



Stability Capitalism: The AI Dividend that Prevents the Automation Cliff

How America Can Convert Machine Productivity into Long-Term Human Stability

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Document History

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1.1	Nov 26, 2025	Clarified per-individual eligibility and recipient categories. Corrected margin terminology (30–40% = operating margins). Added title to Global Effects table. Added Appendix N: Cloud Provider Margin Analysis. Removed redundant APA bibliography (citations available in Appendix O)

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0.0 Executive Summary

America is standing on the edge of an Automation Cliff, a steep and accelerating restructuring of the workforce driven by artificial intelligence. Over the past two years, employers across healthcare, finance, retail, logistics, government, and technology have replaced or consolidated hundreds of thousands of jobs through advanced AI systems. Mid-career and seasoned workers, people 45+, are being hit the hardest. They are losing roles during their highest earning and saving years, with limited pathways back into comparable positions.

The threat is not theoretical. It is already here.

Artificial intelligence is now performing tasks that once required skilled, experienced humans. It writes code, drafts legal documents, conducts patient triage, processes insurance claims, manages logistics, generates marketing pipelines, and analyzes financial data. The economic gains are real, but the benefits are flowing upward, not outward. Workers are being displaced while the gains concentrate inside a handful of cloud companies and AI providers.

We need a mechanism that links AI's productivity gains directly to the people whose economic security is being disrupted by it.

This paper proposes **Stability Capitalism**, a simple, transparent, innovation-friendly system that uses a micro-fee on AI inference, a "fat nickel", to fund a monthly dividend for working-age adults who earn under \$75,000 per year.

The fee is tiny, the impact is massive, and the mechanism is politically viable because it does not require new taxes, new agencies, or deficit spending. It is essentially a modernization of the Alaska Permanent Fund model, funded not by oil, but by artificial intelligence.

The Core Mechanism: The Fat Nickel at 0.054 cents per inference

A fee of 0.054 cents per commercial AI inference, less than one-twentieth of a penny, collected automatically at the cloud endpoint, generates enough revenue to fund a working-age stability dividend of \$3,000 per month for roughly 92 million adults.

A conservative scenario, "the thin dime", uses a fee of 0.09 cents per inference. Both the fat nickel and thin dime scenarios are modeled in this paper, and both remain financially viable under realistic AI adoption curves.

Understanding the Fee

- 0.054 cents equals \$0.00054
- That is less than one-twentieth of a penny per inference
- At \$100 of AI compute spend, the fee is about 5.4 cents
- At \$1,000 of compute spend, the fee is about 54 cents
- Major cloud providers operate at 55% to 68% gross margins
- The fat nickel is about 0.05% of that margin

Who Receives the Dividend?

Adults age 18 to 66 who earn under \$75,000 annually. This is roughly 45% of the working-age population, or about 92 million people.

This group includes:

- mid-career workers displaced by automation
- service and administrative workers whose roles are collapsing
- individuals & families living below or near the median U.S. income
- individuals most exposed to instability and least protected by current safety nets

This is not a universal program. It is targeted, stabilizing, and economically responsible.

What Do They Receive?

A monthly dividend of \$3,000, or \$36,000 per year, for eligible adults. The amount is high enough to protect stability and mobility but still allows a strong work incentive. The dividend phases out gradually between \$75,000 and \$110,000 of individual income. There is no benefits cliff.

The Two-Fund Structure

Stability Capitalism creates two investment funds:

Fund A, the Working-Age Stability Fund

- Financed by the micro-inference fee.

Fund B, the Retiree Security Fund

- A modernized, investment-backed complement to Social Security. No current retiree ever receives less than an inflation-adjusted \$3,000 per month.

Why This Works

1. AI usage is growing exponentially, not linearly. Inference growth is rising into quadrillion-scale territory as multimodal models and real-time agents become standard.
2. The fee is economically invisible, tiny compared to cloud margins and innovation incentives.
3. This is not a tax, it is profit sharing with the people affected by automation.
4. The dividend stabilizes households during turbulent labor transitions without removing work incentives.
5. Seniors remain protected, and Social Security is modernized responsibly.
6. The program prevents inflationary pressure by supporting housing supply reforms, YIMBY mechanisms, and land-value alignment to stop leakage into rent.

Bottom Line

Stability Capitalism is not socialism. It is not a tax scheme. It is not a universal basic income funded by deficits.

It is a modern American dividend, funded by the technology that is replacing human labor. A tiny, transparent micro-fee, collected automatically and fairly, provides meaningful economic stability for millions of working Americans as we cross the Automation Cliff.

Artificial intelligence is rewriting the economy.
This proposal ensures it does not erase the people living in it.

1.0 Introduction: Job Displacement is Accelerating

Job displacement in the United States is accelerating faster than any labor transition in modern history. In the first ten months of 2025, U.S. employers announced 840,000 layoffs tied directly to automation and AI, a 65% increase over the same period last year. The headline unemployment rate has barely moved, but the deeper numbers tell the real story. One in four unemployed Americans, 1.8 million people, has been out of work for more than six months. When benefits run out, many simply fall out of the official count.

Rehiring is punishing. Only 40% to 50% of laid-off workers return to jobs with similar pay. The rest take cuts of 10% to 20%, and the people losing the most are not new graduates, they are 47 to 50 years old, the exact age when most individuals should be reaching peak stability for retirement.

Data from BLS, Pew, Challenger, and the Urban Institute all point to the same pattern: workers aged 45 and older now account for 55% to 65% of all layoffs, a dramatic jump from 2024. High-wage sectors have been hit hardest. Even after adjusting for government shutdown distortions, private-sector layoffs are up 56%, with wage losses up 87% because the cuts are concentrated in higher-income roles.

In plain language, millions of mid-career individuals are watching the scaffolding of their financial lives collapse. Mortgages, medical care, college plans, long-term savings... everything becomes uncertain. Communities with concentrated job losses experience immediate local contraction. And the psychological fear spreads far beyond the people being laid off.

Every new headline triggers the same question for millions of Americans...
"Are we next?"

This is the Automation Cliff. Individuals in their most economically productive years are losing income at the exact moment AI is generating historic productivity gains. Without intervention, those gains flow upward into a handful of companies, while the losses spread outward to households, communities, and the broader economy.

Age Group	% of Laid-Off Workers	Change from 2024	Key Sectors Hit	Notes
18–34	20–25 %	-10 %	Retail, Warehousing	Fastest rehire
35–44	20–25 %	-5 %	Tech, Finance	Still the “sweet spot”
45–54	30–35 %	20%	Tech, Government, Manufacturing	Largest single group
55+	25–30 %	25%	Media, Non-Profits, Government	Longest job searches
45+ combined	55–65 %	45%	All high-wage sectors	Average age of laid-off worker: 47–50

Figure 1 Age Breakdown for Laid-off Workers (2025 YTD)

Sector	# Impacted 2024 (Full)	# Impacted 2025 (YTD Oct)	# Impacted 2026 Est.	Sector Median Weekly Wage (2025 BLS)	Wage Lost 2024 (\$M)	Wage Lost 2025 YTD (\$M)	Wage Lost 2026 Est. (\$M)
Technology	65,863	77,999	101,400	\$2,000	\$6,860	\$8,120	\$10,550
Financial Services	~5,000	10,000	13,000	\$1,800	\$468	\$936	\$1,220
Retail	~3,000	5,000	6,500	\$850	\$133	\$221	\$287
Media/Non-Profits	~2,000	4,000	5,200	\$1,100	\$114	\$229	\$297
Manufacturing	~2,500	3,500	4,550	\$1,150	\$150	\$210	\$273
Government	~1,000	2,000	2,600	\$1,250	\$65	\$130	\$169
Other (Healthcare, Warehousing, etc.)	~1,637	3,500	4,550	\$1,150	\$98	\$210	\$273

Figure 2 Sector Deep Dive: AI/Efficiency-Driven Lay-offs (2024 vs. 2025, 2026 est.) Including Government Employees

1.1 Why Now: The Acceleration No One Prepared For

Between 2023 and 2025, artificial intelligence did not follow the slow, predictable adoption curve policymakers expected, it followed an exponential one. Changes that were supposed to unfold over a decade arrived in less than two years. Tools that could draft emails in 2023 can now design software architectures, generate full codebases, run customer service queues, transcribe legal analysis, automate multimillion-dollar workflows, and replace entire layers of administrative labor. The ground shifted under everyone's feet.

For the first time in modern U.S. history, productivity gains are appearing before displaced workers can be reabsorbed into the labor market. Layoffs are arriving faster than new roles can be invented. The people being displaced are not new graduates, they are mid-career professionals in their 40s and 50s with mortgages, dependents, and no viable way back into equivalent-paying work. This is where instability becomes structural.

The institutions meant to protect workers were designed for a different century. Unemployment insurance was built for temporary downturns, not permanent obsolescence. Retraining programs assume the jobs still exist once the training ends. Social Security assumes a stable tax base. Policymakers are still using 1990s playbooks against 2030s technology. When AI eliminates a job, nothing in today's system fills the income gap fast enough to prevent cascading harm... psychological stress, reduced medical care, fertility decline, early retirement, and regional instability.

Stability Capitalism is not a reform, it is a stabilization mechanism for a transition already in motion. It is the bridge that keeps families secure while the economy reshapes itself around AI.

1.2 Why Retraining Cannot Absorb Mid-Career Displacement

It is difficult to pivot once you are experienced or senior in your career. As mentioned in part one, taking a seasoned worker and having them pivot to becoming a plumber is just not feasible for physical, capability, time and financial reasons. They could potentially lose their savings, home and psychological security before they would be a Master Plumber, which may still be an income below their 2025 income.

Seasoned workers are too young to retire and unlikely to pivot successfully. This could lead to a rise in family instability, mental illness, home loss, under-employment and long-term unemployment at a personal level.

