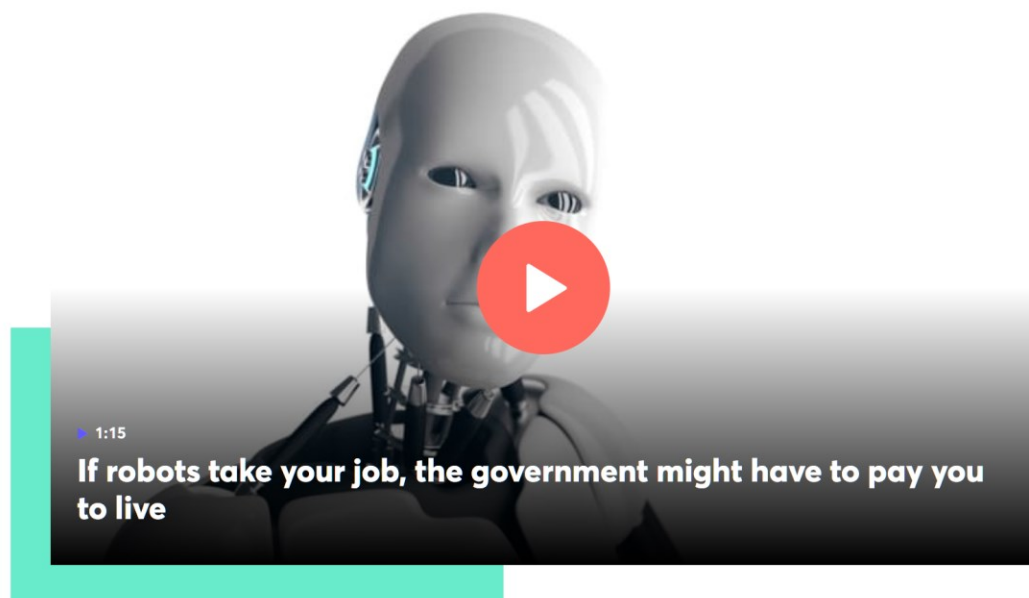
Here's a review of why cash handouts have been in the conversation of late — and what's been said.

Why UBI, why now

Wealth in the United States is concentrated among a very small part of the population. [Microsoft](#) co-founder Bill Gates, [Amazon](#) founder Jeff Bezos and [Berkshire Hathaway](#) CEO Warren Buffett are worth more than the 160 million poorest Americans, or [half the population of the United States](#). At the same time, the rapid acceleration of robotics and automation technology has led to fears of significant job loss.

At the end of 2016, [billionaire tech titan Elon Musk said the job losses would be so severe](#), the government would be forced to pay people to live.

“There is a pretty good chance we end up with a universal basic income, or something like that, due to automation,” Musk told CNBC in an interview last year. “Yeah, I am not sure what else one would do. I think that is what would happen.”



Further, some say it would be good for the economy. The left-leaning Roosevelt Institute found in an August study that [giving every adult in the United States a \\$1,000 per month](#) would grow the economy by \$2.5 trillion by 2025. People would spend the money, powering up the economy, according to the study.

And [one California town is already planning](#) to launch its own universal basic income project. Stockton, a two-hour drive from San Francisco, will give residents \$500 free cash per month starting in the second half of 2018. The young mayor spearheading the effort hopes to alleviate some of the pains of poverty from which the town suffers.

Of course, [not everyone is a proponent of universal basic income](#). It's expensive and doesn't solve the problem of an evolving economy, some say, so instead of giving cash handouts, companies and individuals should focus on creating innovative solutions to retraining and re-employing those who are put out of work.

What the billionaires and tech titans say

Richard Branson

[Branson](#), the billionaire serial entrepreneur and founder of the Virgin Group, spoke about about his support of universal basic income more than once.

“With the acceleration of [artificial intelligence] and other new technology ... the world is changing fast,” [Branson wrote in an August blog post](#). “A lot of exciting new innovations are going to be created, which will generate a lot of opportunities and a lot of wealth, but there is a real danger it could also reduce the amount of jobs. This will make experimenting with ideas like basic income even more important in the years to come.”



Then in October, Branson suggested [profits made from new technologies](#) should be used to fund a cash handout.

“Basic income is going to be all the more important. If a lot more wealth is created by AI, the least that the country should be able to do is that a lot of that wealth that is created by AI goes back into making sure that everybody has a safety net,” Branson said, speaking with Business Insider Nordic while in Helsinki for the Nordic Business Forum.

Mark Zuckerberg

When the billionaire tech executive delivered the commencement address at Harvard, from which he dropped out to launch [Facebook](#), he said growing up financially secure (his father was a dentist) afforded him the freedom to pursue his own interests.

“If I had to support my family growing up instead of having time to code, if I didn’t know I’d be fine if Facebook didn’t work out, I wouldn’t be standing here today,” said Zuckerberg.



