



MONEY MONDAYS • THE INCOME QUESTION

Universal ~~Basic~~ High Income

Last week at the White House, Elon Musk predicted AI will bring not universal basic income but “universal high income.” What these ideas mean, what the evidence shows, and who would pay.

UNIVERSAL BASIC INCOME

GUARANTEED INCOME

UNIVERSAL HIGH INCOME

TAXING AI

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ABOUT MONEY MONDAYS

A recurring look at how AI is changing money: jobs, income, taxes and the policy ideas trying to keep up. This edition covers the income debate as of October 2026.

HOW TO READ IT

Each chapter opens with the insight, then the evidence. This is a contested policy area, so arguments from all sides are presented. Amber boxes flag caveats and secondary sources.

INDEPENDENCE, BALANCE AND CORRECTIONS

Independent analysis by Raulvin Coke. Not affiliated with or endorsed by any person, company, party or organization named. Not financial, tax or legal advice. Every claim is listed with its source in the appendix; corrections are welcome.

EXECUTIVE SUMMARY

The income debate moved from a thought experiment to a live policy fight

122

Guaranteed income pilots evaluated in 33 states and DC, 2017–2025

\$481M

Paid out across those pilots to about 41,000 people

4

States that have banned local guaranteed income programs

6+

AI or data center tax bills introduced in Congress in 2026

Three forces collided in 2026: tech leaders predicting AI-driven abundance, early signs of pressure on entry-level jobs, and lawmakers looking for a way to make AI companies share the gains. The result is the most serious income debate since Andrew Yang's 2020 campaign.

1 The pitch got bigger

Elon Musk now argues for a “universal high income,” not just a basic one, paid for by AI-driven abundance.

2 The evidence is real but narrow

Pilots show cash goes mostly to basics and reduces stress; effects on work are small and still debated.

3 The money question shifted to AI

Proposals now target AI tokens, data centers and AI company equity rather than general taxes.

4 A first tax already passed

Virginia adopted a first-in-the-nation surtax on data center electricity in 2026.

5 The politics are split

Some states are banning guaranteed income while others make it permanent.

! The open question

Nobody has shown how to fund a national program at scale. That is the debate to watch.

01

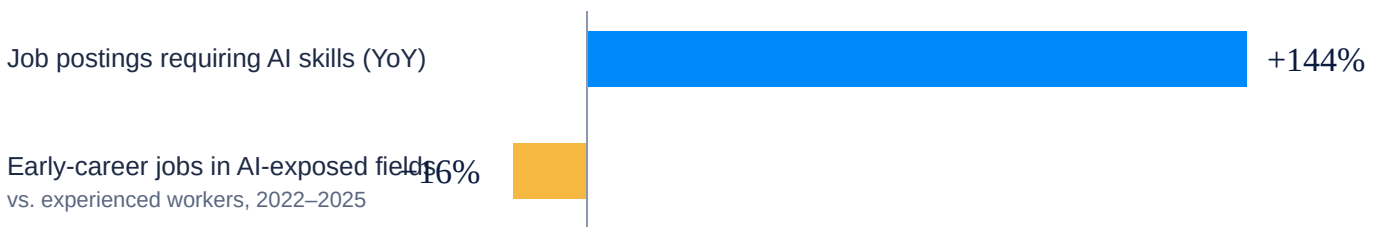
WHY NOW

AI is creating new money for some workers and new pressure for others

The income debate is back because the job picture is splitting. Demand for AI skills is surging, while early-career workers in AI-exposed fields are losing ground. Historian Yuval Noah Harari warned in his 2016 book *Homo Deus* of a possible “useless class” of people automation leaves without economic value, an idea now invoked far beyond academia.

EXHIBIT 1

The two clocks of AI and work: rising demand for skills, falling entry-level footing



Source: Bipartisan Policy Center / Lightcast via Syracuse University (Apr 2026); Inside Higher Ed (May 2026)

“Universal HIGH INCOME via checks issued by the Federal government”

ELON MUSK ON X, APRIL 17, 2026

At the White House on September 29, Musk repeated the idea, predicting an “age of abundance” while acknowledging jobs will change. OpenAI, meanwhile, warned in April that AI-driven growth could hollow out the payroll taxes that fund Social Security and Medicaid.

WHY IT MATTERS FOR YOUR MONEY

If more income flows to owners of AI systems and less to wages, the tax base and the safety net both come under pressure. Every proposal in this report is an attempt to answer that problem.