At a macro level something we have never seen before is brewing, a chronic slow burning crisis of inequality, stagnation and social unrest. As a comparison, the Great Depression (1929–1939) caused a 33% GDP drop, 25% unemployment peak, and mass poverty, lasting a decade. AI inaction, per current projections, risks \$15–30T cumulative GDP loss by 2040 (RAND), 85–140M U.S. jobs displaced by 2035 (McKinsey/WEF), and Gini rises of 2–5 points (IMF), potentially spanning decades without recovery. The risk of doing nothing is 2-3x the Great Depression in scale and it will be chronic rather than acute, lasting 20-30 years, effectively making this a multi-generational impact. Globally, the numbers are more dire, there could be 375M people displaced globally by 2028.

It is not just the unemployed worker that is impacted. It is the family unit (more children in poverty), the community (more closed shops). Our safety nets, Social Security, Unemployment, Medicare and Medicaid, will be drained faster as there will be fewer workers to maintain fund levels.

1.3 Why I Wrote This (Author's Note)

I did not come to this work as an economist or a politician. I came to it as someone who once lost everything.

During the Great Recession, I watched my life collapse in real time... income gone, savings gone, home gone, and every sense of stability gone. The experience changed me permanently. I rebuilt, but I never forgot the feeling of waking up every morning wondering how long I could hold on.

Over the past six months, I have watched the same pattern taking shape again... only this time it is faster, deeper, and driven by AI at a scale no retraining program can realistically absorb. Millions of people will not get the second chance I did. The cliff is steeper, the fall is harder, and the systems meant to protect people were built for a world that no longer exists.

I did not write this paper for think tanks. I wrote it for every person who is working as hard as they can and still feels the ground shifting beneath them.

Stability Capitalism is my attempt to build the bridge I wish had existed when I needed it. The bridge we need now, before the next wave hits.

There is one more thing that shaped the way I see systems: I am deaf.

My first cochlear implant came in 2003, in my late 30s while I was building my career. My second came in 2011, right as I was rebuilding from the collapse of 2008. Most people cannot tell anymore, which is both a testament to technology and a reminder that invisible disabilities shape professional lives in ways that never appear on resumes.

For more than twenty years, I have navigated workplaces designed for hearing people... missing hallway conversations where decisions get made, working twice as hard in meetings to catch every word, learning to read entire rooms without relying on sound. I rebuilt my life after 2008 while learning to process the world through two electronic devices implanted in my skull. I kept showing up. I kept adapting. I kept building capability.

And here is what I learned: when you cannot always hear the noise, you become exceptionally good at seeing the patterns.

Systems thinking is visual. It is about tracing connections, mapping flows, identifying bottlenecks. My brain has been training for this work for twenty-two years, not despite being deaf, but because of it. When auditory input is limited, visual-spatial reasoning compensates. Pattern recognition sharpens. Written communication becomes precise out of necessity.

I mention this not for sympathy, but for context. The clarity of this framework, the flowcharts, the tables, the step-by-step logic... none of it is accidental. It is how my mind naturally organizes complexity. And in a world drowning in noise, political and social and digital, being able to filter signal from sound and see underlying structure may be exactly what we need.

I spent twenty-two years proving I could do the work despite barriers. Now I am using those same skills, the pattern recognition, the visual thinking, the precision, to design the bridge that millions of Americans will need.

One more thing worth saying: I do not owe anyone anything, and no one owns me. I have no funders, no party affiliations, no institutional backers shaping what I can or cannot say. That makes me an outsider to the policy world. But outsiders have changed policy before.

1.4 Where the Money Actually Goes (the Profit-Labor Divergence)

When companies lay off workers, the savings don't disappear, they reallocate upward.

For most firms, **labor is 50–70% of operating cost**. When employees are eliminated, the company instantly sheds:

- salaries
- healthcare
- 401(k) matches
- PTO liabilities
- training and onboarding
- management overhead

These savings convert directly into **higher corporate profits**, which are then redirected into:

- executive bonuses
- shareholder dividends
- stock buybacks
- retained earnings
- private equity payouts
- M&A war chests
- accelerated reinvestment in automation

This is the **profit-labor divergence**:

When workers lose income, corporations gain it — creating inequality, social instability, and political volatility.

But that's only half the picture.

AI Doesn't Replace Labor for Free

Every time a company replaces humans with AI, they pay for it through cloud compute. The money flows like this:

- A company cuts 4 analysts

- It buys a 5× increase in compute, API calls, inference credits, and GPU time
- Cloud and model providers record explosive revenue growth

In effect, **labor costs don't vanish — they migrate** from wages for humans to fees paid to Big Tech platforms:

- AWS
- Microsoft Azure
- Google Cloud
- NVIDIA
- OpenAI
- Anthropic
- xAI
- and every API-based automation layer

Compute providers now earn **operating margins of 30–40%**, making them some of the most profitable entities in the world ,while household wages shrink.

This is the core misalignment:

The money that used to support American workers now flows into compute platforms, executive compensation pools, and shareholder returns.

Stability Capitalism simply diverts a tiny fraction of that redirected wealth back to the people who lost it.

A Fat Nickel, a 0.054¢ inference fee:

- It doesn't hurt innovation.
- It doesn't raise taxes.
- It doesn't slow AI adoption.

It just ensures that when machines replace human labor, part of the gains return to the humans who were displaced.

1.5 The AI Fee – Collection and Growth

With 3.1 trillion inferences projected in 2026, the 0.054 cent fee generates \$1.62 trillion in revenue. It works out to 5.4 cents per \$100 of corporate AI spending, a rate so small that it is less than one-twentieth of one percent of their gross margins. Corporations like AWS, operating at 30% to 40% operating margins, will not blink. Any annual surplus flows into a sovereign wealth fund modeled on Finland's VER, compounding at 8% to 9% real returns. By 2040, the fund grows to \$9 to \$10 trillion...

enough to replace Social Security, stabilize retirements, and support healthcare permanently. No new taxes. No deficit. Machines pay the rent.

The 0.054 cent fee per commercial AI inference is not charity. It is enforceable infrastructure, collected at the cloud endpoint the moment a Fortune 500 company pays for AI compute. Governments already have enormous leverage over cloud providers like AWS, Azure, and Google Cloud, and the United States can implement this mechanism without a major political fight. Existing regulatory precedents from 2025 (the EU AI Act's GPAI fees, OECD digital services frameworks, and U.S. infrastructure billing rules) provide the roadmap.

Step 1: The Mechanism, Automatic Collection at Cloud Endpoints

How it works: The fee is embedded directly into cloud billing APIs such as AWS Bedrock, Azure OpenAI, and Google Vertex AI. When a company runs an inference, the provider logs it and automatically deducts 0.054 cents per call before issuing the bill. It functions like sales tax on an online purchase... collected at checkout and remitted upstream.

Technical feasibility: Cloud providers already do this for digital services taxes in more than fifteen countries, including France's 3% DST. They collect through automated API tagging, reporting, and billing. The United States could mandate the same structure through Treasury rulemaking, modeled on existing compliance frameworks such as GILTI, Pillar 1 reporting, or cross-border transfer pricing. Providers simply add a line item labeled "AI Dividend Fee."

Step 2: The Leverage, Why Cloud Providers Will Comply

Cloud giants have no realistic path to resist. AWS holds 32% of global market share, Azure 23%, and Google Cloud 10%. The United States accounts for roughly 60% of their revenue, more than \$200 billion in 2025. Non-compliance is not an option.

Leverage Type	How It Works	Why It Forces Compliance	Timeline
Regulatory Mandate (Primary)	Treasury and IRS implement the fee under existing authority such as transfer pricing rules. Providers must report inference volume quarterly. Penalties include 20 percent revenue fines or API access restrictions.	The U.S. market is too large to risk. Providers already comply with stringent EU AI Act reporting for large-scale compute.	6–12 months
Tax Code Hook (Secondary)	Amend Section 162 to deny deductions for untaxed AI compute. Providers either comply or face an effective 21 percent tax hit on AI expenses.	They will support the fee to avoid tax chaos.	12–18 months
Antitrust Leverage (Nuclear Option)	FTC and DOJ tie mergers or expansions to compliance. Fines can reach 10 percent of global revenue.	Providers need U.S. approvals for growth. They will not jeopardize them.	3–6 months
Public Pressure / Voluntary MOU	Treasury negotiates pilot MOUs for early compliance. Providers gain PR credit for "funding American families." Polling shows 68 percent public support for AI-funded dividends.	Companies avoid the "greedy" label during an automation wave.	Immediate

Figure 3 US Enforcement Tool Kit

Phase	Timeframe	Action
Phase 1	Months 1–3	Pilot MOU with two providers (AWS and Azure) via Treasury negotiations, leveraging 2025 OECD Pillar 1 digital tax framework
Phase 2	Months 4–6	Treasury rule finalizes collection mechanism; IRS begins compliance audits
Phase 3	Months 7–12	Legislation mandates participation, tied to AI Act-style reporting requirements
Phase 4	Months 13–18	Full rollout; non-compliance fines activated

Figure 4 The Roll Out 18-month Timeline

Why It Works, No Trust Required

The U.S. accounts for 60% of the global cloud market. Providers cannot walk away without losing billions. The fee represents 0.054% of their revenue, negligible compared to 30% to 40% operating margins. They will comply because the alternative is worse: EU-style 3% digital services taxes, U.S. antitrust action, or public backlash during an automation crisis.

1.6 Purpose of the AI Dividend

The AI Dividend exists to stabilize households during a shift that no one asked for and no one can outrun. It is a bridge across the Automation Cliff, a financial buffer that keeps individuals and families housed and fed while the economy restructures around them. It provides psychological safety during a moment when millions of Americans are watching their industries disappear and wondering if they are next.

We are converting machine productivity into human stability.

When machines take jobs, machines pay the rent.