"The greatest successes come from having the freedom to fail," he said. That's why billionaires like him should pay for a financial safety net that allows everyone to find their purpose. "Now it's our time to define a new social contract for our generation. We should explore ideas like universal basic income to give everyone a cushion to try new things."

In July, as part of his tour of the U.S., Zuckerberg visited [Alaska, which has its own state-run cash handout program](#) in the form of a dividend from oil revenues. Zuckerberg said the state's cash handout program "provides some good lessons for the rest of the country."

The dividend averages \$1,000 (or more) per person, which "can be especially meaningful if your family has five or six people," Zuckerberg said in a Facebook post.



"This is a novel approach to basic income in a few ways. First, it's funded by natural resources rather than raising taxes. Second, it comes from conservative principles of smaller government, rather than progressive principles of a larger safety net," Zuckerberg wrote. "This shows basic income is a bipartisan idea."

Stewart Butterfield

The [self-made multimillionaire and co-founder](#) of the workplace chat program Slack tweeted his support for universal basic income in August.

It “doesn’t have to be much, but giving people even a very small safety net would unlock a huge amount of entrepreneurialism,” said Butterfield. “If you can’t afford to take any risks, you generally won’t take any risks.”



Sam Altman

The president of top Silicon Valley start-up shop Y Combinator and self-made multimillionaire [Sam Altman has been particularly adamant](#) about why universal basic income is a good idea.

“Eliminating poverty is such a moral imperative and something that I believe in so strongly,” Altman told [CNBC Make It](#). “There’s so much research about how bad poverty is. There’s so much research about the emotional and physical toll that it takes on people.

“I think about the amount of human potential that is being wasted by people that are not doing what they want to do. I think about how great it would be to undo that. And that’s really powerful to me,” he said.

Under Altman’s leadership, Y Combinator is conducting an experiment to better understand UBI — giving the residents of Oakland, California, cash handouts to see how the money affects individuals’ behavior. Y Combinator has hired a program director and the study is underway.

[LIFE WITH A.I.](#)

Elon Musk: Robots will take your jobs, government will have to pay your wage

Published Fri, Nov 4 2016 2:19 PM EDT Updated Mon, Jan 29 2018 4:45 PM EST

Catherine Clifford

[@IN/CATCLIFFORD/](#)

[@CATCLIFFORD](#)



Computers, intelligent machines, and robots seem like the workforce of the future. And as more and more jobs are replaced by technology, people will have less work to do and ultimately will be sustained by payments from the government, predicts [Elon Musk](#), the iconic Silicon Valley futurist who is the founder and CEO of [SolarCity](#), [Tesla](#), and SpaceX.

According to Musk, there really won't be any other options.

“There is a pretty good chance we end up with a universal basic income, or something like that, due to automation,” says Musk to CNBC. “Yeah, I am not sure what else one would do. I think that is what would happen.”

In a country with universal basic income, each individual gets a regular check from the government. [Switzerland considered instituting a universal basic income](#) of 2,500 Swiss francs (\$2578) a month this summer. [Voters ultimately rejected the plan](#), but it sparked a broad, global conversation.

Also this summer, [President Obama addressed the idea of a universal basic income](#) in an interview with the Director of MIT's Media Lab, Joi Ito, and Scott Dadich, editor in chief of WIRED: “Whether a universal income is the right model — is it gonna be accepted by a broad base of people? — that's a debate that we'll be having over the next 10 or 20 years.”



Tomohiro Ohsumi | Bloomberg | Getty Images

While society is slowly mulling over the idea of a basic human income, technology is rapidly changing the global workforce.

For example, in the future, semi-trailer trucks will be able to drive themselves. And though that won't become the status quo for a while, it will mean that there won't be a need for quite as many truck drivers, says Musk.

Some drivers will transition to fleet operators, responsible for monitoring the status of a fleet of trucks, not any one individual truck. If a truck appears to be having issues, then the fleet operator would come in remotely and solve the problem.

“Actually, it's probably a more interesting job than just driving one [truck],” says Musk.

It's likely those truck drivers who no longer have a job might see the situation differently.

But the optimistic Musk sees increased automation as an overall benefit to society, even an opportunity.

“People will have time to do other things, more complex things, more interesting things,” says Musk. “Certainly more leisure time.”

A long horizon of leisure time may sound good, but it can also be an intimidating prospect. For many, having a job and someplace to be each day is grounding and gives purpose to life.

Indeed, Musk himself is driven by his professional ambitions. He hasn't needed to work to pay his bills for well over a decade. [In 2002, Musk sold PayPal](#), the online payments company he co-founded, to eBay in a deal that put \$165 million in his pocket. Instead of kicking back, he has launched multiple companies and is trying to get to Mars.

Even though Musk's ambition may be more outsized than most, many Americans would probably also want to continue doing some kind of work. [Binge watching Netflix](#) is only enjoyable for so long.