02 THE VOCABULARY

Four ideas that sound alike but work very differently

Much of the confusion comes from vocabulary. These terms describe different groups, amounts and funding sources.

EXHIBIT 2

The income ideas, side by side

Idea	Who gets it	How much	Paid by	Status
Universal basic income (UBI)	Everyone, no conditions	Enough to cover basics	Taxes, often proposed as a VAT	Idea; no U.S. national program
Guaranteed income	Targeted groups, no strings	Typically \$500–\$1,000 a month	Cities, philanthropy, some states	150+ U.S. pilots; some made permanent
Universal high income	Everyone	Comfortable, above basic needs	AI-driven abundance (Musk)	A prediction, not a policy
Public wealth fund	All citizens, as owners	Dividends from a fund	AI company equity and returns	Proposed by OpenAI; Alaska model exists
Freedom Dividend	Every adult (Yang, 2020)	\$1,000 a month	Value-added tax	Campaign proposal

Source: Forbes; TechCrunch; Fortune; Economic Security Project; compiled by Raulvin Coke

THE KEY DISTINCTION

UBI and guaranteed income have been tested. Universal high income is a forecast about a future where AI makes goods and services so cheap that generous payments become affordable. Public wealth funds shift the question from “who gets a check” to “who owns a share of AI.”

03

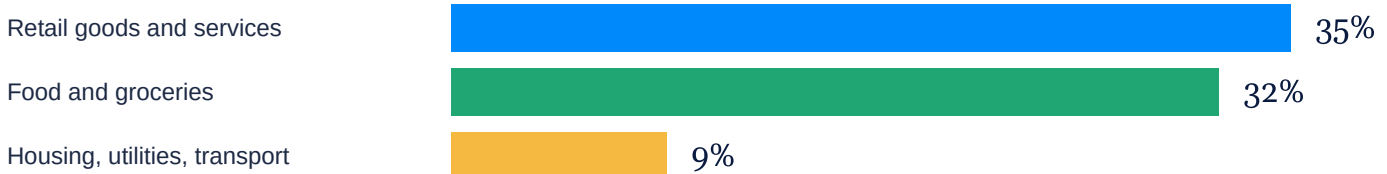
THE EVIDENCE

Cash pilots show stability and spending on basics; effects on work are small and contested

Between 2017 and 2025, at least 122 guaranteed income pilots in 33 states and DC were evaluated, paying \$481 million to about 41,000 people, according to an American Enterprise Institute review. Payments raised household income by about 40 percent on average and lasted about 19 months.

EXHIBIT 3

Where guaranteed income dollars went



Share of tracked guaranteed income spending (Mayors for a Guaranteed Income data); remainder spread across other categories

Source: Smart Cities Dive, citing Mayors for a Guaranteed Income research

- **The biggest study:** OpenResearch, the lab founded by Sam Altman, followed 3,000 people in Illinois and Texas from 2020 to 2023; 1,000 received \$1,000 a month.
- **Education:** recipients were 3.3 percent more likely to pursue education or job training in the final year.
- **Work:** some reviews found the payments slightly reduced employment and hours; supporters note that employment rose in both groups over the study.
- **Scale-up:** some cities are moving from pilots to permanent funding, while Arkansas, Idaho, Iowa and South Dakota have banned local programs.

THE HONEST LIMIT

Pilots are small, temporary and targeted. They cannot show what a permanent national program would do to prices, taxes or the labor market.