2.0 Core Principles of Stability Capitalism

Stability Capitalism is built on three foundation pillars: Human Stability, Ethical Governance, and Economic Neutrality. If any one of these collapses, the model fails. If all three hold, America avoids the automation cliff permanently.

Human Stability ensures individuals and families can survive rapid technological change. Ethical Governance ensures AI development aligns with public benefit rather than concentrating power. Economic Neutrality ensures innovation continues without punitive taxation or distorted incentives.

Together, these pillars protect workers, protect democracy, and maintain growth while technology accelerates faster than systems can adapt.

2.1 Human-Centric Principles

Human stability is the foundation of national stability. For AI-driven productivity to translate into societal well-being, people need economic and psychological safety. They need enough breathing room to plan their future rather than fear it.

This concept is not new. Maslow (1943) identified physical and economic security as the second-most essential need after basic survival. Edgar Schein (MIT, 1985) and Amy

Edmondson (Harvard, 1999) shaped the modern understanding of psychological safety... the belief that people can take risks without catastrophic consequences.

In Stability Capitalism, psychological safety merges both definitions. People are no longer one bad month away from collapse. They can raise children, volunteer, study, change careers, move to safer housing, start businesses, support aging parents... in other words, they can live like humans again.

A guaranteed base income of \$3,000 per month provides dignity, agency, family stability, reduced anxiety, stronger communities, and a reason to participate in civic life again.

When fear drops, creativity rises. Societies where people feel safe are more innovative, more resilient, and more prosperous. Stability is not the enemy of growth... it is the foundation of it.

2.2 Economic and Governance Principles

A modern economic system must be predictable, transparent, simple to administer, and neutral to innovation. Stability Capitalism preserves the innovation engine while ensuring that the gains from automation are shared broadly.

Predictability and Transparency

The fund is powered by a uniform 0.054 cent "Fat Nickel" fee on commercial AI inferences, collected automatically at cloud endpoints (AWS, Azure, Google, NVIDIA, OpenAI, Anthropic, xAI). This structure avoids income taxes, payroll taxes, corporate tax increases, and compliance burdens on workers or small businesses.

The system's ledger is publicly auditable using modern tools such as verifiable compute receipts, AUIDs, and tamper-resistant transaction logs.

Tamper-Resistant Transparency Layer

To guarantee long-term trust, all inference-fee inflows and dividend outflows are recorded in a tamper-resistant audit ledger. This can be supported by verifiable compute receipts or a blockchain-based transparency layer. This is a backend system only... citizens never interact with it. Its purpose is simple and non-negotiable: ensuring the Stability Capitalism fund cannot be manipulated, hidden, or politically weaponized.

Administrative Simplicity

The dividend is delivered exactly like stimulus checks and Social Security... direct deposit into checking accounts. No apps. No wallets. No friction.

The compute fee is collected upstream long before money reaches households. Individuals and families see the benefit. Corporations see a tiny, predictable cost.

Neutrality to Innovation

Stability Capitalism does not slow AI adoption. It redirects a microscopic fraction of the value created by automation into a national stability fund. The market stays dynamic. Innovation continues. The automation cliff is avoided.

2.3 Ethical Principles

The model is grounded in universality (every eligible American benefits), fairness (no discrimination, no penalties for earning more, no double dipping), and intergenerational equity (protect retirees now; protect young workers as automation accelerates).

A multidisciplinary oversight body, including technologists, economists, ethicists, and citizen delegates, ensures transparency, accountability, and continuous course correction as the technology evolves. This body does not control AI. It ensures the AI Dividend remains neutral, non-political, and aligned with long-term public benefit.

2.4 Programs Stability Capitalism Replaces or Makes Obsolete

The AI Dividend is not another safety net stacked onto an already tangled system. It replaces dozens of programs built for a 20th-century labor market that no longer exists.

By providing a stable, unconditional \$3,000 monthly floor, the Dividend reduces or eliminates the administrative need for many overlapping benefits that are costly, stigmatizing, and outdated.

This shift saves taxpayers 700 billion to \$1.1 trillion per year by 2035. A full breakdown is included in Appendix A.

This is not austerity. It is modernization. A simpler system with better results.

2.5 What Stability Capitalism Unlocks

A guaranteed economic floor does not kill work... it changes it.

The labor market evolves toward jobs requiring human presence, jobs AI cannot replace, jobs people choose, that strengthen communities.

Human-Centric Professions

These include elder care, companion care, hospice support, childcare, early childhood education, mental-health aides, peer-support workers, community health navigators, neighborhood repair, and mobility services. These roles become sustainable because people are no longer pushed away by poverty-level wages.

Creative and Cultural Work

These include writers, artists, performers, local creators, historical preservationists, independent journalists, community storytellers, and culture-builders. AI can draft. Humans create meaning. A dividend brings these professions back to life.

Technical and Hybrid Roles

These include AI safety reviewers, model supervisors (human in the loop), robotics operators, field mechanics, AI auditing and compliance technicians, and data-quality verifiers (human truth validators). Millions of these hybrid roles will be needed as AI becomes critical infrastructure.

Environmental and Resilience Work

These include urban farming, regenerative agriculture, disaster-response auxiliary teams, water-quality restoration, grid modernization, and micro-utility projects. AI can support analysis, but humans deliver the physical resilience work communities rely on.

Entrepreneurship and Microbusinesses

With an income floor, people can open food carts, start Etsy shops or neighborhood services, teach, coach, repair, create, craft, run weekend-only businesses, and launch micro-startups without risking homelessness. The dividend becomes a seed fund for millions of small businesses that never had the chance to start.

2.6 Macro-Level Outcomes Stability Capitalism Produces

Stability Capitalism does more than prevent collapse. It restores the conditions that allow economies, communities, and families to function again. The outcomes are broad, well-researched, and consistent across global pilots.

A. GDP Boost

Consumer spending rises 8% to 12% in the bottom 60% of households, producing an estimated 1.5% to 2.1% annual GDP lift. These values align with CBO and Pew elasticity calculations and reflect what happens when households can finally cover basic needs without fear.

B. Health Outcomes Improve

Financial stability consistently reduces health burdens. Projections show 28% fewer stress-related ER visits, a 17% decline in depression (RAND), and a 12% to 15% decline in chronic-disease progression linked to financial stress. Health outcomes improve because stress drops, treatment adherence rises, and people regain the ability to plan rather than react.

C. Crime Reduction

Financial insecurity is one of the strongest predictors of property crime. UBI pilots consistently show 10% to 20% reductions in theft and property crime. When stability rises, desperation falls.

D. Birth-Rate Stabilization

Stability Capitalism stabilizes long-term population trends. Current births of 3.6 million per year are projected to rise to 4.2 to 4.4 million by 2035. The worker-to-retiree ratio stabilizes. Social Security solvency strengthens automatically. These projections rely on conservative fertility-response models supported by longitudinal evidence from the Alaska PFD, Korea baby-bonus studies, and GiveDirectly household-formation data.

E. Local Economies Regenerate

Every dollar of unconditional income produces a 1.30 to 1.50 multiplier, especially in regions where a single dollar circulates many times before leaving the community... rural towns, post-industrial counties, and low-income urban neighborhoods. When households have a reliable floor, small businesses return, local hiring increases, and the geographic polarization of opportunity begins to unwind.

2.7 Administrative Simplicity and Implementation Efficiency

The AI Dividend is designed to be simple. The mechanism requires no new apps, no new bureaucracy, and no new behavior from citizens. If you can receive a tax refund or Social Security, you can receive the Dividend.

How the Dividend Flows

1. AI companies pay a 0.054 cent inference fee ("the fat nickel").
2. The fee is collected automatically at cloud endpoints (AWS, Azure, GCP, etc.).
3. Funds flow into the Stability Capitalism Fund (Fund A).
4. The U.S. Treasury issues monthly direct deposits based on SSN.
5. Adjustments for inflation, COLA, and the income taper run automatically in the background.

No tokens. No wallets. No apps. No new bureaucracy.

The complexity stays upstream, in the infrastructure layer where cloud providers already automate billions of transactions daily. The public only sees what matters... a stable, predictable deposit that keeps people secure.

3.0 The Architecture of Stability Capitalism

Stability Capitalism relies on a two-fund architecture designed to honor every promise made to today's retirees while building a modern, future-proof income system for working-age Americans

3.1 Overview of the Two-Fund Model

Fund A — The Working Age Stability Fund

- Funded entirely by the AI Dividend (the compute-fee "Fat Nickel")
- Pays tax-free income to adults ages 18–66
- Requires no increase in personal or corporate taxes

Fund B — The Senior Security Fund

- This is today's Social Security, preserved in full
- Paid the same way as always
- No retiree loses anything... ever
- No clawbacks, no cuts, no fear

If a retiree's Social Security benefit is below \$3,000 a month, the Dividend automatically fills the gap. If their benefit is above \$3,000, they keep the higher amount.

Why two funds?

Absorbing all retirees into the AI Dividend immediately would overburden the system and put 73.9 million seniors at risk. A dual model protects them while the Dividend scales. A single integrated system emerges by the end of the glide path.

SSI Transition Note

Working-age SSI recipients (adults 18–64 with disabilities) move into the AI Dividend as their primary benefit. This relieves the existing Social Security system of added burden and accelerates the transition to the unified Senior Security Fund.

3.2 Eligibility Logic

Eligibility requires:

- U.S. citizenship (naturalized citizens included)
- Age 18–66
- Individual income at or below \$75,000 (phasing down to zero by 110,000)
- Incarcerated individuals excluded
- Legal permanent residents continue contributing to and receiving Senior Security as usual

Why Per-Individual (Not Household)?

The AI Dividend is deliberately designed as a per-individual benefit for three critical reasons:

- **Financial independence for vulnerable spouses.** Household-based programs trap people in abusive or unhealthy situations by making their income dependent on staying. Per-individual payment ensures every adult has an independent financial floor.
- **Encourages family formation.** When two eligible individuals marry, their combined household receives \$6,000 per month rather than a reduced amount. This removes the “marriage penalty” embedded in many current benefit programs and actively supports stable families.
- **Administrative simplicity.** Individual income is already tracked through W-2s and tax returns. Household income requires complex definitions (who counts?), relationship verification, and creates ongoing compliance burdens. Per-individual design means cleaner implementation, lower overhead, and fewer edge cases.

Three designs were tested (A, B, C). Option C, the Hybrid Model, was clearly the best:

- highest psychological safety
- strongest retiree protection
- lowest political resistance
- highest net 10-year savings
- smoothest systems integration

The critical number is the savings compared to doing nothing and allowing fate to determine the outcome.

Option	Who Gets It	Eligible Adults	Annual Cost	Fee per Inference	Key Risks	Key Positives	Net 10-Year Savings vs Doing Nothing*
A –Universal 18+	Every citizen 18+ (no upper age limit)	260M	\$1.87 T	0.062¢	Overpay retirees already on SS/Medicare “Free money for rich seniors” backlashHighest fraud surface	Simplest rule (no age audit) Max psych safety (100%) Covers early retirees/disabled	+\$6.8 T
B – 18–67 Only	Cut off at full retirement age Current retirees keep legacy SS only	215M	\$1.55 T	0.052¢	Cliff at 67 creates new poverty spike Disabled/early retirees fall through cracks	Saves \$320 B/yr vs all adults Aligns with “replace lost wages” narrative Lower fraud (fewer lifetime recipients)	+\$9.1 T
C – Hybrid (PREFERRED)	18–66 full Dividend Age 67 SS replaces dividend dollar for dollar – to ensure base income. 20 year glide path to becoming single system by 2045	~230M effective Transitions to ~240M by 2045	\$1.62 T Drops to \$1.44 T by 2045	0.054¢ 0.048¢ by 2045	Complex messaging first Requires SS integration (18-month IT lift)	No double-dipping Protects retirees without waste Politically bulletproof (“SS stays, just modernized”) Single system by 2045 94% psych safety	+\$10.4 T (highest net savings)

Figure 1 Eligibility decisions compared against cost, psychological safety and net 10-year savings over doing nothing

3.3 20-year glide path to Single Funded Stability Capitalism

Over twenty years, the system transitions from dual-fund to fully unified income protection.

Year	SS Beneficiaries (M)	Dividend-Only Cost (Hybrid)	Dual-System Cost (SS + Dividend)	Annual Extra Cost of Dual	Cumulative Extra Cost
2026	72 M	\$1.62 T	\$2.38 T	+\$760 B	\$0.76 T
2030	80 M	\$1.62 T	\$2.20 T	+\$580 B	\$3.1 T
2035	90 M	\$1.62 T	\$1.92 T	+\$300 B	\$5.8 T
2038	95 M	\$1.62 T	\$1.78 T	+\$160 B	\$6.9 T
2040	98 M	\$1.62 T	\$1.68 T	+\$60 B	\$7.4 T
2042	100 M	\$1.62 T	\$0	\$0	\$7.5 T total waste to run dual system

Table 2

Figure 6 Opportunity path toward Single fund by 2042

We pay a one-time \$7.5 trillion ‘grandfather tax’ over 16 years to honor every promise we already made to today’s retirees — and in return we get a single, simpler, richer system that never costs taxpayers another dime.

3.4 Benefit Scenarios – Monthly Income

The Dividend must be large enough to provide economic stability and psychological safety. The AI Dividend is tax-free, funded entirely through the inference fee, and never charged to individuals or employers. It is designed to maintain dignity, support stable families, and strengthen communities.

Stability Capitalism encourages work. People will still work if they want to live in high-demand locations, enjoy higher lifestyles, or travel. Everyone starts at the same base, but where they end up is shaped by their choices.

Earn a million, keep a million. The dividend is a floor, not a trap.

We compared multiple income levels and evaluated psychological safety, fertility impact, and system cost. Option E was the clear choice. It guarantees every adult \$3,000 per month, honors every Social Security promise, and ensures disabled recipients are protected.

Money arrives by direct deposit. The ledger behind it is tamper-resistant and publicly verifiable... nobody can cheat and everyone can see the system works.

Option	Dividend	Eligibility	Annual Cost	Fee	Psych Safety Score*	Expected Birth-Rate Increase	Implementation Cost	Annual Maintenance Cost	10-Year Cost of Doing Nothing**
A – Survival	\$2,000/mo	Households ≤\$50k (bottom 40%)	\$960 B	0.032¢	62%	+9% (+330k births/yr)	\$8 B (IRS tie-in)	\$12 B	\$18.4 T
B – Stability	\$3,000/mo	Households ≤\$75k (bottom 60%)	\$1.08 T	0.036¢	88%	+15% (+550k births/yr)	\$9 B	\$14 B	\$21.2 T
C – Abundance	\$4,000/mo	Households ≤\$100k (bottom 80%)	\$1.54 T	0.051¢	96%	+21% (+770k births/yr)	\$11 B	\$18 B	\$24.8 T
D – Universal	\$3,000/mo	All 260M adults	\$1.87 T	0.062¢	100%	+15% (capped)	\$18 B	\$28 B	\$28.5 T
E-Honor all Promises	\$3,000/mo	18-66 Households ≤\$75k and supplement SS until reaches \$3K/mo for 67+	\$1.62T	0.054¢	94%	+15 % (+550k births/yr)	\$12B	\$16B	\$21.8T

Figure 3 Various Income Scenarios pressure tested against cost, birth rates and psychological safety

* Psych safety = % of recipients who say, “I no longer live in fear of the cliff” (Pew/MIT 2025)

** Cost of doing nothing = lost GDP from demand collapse + social unrest + healthcare spike (CBO + RAND 2025–2035 projections

The \$3,000 monthly income is tax-free until outside income exceeds \$75,000 per year, then phases down to zero at \$110,000. The effective tax rate for most Americans drops to 15% - 25%.

Income Verification and Adjustment

Eligibility is determined by the prior year's tax return. For example, If your 2025 income was below \$75,000, you qualify for the 2026 Dividend. If your income changes significantly mid-year, such as a job loss or major reduction in earnings, you can report the change and begin receiving the Dividend immediately. At tax time, the system reconciles any overpayment or underpayment automatically. This mirrors how Affordable Care Act (ACA or ObamaCare) premium subsidies already handle income fluctuation... simple for recipients, responsive to real-world disruption, and fully reconciled through existing IRS infrastructure.

Fertility Impact

Cash-transfer studies globally show that stable income increases family formation rates. Alaska PFD data, Kenya's GiveDirectly trials, and South Korea's long-term baby-bonus program all demonstrate measurable increases in fertility associated with predictable income.

These models collectively support the projected 15% birth-rate increase at the \$3,000 monthly floor, translating to 550,000 additional births per year by the mid-2030s. Births could rise from today's 3.6 million to 4.2 to 4.4 million by 2035, stabilizing the worker-to-retiree ratio and slowing the collapse of Social Security's tax base.

3.5 Inflation Adjustment (COLA): How the Dividend Stays Stable

Prices increase every year... rent, groceries, utilities, transportation. Historically this runs 2% to 3% annually. Without adjustment, a \$3,000 Dividend today would feel like \$2,200 in a decade.

To protect purchasing power, the Dividend adjusts automatically each January using the exact formula already used for Social Security:

If Social Security receives a 3 percent COLA, the Dividend increases 3%. If inflation rises above 4% in a year, the 0.054 cent fee increases slightly to keep the Dividend stable.

People never lose money. Only corporations pay the adjustment. This rule keeps purchasing power stable across generations.

Real-World Proof: Alaska

- Alaska's Permanent Fund Dividend has used this logic for forty years. The result:
- no inflation spike
- stable or lower prices in key categories
- stronger financial resilience for individuals and families

Predictable, indexed income does not cause price spirals. It provides stability.

A dollar tomorrow will always buy what a dollar buys today.

4.0 Real Estate Inflation

The most common worry is simple... "Will landlords just raise the rent and take the money?"

In every major cash-transfer pilot, one pattern shows up immediately: in tight housing markets, landlords raise rents 3% to 10% in the first year. This happens because people gain stability, but housing supply does not increase fast enough.

The AI Dividend must not become a landlord subsidy. Stability Capitalism anticipates this risk and neutralizes it using tools that economists, housing experts, and global pilot data all support.

YIMBY (Yes In My Back Yard)

YIMBY reform is national zoning modernization that allows more homes to be built where people actually want to live. It replaces outdated "not in my backyard" restrictions that block apartments, duplexes, accessory units, and affordable homes.

YIMBY reform makes it faster, cheaper, and legally easier to build housing in walkable, job-rich areas. More supply means lower pressure on rents.

LVT (Land Value Tax)

A Land Value Tax taxes the land itself, not the building on it. Economists favor LVT because it discourages land hoarding, encourages building more housing, prevents landlords from pocketing unearned gains, and raises revenue without hurting tenants.

An LVT captures rising land value and channels it back into building more homes, which reduces rents over time.

Fix	Plain-English Explanation	Cost	Real-World Impact
Land Value Tax (LVT)	Tax the land so landlords cannot raise rents and pocket unearned gains	\$50–100B/yr (self-funding)	Cuts rent hikes 40–60%, funds 500k new homes
YIMBY Zoning Reform	Fast-track building apartments and homes in good locations	\$20–50B incentives	Adds 2M new units by 2030
Rent Caps on Empty Units	Prevent rent hikes above inflation for units sitting vacant	\$10B enforcement	Stops 80% of opportunistic rent capture
AI-Powered Building Tech	Robots + modular housing reduce cost and time	\$5–15B	Builds 50% faster at 20% lower cost

Figure 4 The Day-One Landlord Capture Prevention Package

Scenario	Rent Increase Year 1	How Much Dividend Families Actually Keep	New Homes Built Per Year
Do nothing	+5–8% (some cities +10%)	Families lose 20–30% of the dividend to rent	Almost zero extra
Full package (LVT + YIMBY + caps + AI)	+1–2% at most	Families keep 98–99% of the dividend	500,000 to 1 million new units

Figure 5 Cost of Doing Nothing vs. LVT +YIMBY + Caps + AI

Why This Works

Housing inflation is the only channel through which an AI Dividend could theoretically create cost-of-living pressure. But this only happens when supply is constrained.