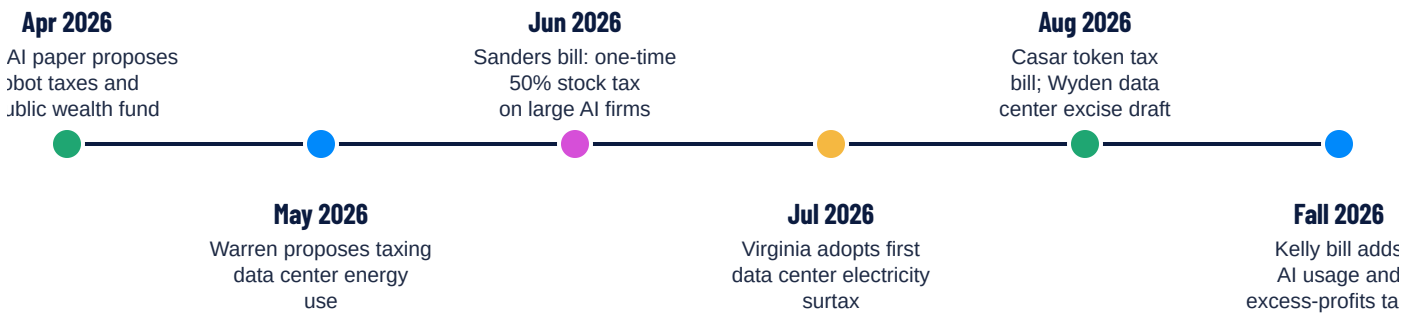
04 WHO PAYS

The funding question moved to AI itself: tokens, data centers and equity

The hardest part of any income program is paying for it. In 2026 the proposals shifted from general taxes to the AI industry directly. Most are bills or white papers; one state measure has passed.

EXHIBIT 4

2026: the year AI tax proposals multiplied



Source: TechCrunch; Tech Times; Fortune; TaxProf Blog; Bloomberg Tax; Thomson Reuters

- **Token tax:** Rep. Greg Casar's H.R. 10044 would tax AI tokens or AI revenue, with a rate that rises when unemployment climbs above 5 percent; revenue funds a jobs program.
- **Data centers:** Sen. Ron Wyden's draft would end some federal data center tax breaks and add an excise tax; Virginia now charges about 1.1 cents per kilowatt-hour on data center electricity, capped at \$600 million a year for two years.
- **Ownership:** OpenAI proposed a fund modeled on Alaska's Permanent Fund that would pay citizens returns from AI growth.

"These proposals are a first step towards safeguarding taxpayer dollars"

SEN. RON WYDEN, ON HIS DATA CENTER TAX DRAFT

STATUS CHECK

No federal AI tax has passed. Bills referred to Republican-controlled committees face long odds in the current Congress.

05

THE DEBATE

Supporters and critics agree on the problem and disagree on the fix

Both sides accept that AI could shift income away from wages. They split on whether cash payments and AI taxes would help or make things worse.

EXHIBIT 5

The main arguments, side by side

THE CASE FOR

- Cushions workers if AI displaces jobs faster than new ones appear
- Pilots show cash goes to food, housing and debt, and lowers stress
- AI could erode payroll taxes that fund Social Security, so the tax base must shift
- Public wealth funds give everyone a stake in AI growth

THE CASE AGAINST

- Cost: no one has shown how to fund a national program at scale
- Work incentives: critics argue payments could reduce employment
- AI taxes could push investment and data centers overseas
- Several states argue guaranteed income creates dependence on government

Source: Reason; Fortune; OpenAI via TechCrunch; Tech Times; Focus

“Would likely result in more of the joblessness it’s meant to mitigate.”

REASON MAGAZINE, ARGUING AGAINST UNIVERSAL INCOME

WHERE THE EVIDENCE IS THIN

Musk’s claim that AI abundance would prevent inflation is a forecast, not a tested result. Critics’ warnings about mass work withdrawal also go beyond what small pilots can show.

06

WHAT IT MEANS

Don't wait for a check. Build your own income resilience.

For workers

Track how AI is changing your field and add skills that pair AI with judgment. Policy may take years; your adaptability compounds now.

For leaders

Plan for a workforce in transition: reskilling, internal mobility and honest communication beat surprise layoffs.

For educators

Teach students how income, ownership and taxes work in an AI economy. This is the financial literacy of the next decade.

FIVE SIGNALS TO WATCH

- 1 Whether the token tax and data center bills move out of committee after the midterms
- 2 Results from Virginia's data center electricity surtax
- 3 Any federal action on an OpenAI-style public wealth fund
- 4 California's billionaire tax initiative on the November 3, 2026 ballot
- 5 New state bans, or new permanent guaranteed income programs

NOT FINANCIAL ADVICE

This report summarizes public policy debates for general education. Talk to a qualified professional about your own finances.

A APPENDIX

Source verification, claim by claim

Every factual claim is listed with its source and source type, checked as of October 5, 2026. Links shown without https://. Open each before republishing a specific figure.