When you combine LVT (captures rent-seeking), YIMBY (expands supply), rent caps (blocks opportunistic spikes), and AI construction (cuts cost and time), you create a housing market where prices stay stable, supply rises, and the dividend flows to people, not landlords.

This suite of policies ensures rents stay tethered to inflation, supply increases dramatically, local economies regenerate, and the Dividend does not leak into asset bubbles.

The AI Dividend raises living standards, not rents.

5.0 Global Impacts

Widespread adoption of Stability Capitalism would reshape global economic stability, labor markets, and inequality dynamics. The model strengthens domestic demand, accelerates AI productivity, and reduces the social shocks associated with rapid automation. Based on cross-regional analysis, the long-term outcome is a more stable global economy with higher growth and lower volatility.

Impact Area	Effect	Evidence / Scale
Global GDP Growth	+7 to +15 percent cumulative (7 to 15 trillion dollars by 2035)	AI adds 15.7 trillion globally (PwC). Inaction drags 0.5 to 1.4 percent per year (CBO). U.S. adoption accelerates diffusion; AI exports rise 20 percent.
Labor Markets	85 million jobs displaced (WEF), but 97 million new ones created. Dividend reduces unemployment 20–30 percent by enabling entrepreneurship.	Kenya trials: +20 percent business creation with no work drop-off. Reduces gig precarity across India and Indonesia.
Inequality	Gini falls 5–10 points in adopting nations. If U.S. adopts alone, offshoring raises global inequality 2–3 points.	IMF: UBI mitigates AI's high-skill bias; without it, top 10 percent capture 70 percent of AI gains.
Inflation / Demand	Neutral impact on CPI (+0.1 to +0.5 percent). Stabilizes essentials and is deflationary for luxuries.	Alaska: rents stable, entrepreneurship +15 percent. UBI pilots show no inflation spikes.
Fiscal Stability	10 to 20 trillion dollars saved globally vs inaction (healthcare, unrest, social collapse).	RAND: Inaction costs 15–25 trillion in lost GDP. Dividend offsets 60–80 percent of projected damage.

Figure 4 Global Impacts Matrix

Regional Breakdown — How U.S. Adoption Shapes the World

The United States adopting Stability Capitalism accelerates global adoption and influences tax frameworks, labor standards, and AI governance.

Developed Economies (EU, Japan, Canada)

Outcomes: 1% to 2% annual GDP growth, strong likelihood of copycat dividend systems, lower migration pressure, and 10% to 15% increase in cross-border trade.

Risks: Corporate offshoring to tax havens could reduce revenues by up to 20%. Synchronized digital tax rules are needed to avoid arbitrage.

Emerging Markets (India, Brazil, Africa)

Outcomes: 5% to 10% GDP growth driven by remittances from U.S. workers (\$200 billion per year), 20% to 30% increase in entrepreneurship (supported by Kenya trial data), and stabilization of informal labor markets.

Risks: Brain drain if the U.S. accelerates far ahead. Local inequality rises if AI adoption outpaces safety nets.

Global South (SE Asia, Latin America)

Outcomes: Stability for more than 500 million informal workers, birth-rate recovery (+15%) helps offset aging crises, and increased trade from U.S. consumer demand.

Risks: 10% to 15% inequality increase if nations fail to implement their own AI funding mechanisms. Domestic political resistance to digital taxation.

Risk	Impact	Mitigation
Global Inequality Spike (20%) if U.S. adopts alone	Wealth concentrates in high-AI nations	G20 AI tax pact: 0.02 cent global inference fee
Corporate Evasion (30% offshoring)	Loss of dividend funding	Enforce via OECD digital tax framework (15% minimum global rate)
Adoption Lag (5–10 years)	Developing nations fall behind	U.S. pilots seed \$50 billion global transition fund

Figure 6 Global Risks & Mitigation

*Stability Capitalism is not just an American solution.
It is a model the world can adopt.*

6.0 The Ten Biggest Objections and Myths

1. **“This is socialism.”**
Alaska Republicans have paid annual dividends from shared resources for 40 years, and nobody calls it socialism there.
2. **“People will stop working.”**
Every UBI pilot ever run shows zero decline in work, and often an increase in small business creation.
3. **“Undocumented immigrants will get it.”**
No. U.S. citizens only, verified by SSN, exactly like Social Security and stimulus checks.
4. **“My taxes will go up.”**
Your taxes do not change. The entire fund comes from a 0.054 cent fee paid by companies using AI compute.
5. **“You’re cutting Social Security.”**
No cuts, ever. Every current retiree keeps 100% of their benefits, and anyone under 67 transitions smoothly.
6. **“Landlords will just take it.”**
Paired with a 1–2% national land-value tax and YIMBY zoning reforms, rent capture drops 70%.
7. **“Corporations will leave the country.”**
They cannot. The fee is collected at U.S. cloud endpoints (AWS, Azure, GCP). If they use U.S. compute, the fee is mandatory.
8. **“This will cause inflation.”**
Alaska and every UBI trial show near-zero inflation impact (0.0% to 0.3% CPI).
9. **“Government can’t run something this big.”**
This uses the same IRS direct-deposit system that delivered 90 million stimulus payments in 14 days.
10. **“It kills ambition and creates dependency.”**
It phases out between \$75k and \$110k individual income. Earn more, keep more, no penalty for success.

Appendix A: Precedents

I want to acknowledge the work of thinkers, economists, technologists, and policymakers whose ideas laid the groundwork for Stability Capitalism. This model was not created in a vacuum. I am **not the first** to talk about UBI, automation risk, or the concept of an "AI dividend." I *am* the first to integrate all the following into a single, politically viable blueprint:

- An **age-tiered eligibility structure** that protects workers *and* retirees.
- A **two-fund model** that honors every Social Security promise while modernizing the system.
- A **microscopic inference fee** that cannot be offshored.
- A **20-year glide path** to a unified, future-proof system.
- A fully stress-tested economic model that avoids inflation, protects housing, stabilizes birth rates, and saves \$21T compared to doing nothing.
- A path that allows people to wean off welfare and **maintain dignity**.

The term "AI dividend" began appearing in 2024–2025 discussions as policymakers and analysts tried to imagine how society might share in the value created by automation. Examples include Buttigieg's 2025 call for sharing AI wealth, Data4Democracy's June 2025 cloud-tax UBI proposal, and LSE's 2025 "AI social contract." These were important sparks — but none provided the complete structural, political, and economic architecture required to implement such a system nationwide.

Stability Capitalism builds on two proven, real-world precedents:

- **Alaska's Permanent Fund Dividend**, a Republican-run model of resource-based citizen payouts operating since 1982, with zero inflation impact.
- **Finland's VER Fund**, which demonstrates that government-managed sovereign investment funds can reliably produce 8–9% compounding returns over decades.

What Stability Capitalism does is take these proven systems and apply them to the 21st-century resource that is already reshaping the world: **AI compute**.

This framework is the first to take ideas from multiple disciplines and turn them into a **complete, implementable policy** — one that could prevent the automation cliff, stabilize individuals and families, strengthen the middle class, and give America a sustainable future.

NOTE: This framework was developed through traditional research, systems modeling, and supported by modern AI tools that assisted with stress-testing assumptions, validating calculations, and refining language for clarity and consistency. AI did not generate the ideas, structure, or conclusions in this paper.

Outsiders Who Changed Policy

The most significant social reforms in American history did not come from inside the system. They came from people who saw what institutions could not or would not see.

Name	Background	What They Changed
Frances Perkins	Social worker	Designed Social Security, unemployment insurance, and the 40-hour work week after witnessing the Triangle Shirtwaist Factory fire in 1911
Rachel Carson	Marine biologist and writer	<i>Silent Spring</i> launched the environmental movement and led directly to the creation of the EPA
Ralph Nader	Lawyer with no government role	<i>Unsafe at Any Speed</i> forced the auto industry to adopt seat belts and safety standards
Dorothea Dix	Retired schoolteacher	Investigated asylums independently and single-handedly reformed mental health care in America
Ida B. Wells	Journalist and educator	Exposed lynching through investigative reporting, laying groundwork for civil rights legislation decades later
Upton Sinclair	Novelist	<i>The Jungle</i> exposed meatpacking conditions and led directly to the Pure Food and Drug Act of 1906

Figure 7 Outsiders Who Changed Policy

None of them waited for permission.

None of them came from inside the system they changed.

Appendix B: UBI vs. Stability Capitalism Which One Wins?

Feature	Classic UBI (Yang, Murray, etc.)	Stability Capitalism (Renee McInerney)	Winner
Monthly amount	\$1,000 – \$2,000	\$3,000	Stability
Who gets it	Every adult (or means-tested)	18–66 ≤\$75k HH + every current retiree guaranteed ≥\$3,000 forever	Stability
Funding	New taxes (VAT, wealth, carbon)	0.054 ¢ fee on commercial AI only	Stability
Senior protection	Usually cuts/replaces SS	No senior ever loses a dime	Stability
Political branding	“Socialism!”	Alaska oil dividend, Republican-run 40 yrs	Stability
Long-term cost	Stays a cost forever	Becomes a sovereign wealth fund that replaces SS & healthcare by 2040	Stability
Corporate reaction	Fight to the death	Pay a nickel → get a thriving middle class	Stability
Passage odds 2027–2029	15–35 %	75–85 %	Stability

Figure 8 UBI Vs. Stability Capitalism

Appendix C: Welfare Programs the AI Dividend Replaces or Shrinks (2025 baseline costs and projected savings by 2035)

Program	2025 Cost	% Redundant by 2035	Annual Savings by 2035
SNAP (Food Stamps)	\$119 B	90–100 %	\$107–119 B
Section 8 / Housing Vouchers	\$68 B	80–95 %	\$54–65 B
Unemployment Insurance	\$45–60 B	70–90 %	\$35–54 B
TANF (Cash Welfare)	\$17 B	95–100 %	\$16–17 B
SSI (working-age disabled)	\$65 B	95–100 %	\$62–65 B
LIHEAP (Energy) + School Lunch (low-income)	\$19 B	80–95 %	\$15–18 B
Child Tax Credit ($\leq \$75k$ households)	\$120 B	50–80 %	\$60–96 B
Emergency Cash / Disaster Aid	\$15–25 B	80–95 %	\$12–24 B
Administrative Overhead	\$250–350 B	80–90 %	\$200–315 B
TOTAL			\$700 B – \$1.1 T

Figure 9 Welfare Cost Reductions with Stability Capitalism

Bottom line The dividend doesn't just help people — it quietly replaces half the welfare state with one simple, dignified check.

Appendix D: Welfare programs and Recipient Counts

Program	Current Recipients (2025)	Recipients Still Needing Program After \$3,000 Dividend	Recipients No Longer Needing Program	Notes / Remaining Need
Social Security (retirement)	53 M	53 M (grandfathered, then phased)	0 (long-term)	Legacy SS protected — dividend replaces over 20-year glide
SSI (all)	7.5 M	<0.4 M (extreme cases only)	~7.1 M	Working-age SSI → dividend; elderly top-up only
SSDI	8.8 M	<0.5 M (severe disability top-up)	~8.3 M	Dividend becomes primary; SSDI top-up for extras
TANF (cash welfare)	2.1 M	~0 M	2.1 M	Fully redundant
SNAP (food stamps)	41 M	<3 M (extreme poverty)	~38 M	\$3k/mo puts 93 % above eligibility
Section 8 / Housing Vouchers	5.2 M	~0.5–1 M (high-cost cities)	4.2–4.7 M	Dividend + land-value tax covers most rent
LIHEAP (energy aid)	5.5 M	<0.3 M	~5.2 M	Fully redundant
School Lunch (low-income)	30 M children	<2 M (very deep poverty)	~28 M	Families pay out-of-pocket
Child Tax Credit	~40 M households	Optional booster only	35–38 M	Dividend gives parents \$6k/mo base
Unemployment Insurance	~6–8 M (rolling)	Short-term top-up only (~10–20 % of claims)	80–90 % of claims	Dividend replaces lost wages instantly
Emergency Cash / Disaster Aid	Variable	<5 % of current volume	95%	Dividend = permanent buffer
Short-Term Disability	~2 M	<0.2 M	~1.8 M	Dividend covers most
Emergency Rental Assistance	Variable	<5 %	95%	Dividend + LVT fixes rent spikes

Figure 10 People Impacts, Lifted Out of Stigma and Into Dignity

Bottom line By 2035, 90–95 % of means-tested welfare recipients no longer need the program. The rest get a small, targeted top-up.

Total savings: \$700 B – \$1.1 T per year, enough to pay for the dividend twice over.

Appendix E: The Three Hidden Superpowers of Stability Capitalism

1. **No Penalty for Earning More** The dividend phases out completely between \$75k–\$110k individual income. Above \$110k you get \$0 — but every extra dollar you earn is yours. Effective marginal tax rates for most Americans drop 15–25 %. Result: people work harder, start businesses, and take risks — because the floor can't fall out.
2. **Population Growth Engine** \$3,000/month removes the money fear from family decisions. South Korea's 2023–2025 cash-transfer pilots showed +18 % fertility when women felt financially safe. U.S. births rebound from 3.6 million (2025) to 4.2–4.4 million per year by 2035. That fixes the Social Security worker-to-retiree ratio collapse and ends the “demographic time bomb” argument forever.
3. **Corporate ROI Acceleration** FAANG Corporations pay the 0.054 ¢ fee — but get a thriving middle class that spends \$1.6 trillion extra every year. Demand surge + zero social unrest + faster automation adoption = corporate profits rise 8–14 % long-term (McKinsey 2025 simulation). They pay a FAT nickel, we give them customers.

Appendix F: Ohio Pilot Program - Suggested

Why Ohio

Ohio represents an ideal proof-of-concept state for Stability Capitalism. It has a diverse economy spanning healthcare, manufacturing, finance, logistics, and agriculture. It is politically competitive, meaning success here carries credibility across party lines. And it is already experiencing the early effects of the Automation Cliff, with significant layoffs in sectors adopting AI fastest.

Ohio by the Numbers

Metric	Value
Working-age adults (18–66)	Approximately 7.2 million
Estimated eligible recipients (under \$75,000 household income)	Approximately 3.2 million
Monthly dividend cost (at \$3,000/month)	\$9.6 billion/month
Annual dividend cost	\$115.2 billion
Major AI-adopting sectors	Healthcare (OhioHealth, Cleveland Clinic), Finance (JPMorgan Chase Columbus hub), Retail/Logistics (Kroger, Amazon fulfillment)

Pilot Structure Options

Option	Description
Option A: Sector-Limited Pilot	Limit initial rollout to workers displaced from specific industries (healthcare administration, financial services, logistics)
Option B: Regional Pilot	Limit to specific metro areas with high AI-adoption concentration (Columbus, Cleveland, Cincinnati)
Option C: Income-Tiered Pilot	Begin with households under \$50,000, expand to \$75,000 threshold in Year 2

Funding Pathway for State Pilot

Source	Mechanism
State-Level Inference Fee	Ohio mandates 0.054 cent fee on AI inferences processed by Ohio-based businesses, collected via state tax authority
Federal Pass-Through	Ohio participates as early adopter in federal program, receives proportional fund allocation
Voluntary Employer MOU	Major Ohio employers (OhioHealth, Nationwide, Progressive) participate voluntarily in exchange for PR credit and regulatory goodwill

Implementation Timeline (12 Months)

Phase	Timeframe	Action
Phase 1	Months 1–3	Governor's executive order establishes pilot framework; Treasury liaison appointed; employer MOUs negotiated
Phase 2	Months 4–6	State legislature passes enabling legislation; Ohio Department of Taxation builds collection mechanism
Phase 3	Months 7–9	Pilot launches with first eligible recipients; monthly disbursements begin
Phase 4	Months 10–12	Evaluation and reporting; success metrics published; federal scaling recommendations issued

Success Metrics

Metric	Target
Recipient enrollment rate	85% of eligible population within 6 months
Economic stability (reduced bankruptcy filings, foreclosures)	15–20% reduction in pilot regions
Local spending velocity	Measurable increase in retail and service sector revenue
Workforce transition outcomes	Improved reemployment rates and wage recovery for displaced workers
Public approval	60%+ support in post-pilot polling

Political Pathway

- Ohio's current political leadership and 2026 election cycle create a window for bipartisan action. The pilot can be framed as:
- For conservatives: Market-based, no new taxes, reduces dependency on federal safety nets
- For progressives: Direct support for working people and their families, addresses inequality
- For business: Predictable, stable consumer base; avoids worse regulatory alternatives

Why States Can Move First

If federal implementation stalls, Ohio (or any state) can act independently using state tax authority over businesses operating within its borders. This mirrors how states led on minimum wage, paid leave, and cannabis policy before federal action. A successful Ohio pilot creates pressure for national adoption and provides a tested model for other states to follow.

Appendix G: Top 20 Jobs & Pay Estimates Under Stability Capitalism

Priorities will shift with more focus on human interaction, physical skills and nature. There is no sure way to determine that these are the jobs of the future, but modelling efforts have revealed these could be in the top 20.

Stability Capitalism: The AI Dividend that Prevents the Automation Cliff

Rank	Job (2035 title)	Annual Pay (2035 USD)	Prestige Tier	Why It Wins
1	Mastery Mentor (1:1 human development)	\$320k-\$600k	God-tier	Replaces therapists + executive coaches combined
2	Family Companion (non-medical elder/child care)	\$180k-\$350k	Top 5%	Human touch + trust = priceless
3	Live Experience Creator (immersive theater, ritual, festivals)	\$250k-\$1M+	Cultural royalty	Only humans create real presence
4	Somatic / Longevity Clinician (breathwork, biohacking, sleep)	\$280k-\$550k	New doctor class	Everyone wants 120 healthy years
5	Permaculture Land Steward (large estate or community)	\$200k-\$400k	Modern nobility	Land + food = ultimate status
6	Neighborhood Physician (concierge micro-clinic)	\$300k-\$500k	Elite again	Personalized human care beats tele-AI
7	Trade Master (plumbing, electrical, building)	\$180k-\$350k	Respected artisan	Physical world still breaks
8	Grief & Transition Doula	\$160k-\$300k	Sacred role	Dividend = people finally process life
9	Indie World Builder (VR + real-world hybrid spaces)	\$200k-\$800k	New rockstar	Creates shared mythologies
10	Community Weaver / Ward Captain	\$140k-\$280k	Civic hero	Runs the new micro-democracies
11	Artisan Food Producer (small-batch, terroir)	\$150k-\$400k	Luxury brand	Real food = flex
12	Restoration Ecologist (rewilding projects)	\$180k-\$320k	Guardian class	Healing the planet = moral high ground
13	Children's Rite-of-Passage Guide	\$160k-\$280k	Cultural elder	Replaces hollow graduations
14	Tiny-Home / ADU Designer-Builder	\$200k-\$400k	Freedom architect	Dividend holders want their own space
15	Local Storykeeper / Historian	\$120k-\$250k	Memory keeper	People pay to remember who they are
16	Conflict Mediator (neighborhood/divorce/business)	\$180k-\$300k	Peace broker	Less money stress = more relationship stress
17	Urban Farmer (rooftop / vertical)	\$140k-\$280k	Food sovereign	City wants real tomatoes
18	Breathwork / Movement Ceremony Leader	\$150k-\$320k	Spiritual elite	Bodies become temples again
19	Apprenticeship Master (any trade)	\$160k-\$300k	Guild leader	Knowledge transmission = power
20	Death Doula / Legacy Designer	\$140k-\$260k	Final rite	People finally prepare instead of panic

- **Average pay for top 20:** \$260k/yr (vs ~\$180k for top corporate roles today)
- **Prestige inversion:** Caring, making, teaching, and healing has a higher prestige over coding, managing, and finance today
- **New aristocracy:** People who work with hands, hearts, land, and presence

Appendix H: Frequently Asked Questions

This appendix addresses the most common questions, misconceptions, and edge-case concerns raised by policymakers, economists, technologists, and the general public. It is designed as a technical but accessible supplement to the main Stability Capitalism framework.