#	Claim	Source	Link	Status
1	Musk X post: "Universal HIGH INCOME via checks..." (Apr 17, 2026)	Forbes	forbes.com/sites/siladityaray/2026/04/17/elon-musk-touts-universal-income-as-remedy-to-ai-driven-unemployment	Major outlet
2	Musk backed Andrew Yang's Freedom Dividend in 2019	Forbes	forbes.com/sites/siladityaray/2026/04/17/elon-musk-touts-universal-income-as-remedy-to-ai-driven-unemployment	Major outlet
3	Musk at White House Sept 29: "age of abundance," universal high income	Billionaires.Africa	billionaires.africa/2026/09/30/elon-musk-says-ai-will-make-everyone-rich-but-jobs-will-change	Secondary: verify
4	Reason critique of universal income; quote	Reason	reason.com/2026/04/17/elon-musk-s-mistaken-call-for-a-universal-high-income	Major outlet
5	OpenAI April 2026 paper: robot taxes, public wealth fund, payroll tax erosion	TechCrunch	techcrunch.com/2026/04/06/openais-vision-for-the-ai-economy-public-wealth-funds-robot-taxes-and-a-four-day-work-week	Major outlet
6	Public wealth fund modeled on Alaska Permanent Fund	The Next Web	thenextweb.com/news/openai-robot-taxes-wealth-fund-superintelligence-policy	Major outlet
7	122 pilots, 33 states + DC, \$481M, ~41,000 recipients; ~40% income boost; ~19 months	American Enterprise Institute	aei.org/research-products/report/what-can-we-learn-from-guaranteed-basic-income-pilots-in-the-united-states-evidence-on-employment-effects	Primary
8	OpenResearch: 3,000 participants, IL and TX, 2020–2023; Altman-founded lab	The 19th	19thnews.org/2024/07/study-guaranteed-income-program-results	Major outlet
9	Arkansas, Idaho, Iowa, South Dakota ban local guaranteed income	The 19th; Focus	19thnews.org/2024/07/study-guaranteed-income-program-results	Major outlet
10	Recipients 3.3% more likely to pursue education or training	Economic Security Project	economicsecurityproject.org/news/new-openresearch-results-further-prove-guaranteed-incomes-critical-role-in-supporting-families	Secondary: verify
11	Reviews: slight reduction in employment and hours; employment rose in both groups	Basic Income Earth Network (critique)	basicincome.org/wp-content/uploads/2024/08/Critique-of-Open-Research-Lab-pilot.pdf	Secondary: verify
12	Spending: 35% retail, 32% food, 9% housing/utilities/transport	Smart Cities Dive	smartcitiesdive.com/news/cities-guaranteed-income-pilot-programs-results/806881	Major outlet

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APPENDIX, CONTINUED

#	Claim	Source	Link	Status
13	163 U.S. pilots incl. 41 active; UK minister weighing UBI	Fortune	fortune.com/2026/02/01/elon-musk-optional-work-fantasy-universal-basic-income-uk-minister-jason-stockwood	Major outlet
14	Casar H.R. 10044 token tax; rate tied to unemployment; jobs program	Bloomberg Tax	news.bloombergtax.com/daily-tax-report/house-democrats-propose-ai-tax-funded-worker-protection-program	Major outlet
15	Wyden data center excise draft, Aug 6; Wyden quote	Thomson Reuters Tax	tax.thomsonreuters.com/news/experts-unpack-proliferating-ai-tax-proposals	Major outlet
16	Warren data center energy tax (Time op-ed, May 27, 2026)	Tech Times	techtimes.com/articles/317294/20260527/warren-proposes-ai-data-center-tax-fund-workers-displaced-automation.htm	Secondary: verify
17	Sanders one-time 50% stock tax; Kelly S.5518; ~half-dozen bills	Bloomberg Tax	news.bloombergtax.com/daily-tax-report/democrats-flout-ai-data-center-tax-plans-as-tool-for-midterms	Major outlet
18	Virginia data center electricity surtax, \$0.011/kWh, capped \$600M/yr for two years	TaxProf Blog	taxprofblog.aals.org/2026/07/11/virginia-rewrites-its-ai-data-center-tax-bargain	Major outlet
19	California billionaire tax initiative on Nov 3, 2026 ballot	Wikipedia	en.wikipedia.org/wiki/2026_California_billionaire_tax_initiative	Secondary: verify
20	AI-skill postings +144% YoY (Apr 2026)	BPC / Lightcast via Syracuse	ecs.syracuse.edu/stories/ai-science-undergraduate-and-graduate-programs-launch	Primary
21	Early-career AI-exposed employment –16% vs experienced, 2022–2025	Inside Higher Ed	insidehighered.com/news/tech-innovation/artificial-intelligence/2026/05/21/specter-ai-haunts-class-2026	Major outlet
22	“Useless class” concept	Harari, <i>Homo Deus</i> (2016)	Book	Primary

CORRECTIONS POLICY

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