1. Why \$3,000 per month? Why not \$1,000 or \$5,000?

Because \$3,000 is the minimum level that delivers **true psychological and economic stability** in modern America.

Analysis from MIT, Pew, and RAND shows this threshold:

- prevents 85–92% of financial collapses
- closes the “fear gap” for the majority of households
- aligns with median rent + food + utilities in most U.S. counties
- reverses declining birth rates (based on Alaska, Kenya UBI, and South Korea cash studies)

Below \$3,000, stress-induced poverty returns.

Above \$3,000, costs increase sharply without meaningful gains.

Stability occurs at \$3,000. That is why it is the floor.

2. Why not fund this with a robot tax or income tax on corporations?

Because those taxes:

- slow innovation
- are easy to evade
- trigger offshoring
- increase political resistance

The **0.054¢ inference fee** is:

- tiny
- automatic
- impossible to evade
- innovation-neutral
- collected at U.S. cloud endpoints
- directly tied to the AI activity causing the disruption

It is the cleanest, least distortive, highest-yield mechanism available.

3. What if AI adoption slows and inference volume drops?

Then the fee automatically adjusts upward, exactly the way:

- Social Security payroll taxes adjust
- COLA adjusts
- Medicare funding adjusts

If AI compute slows, the fee becomes a *slightly heavier lift* on a smaller activity base — still far cheaper than corporate taxes or payroll taxes.

If AI adoption *accelerates* (the more likely outcome), the fee can be lowered or surpluses invested.

4. What if AI adoption accelerates dramatically?

Then:

1. Dividend becomes cheaper to fund
2. Surpluses accumulate in the sovereign fund
3. The long-term return compounds faster
4. The system transitions to a single-fund model earlier

The more productive AI gets, the more secure human households become.

5. Why inference instead of revenue or profit?

Inference volume is:

- measurable
- auditable
- tied to actual AI usage
- impossible for corporations to game

Revenue-based or profit-based taxes are:

- vulnerable to accounting manipulation
- jurisdictional arbitrage
- global profit-shifting
- complex to enforce

Inference is physics.

Inference doesn't lie.

6. How do you prevent corporations from evading the fee?

They can't.

The fee is collected:

- upstream
- automatically
- at the U.S. cloud endpoint
- identical to how digital services taxes are already collected in 15+ countries

AWS, Azure, Google, NVIDIA, OpenAI, Anthropic, xAI — all must comply to operate in the U.S. No compliance = no access to the U.S. market.

This is not voluntary.

7. What prevents fraud in the dividend payout?

Same controls used for:

- stimulus check distribution
- Social Security benefits
- IRS refund disbursements

Eligibility is verified by:

- SSN
- IRS income records
- Treasury identity-matching

No new bureaucracy, no new ID system.

8. Will this cause landlords to raise rents?

Without housing reform, yes — 3–10%.

With the *Land Value Tax + YIMBY + rent cap + AI construction* package:

- rent capture drops 40–60%
- price spikes shrink to 1–2%
- supply increases by 500,000–1,000,000 units

This is the ONLY channel through which inflation could emerge, and the framework directly neutralizes it.

9. Will people stop working?

No. Every UBI-like pilot ever run shows:

- No reduction in work
- Increase in entrepreneurship
- Increase in upskilling
- Increase in caregiving and community activity

Stability improves productivity.

Fear suppresses it.

10. Why not give the dividend to everyone, including high-income individuals?

Because:

- it wastes money
- increases political resistance
- increases fraud surface
- adds no psychological-safety benefit

Phasing out between \$75k and \$110k preserves incentives and protects the budget.

11. Does this cause inflation?

Historical data says no.

Every major cash-transfer program shows:

- Alaska PFD → 0.0–0.3% CPI impact
- Kenya UBI trials → no inflation
- Stockton SEED → no inflation
- Iran UBI → no inflation

Inflation only appears in **housing-constrained metros**, which the companion package fixes.

12. How does COLA work?

The same way Social Security COLA works:

- If SS increases 3%, the Dividend increases 3%.
- If inflation is unusually high, the inference fee automatically adjusts upward to maintain purchasing power.

People never lose ground.

13. What happens in a recession?

AI inference doesn't fall during recessions — it increases.

Automation accelerates when companies cut labor costs.

This means:

- the fund remains stable
- inference-fee revenue grows
- dividends continue uninterrupted

The AI Dividend is *countercyclical* — it stabilizes recessions.

14. What about legal permanent residents (Green Card holders)?

They:

- continue to pay into Social Security
- continue to receive Social Security
- do not receive the AI Dividend until they naturalize
- are protected in the Senior Security Fund
- remain fully eligible for retirement income at 67+

No one falls through the cracks.

15. What if people “waste the money”?

Empirical research shows:

- lower addiction
- lower crime

- higher savings
- higher entrepreneurship
- better health outcomes
- more stable family formation

People do not waste stability. They build from it.

16. How does this compare to UBI?

Stability Capitalism is:

- targeted
- more affordable
- politically viable
- innovation-neutral
- tied to the source of disruption
- automatically inflation-adjusted
- integrated with Social Security

It fixes UBI's weaknesses while preserving its strengths.

17. Is this really capitalism?

Yes. It is *capitalism with a stability layer*, not socialism.

- No new taxes
- No redistribution from workers
- No wealth seizure
- No nationalization
- No disincentive to work
- No government ownership

It converts automation productivity into human stability — using the market itself.

18. What happens if the U.S. does nothing?

The projections are clear:

- \$15–25 trillion GDP loss (RAND, CBO)
- 85–140 million jobs disrupted (WEF, McKinsey)
- 2–5 Gini rise (IMF)
- 20–30 years of stagnation
- collapse in birth rates
- Social Security insolvency
- 20–30% rise in homelessness
- political instability

Stability Capitalism is cheaper than the alternative. Much cheaper.

19. How is this fair to people who earn more than \$110,000?

They:

- keep all their income
- pay zero new taxes
- benefit from a stable society
- benefit from depressed crime rates
- benefit from stabilized housing
- benefit from increased consumer demand
- benefit from a more productive workforce

Everyone wins.

20. What happens by 2045 when the system converges?

The two-fund system merges into a **single national stability fund** with:

- \$7–10 trillion in sovereign wealth
- fully funded retiree benefits
- permanent dividend funding
- no payroll tax burden
- fully automated administration

It becomes the first fully self-funding social-stability system in U.S. history.

Appendix I: Stability Capitalism, Simple Breakdown (For Regular People)

When machines take jobs, machines pay the rent.

What You Get

- \$3,000 per month, tax-free
- Direct-deposited into your checking account
- Every month
- Ages 18–66, if you individually earn ≤\$75,000
- Phases out gradually to \$0 at \$110,000
- Seniors keep all Social Security
- Seniors below \$3,000/month get topped up

How It Works (In Plain English)

- Big companies use AI millions of times a day
- Each AI “task” costs them almost nothing
- We add a tiny fee: 0.054 cents per AI task
- That's \$0.00054
- Less than 1/20th of a penny
- Companies never notice it
- Because AI is used trillions of times a year...
 - It adds up to \$1.6 trillion in revenue
 - Enough to fund every American's monthly income

Who Pays for It?

- NOT you
- NOT workers
- NOT small businesses
- NOT your taxes
- NOT the federal budget

Only big tech + big corporations :

- Amazon AWS
- Microsoft Azure
- Google Cloud
- NVIDIA
- OpenAI
- Anthropic
- xAI

Why This Matters

- AI is already replacing jobs
- Layoffs are accelerating
- People need stability during the transition
- Rent, food, and life keep getting more expensive

What You Can Do With It

- Pay rent
- Cover bills
- Buy groceries
- Save for emergencies
- Go back to school
- Start a small business
- Take care of kids or aging parents
- Get out of debt
- Move to safer housing

What It's NOT

- Not socialism
- Not welfare
- Not a handout
- Not taken from your paycheck
- Not a tax increase
- Not replacing work

Why It's Guaranteed to Work

- Alaska has done something similar for 40 years
- UBI trials show people still work
- Inflation stays low when housing is protected
- Cloud tech already supports this type of billing
- The U.S. has full legal authority to enforce it
- This is simple, modern, and fair.

Bottom Line

\$3,000/month for every working-age American.

No new taxes, No debt, No BS. Just a tiny slice of AI profits funding human stability.

Appendix J: Glossary & Technical Definitions

AI Inference

A single request made to an AI model (e.g., a text query, image generation, classification). The Stability Capitalism fee applies only to **commercial** inferences executed via cloud APIs.

Commercial AI Inference

Any AI computation performed by a business, institution, or organization through cloud platforms (AWS, Azure, Google, NVIDIA, OpenAI, Anthropic, xAI) for operational, analytical, or productive use.

Fat Nickel (0.054¢ Fee)

A microscopic fee of **0.054 cents (\$0.00054)** charged per commercial inference. This funds the entire dividend without raising taxes.

Stability Capitalism

A modern economic framework that converts machine productivity into human stability through an AI inference-based dividend.

Psychological Safety

A state where individuals feel secure enough to plan, work, create, and take risks without fear of immediate collapse.

Sovereign Stability Fund

A national investment fund (similar to Finland's VER or Norway's GPFG) where surpluses are invested to grow long-term financial stability.

Two-Fund Architecture

Fund A: Dividend for ages 18–66

Fund B: Senior Security Fund preserving all current Social Security promises.

Phase-Out Range

The dividend decreases gradually from \$75k to \$110k individual income. Earn more → keep more.

COLA

Cost-of-Living Adjustment. Used to automatically increase the dividend each year.

Land Value Tax (LVT)

A tax on the unimproved value of land to reduce rent inflation and encourage construction.

YIMBY Reform

Zoning reforms that accelerate homebuilding in high-demand areas.

Appendix K: Modeling Assumptions

These assumptions underpin the cost, revenue, and demographic projections used throughout the report. They are grounded in publicly available data from CBO, RAND, IMF, Pew, WEF, OECD, and the U.S. Census Bureau.

Population & Demographics

- U.S. adult population (2026): **260M**
- Income eligibility ($\leq \$75k$ individual income): **~45–60%**, depending on model
- Birth-rate elasticity: **0.4–0.8** response per 10% income increase (South Korea Jales & Kang 2021; Alaska PFD; Kenya UBI trials)

Dividend Participation

- Effective recipients (Hybrid Model): **225–235M** (includes full recipients under \$75K, seniors receiving the top-up, working-age SSI/SSDI recipients transitioning to Fund A, and partial recipients in the \$75K–\$110K phase-out range)
- Psychological safety threshold: **\$3,000/mo**

AI Inference Volume

- 2026 commercial inference projections: **3.1 trillion**
- Annual inference growth: **22–28%**
- Fee sensitivity: $0.054\text{¢} \rightarrow \text{total revenue} = \$1.62T$

Note: Appendix L contains the full math and audit logic.

Economic Elasticities

- Marginal propensity to consume (bottom 60%): **0.82–0.92**
- GDP multiplier on unconditional income: **1.3–1.5**
- Expected GDP boost: **1.5–2.1% per year**

Health & Crime Impacts

- Stress-related medical cost elasticity: **0.28**
- Crime elasticity relative to economic stability: **0.10–0.20**

Inflation Assumptions

- Baseline CPI: **2.2–2.5%**
- Housing inflation risk without LVT/YIMBY: **3–10%**
- With reforms: **1–2%**

Fund Return Assumptions

- Sovereign fund real return: **6–8% (conservative)**
- Long-term value by 2040: **\$7–10T**

Appendix L: Inference Methodology & Revenue Projections

This appendix summarizes the core definitions, math, auditability, and long-term revenue forecasts used throughout the Stability Capitalism model.

1. Definition of Chargeable Inference

Only **commercial cloud-based AI inferences** are subject to the fee — identical to how digital services taxes already work in 15+ countries.

Included

- LLM text completions
- Vision model evaluations
- Multimodal reasoning queries
- Embedding generation
- AI agent tools (planner / router / evaluator calls)
- Speech-to-text and text-to-speech
- Model fine-tuning and supervised runs
- GPU-accelerated AI inference of any kind

Excluded

- consumer inference (iPhone, laptop, offline devices)
- personal hobby projects under a minimal threshold
- education

This ensures **only corporate, revenue-generating AI usage** is charged.

2. Fee Math — The “Fat Nickel” Baseline

Fee:

0.054¢ per inference = \$0.00054

Formula:

Annual Revenue = Inference Volume × \$0.00054

2026 Example:

3.1 trillion inferences × \$0.00054 = \$1.674 trillion

Rounded conservatively → **\$1.62 trillion**

Why conservative rounding?

- Protects against volatility
- Prevents political “overcharging” narratives
- Keeps the fund solvent under worst-case variance

3. Growth Projections (Base Case)

AI inference growth is **exponential**, not linear.

Projected U.S. commercial inference calls:

Year	Inference Volume	Required Fee to Sustain \$3k Dividend
2026	3.1T	0.054¢
2027	4.0T	0.051¢
2028	5.2T	0.049¢
2029	6.7T	0.047¢
2030	8.6T	0.045¢
2040	25–32T	0.039¢

Conclusion:

The fee naturally **falls over time** as usage rises — meaning businesses pay *less* as AI accelerates.

4. Auditability (Tamper-Proof and Automatic)

Every inference generates a verifiable compute receipt with:

- Timestamp
- Model ID
- Cloud provider ID
- Inference type
- Compute unit measurement
- Hash for validation

These records already exist inside AWS, Azure, GCP, NVIDIA, OpenAI, Anthropic, and xAI.

They flow into a **tamper-resistant public ledger** (non-crypto, non-custodial). No new technology required.

5. Global Compatibility

The inference-fee methodology aligns with:

- **EU AI Act** — compute measurement + reporting requirements
- **OECD Pillar 1 & 2** — digital-services tax frameworks
- **ISO/IEC 42001** — AI governance standards

This ensures the model can be adopted globally with minor adjustments.

6. The “Thin Dime” Scenario (Higher Fee, Lower Risk)

This scenario uses:

0.09¢ per inference = \$0.0009

(a thin dime)

Purpose:

- Stress test resilience
- Provide redundancy for early years
- Create *surplus capital* for the sovereign wealth fund

Revenue Under Thin Dime

Year	Inference Volume	Thin Dime Revenue (0.09¢)
2026	3.1T	\$2.79T
2027	4.0T	\$3.6T
2028	5.2T	\$4.68T
2029	6.7T	\$6.03T
2030	8.6T	\$7.74T

Why Keep Thin Dime as a Backup Option

- Ensures near-zero probability of shortfall
- Creates a massive sovereign fund faster
- Supports Medicare + healthcare modernization
- Allows the U.S. to drop the rate later (political win)

Positioning the Thin Dime Politically

- Never needed for the core dividend
- Exists only for surplus safety margin
- Can be phased out once inference volume stabilizes

Fat Nickel = default

Thin Dime = optional safety throttle

7. Key Takeaways (summary)

- **Only commercial AI usage is charged.**
- Fat Nickel (0.054¢) funds the entire dividend reliably.
- Thin Dime (0.09¢) creates massive surplus for long-term national wealth.
- Inference fees are:
 - ✓ automatic
 - ✓ unavoidable
 - ✓ innovation-neutral
 - ✓ tiny compared to cloud margins
- The fee declines over time as AI usage grows.
- Auditability is built in , no new tech needed.
- The method is globally interoperable.

Appendix M: Birth-Rate Evidence & Fertility Literature Review

This appendix provides the empirical grounding for Stability Capitalism's projection of **+15% birth-rate growth**, which is critical for Social Security solvency.

1. Alaska Permanent Fund (1982–2024)

Findings:

- Slight but measurable increases in births during high-dividend years
- Positive correlation between predictable cash transfers and family formation
- No inflation spike

Source: Jones & Marinescu, NBER.

2. South Korea Baby Bonus Programs (2001–2015)

- Peer-reviewed study (Jales & Kang, 2021):
- 3% total fertility rate increase
- 450,000 additional births over baseline
- 10% increase in cash → 0.4–0.6% fertility increase
- Strongest effects among low- and middle-income households

This is the closest analog to the U.S. model.

3. Kenya Basic Income Trials (GiveDirectly)

Results:

- +12% household formation
- +20% increase in small-business creation
- Higher marriage rates
- Improved long-term stability for children

While culturally different, the psychological safety effect is universal.

4. Iran's Universal Cash Program (2011–present)

Findings:

- No inflation spike
- Small increases in birth rates despite political/economic instability
- Higher household stability

5. U.S. Child Tax Credit Expansion (2021)

Findings:

- 26% reduction in child poverty
- Highest birth intentions in 15 years
- Strongest effects among young adults (18–29)

6. Combined Projection for Stability Capitalism

- Using cross-model elasticities:
- +15% birth-rate increase (baseline)
- Range: **+7.5% (conservative) to +21% (upper bound)**
- Annual births rise from **3.6M → 4.2–4.4M** by 2035
- Worker-to-retiree ratio stabilizes at **2.4–2.6:1**, preventing Social Security collapse

Appendix N: Cloud Provider Margin Analysis

This paper references two different margin metrics for cloud providers. Understanding the distinction is critical for policy analysis.

Gross Margin vs. Operating Margin

- **Gross Margin (55–68%):** Revenue minus cost of goods sold (COGS). For cloud providers, COGS includes data center operations, power, cooling, and direct infrastructure costs. AWS does not report gross margin separately, but analyst estimates place it at 60–68% based on comparable providers. Microsoft Cloud reports 72% gross margin (Q4 2023). Digital Ocean, a smaller provider, reports 65% gross margin.
- **Operating Margin (30–40%):** Revenue minus all operating expenses (COGS + R&D + sales + administration). This is what cloud providers publicly report. AWS operating margin has ranged from 30% to 38% (2023–2025), with Q3 2024 reaching 38%—the highest since 2014. Q2 2025 dropped to 32.9% due to AI infrastructure investments.

AWS Operating Margin History (Publicly Reported)

Period	Operating Margin	Source
Q1 2024	37.6%	CNBC
Q3 2024	38.0%	CNBC
Q2 2025	32.9%	GeekWire

Why This Matters for Policy

The 0.054¢ per inference fee represents approximately 0.05% of gross margin—an economically invisible cost that cannot justify price increases or market exit. Even using the more conservative operating margin (30–40%), the fee remains negligible: less than 0.15% of operating income.

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