My partner and I negate the resolution “Resolved: To alleviate income inequality in the United States, increased spending on public infrastructure should be prioritized over increased spending on means-tested welfare programs.”

To clarify the round, we provide the following definitions from Merriam-Webster’s Dictionary. “Prioritize” is defined as “to organize things so that the most important thing is done or dealt with first.” “Alleviate” as “to make (something) less painful, difficult, or severe.” Finally, a “means test” is “a process done to find out the amount of money a person has in order to see if that person qualifies for government assistance.”

Observation 1: Alleviating something does not necessarily mean stopping it entirely. If the negative can prove that means tested welfare programs reduce the burden that income inequality places on families, this would fit the definition of “alleviate” and we should win the debate.

**Contention 1: Means-tested welfare programs soften the effects of income inequality.**

In order to alleviate income inequality, we need to make the effects on low-income individuals less severe. The most prominent effect of income inequality is poverty, the generally decreased quality of life caused by low levels of wealth. Thankfully, means-tested welfare programs have been shown to be very effective in reducing poverty. The Center for Budget and Policy Priorities explains that:

**In 2011 [alone], means-tested benefits lifted 19.7 million people above the poverty line, including 8.5 million children.[**5] (See Appendix Table 2 for state-by-state figures.) **Medicaid and CHIP provided health insurance to 66 million Americans** during 2010 — roughly 32 million children, 18 million parents, 10 million people with disabilities, and 6 million seniors. Medicaid and CHIP have greatly reduced the numbers of uninsured children and now provide coverage to most low-income children. Due to Medicaid and CHIP, children are much less likely than non-elderly adults to be uninsured. Some 9.4 percent of children were uninsured in 2011, compared to 21.2 percent of non-elderly adults.[6] To be sure, some critics question the effects of safety net programs on individual behavior, such as work effort, and how that affects poverty. Several of the leading researchers in the field have conducted a comprehensive review of the available research and data on how safety net programs affect poverty, and the National Bureau of Economic Research (NBER) has published their results. They found that, after accounting for what the research finds to be modest overall behavioral effects, **[overall] the safety net lowers the poverty rate by about 14 percentage points.** In other words, one of every seven Americans would be poor without the safety net but is above the poverty line because of it. **That translates into more than 40 million people.**

So clearly, means-tested welfare programs can work at reducing poverty. But there is still more work to be done, and this is where increased welfare spending can be prioritized. One example of inadequate funding is in education programs. The Department of Education reports that 40% of low-income schools don’t get a fair share of state and local education funds. Where we currently lack in means-tested spending, we should prioritize an increase.

**Contention 2: Infrastructure Spending Exacerbates Income Inequality**

Subpoint A: Filter

An important nuance to remember when evaluating the resolution is the difference between raising incomes and decreasing income inequality. Just because the incomes of working class people increases does not mean that the overall gap between incomes would be reduced.

When it comes to infrastructure spending, it is often true that infrastructure projects provide decent jobs to otherwise low-income workers. But infrastructure spending also increases the income of people whose income was already higher to begin with. For instance, the executives and shareholders of construction companies reap profits from public works projects. For these reasons, infrastructure spending has been shown to increase income inequality in the past. A 2012 study from the University of Washington finds that:

**Since private capital is unequally distributed in the economy,** capital-**rich [individuals]** agents **experience a larger increase in their income from** capital **[infrastructure] investment than do** capital**-poor [individuals]** agents. **Wealth inequality therefore increases**

It’s easy to conceptualize this economic principle as a sort of filter. Infrastructure spending does provide some benefits to working-class people, but all of these benefits are first filtered through the wealthy owners the companies receiving the infrastructure investment, who reap the benefits of profit. Because of this filter, income inequality only increases.

On the other hand, means-tested welfare programs do not have this filter. All the benefits of welfare spending go directly to those who need them. Therefore, means-tested welfare spending is a better-designed system to alleviate income inequality.

Subpoint B: Gentrification

Overview: [Richard Florida, 09/02/15, CityLab, <http://www.citylab.com/housing/2015/09/the-role-of-public-investment-in-gentrification/403324/>]

But **a**[**comprehensive review**](http://www.frbsf.org/community-development/publications/working-papers/2015/august/gentrification-displacement-role-of-public-investment/)**of gentrification research** by researchers **at** the University of California **Berkeley and UCLA,** published by the Federal Reserve of San Francisco, **helps us** better **understand the real underlying drivers of gentrification.** While the location choices of advantaged groups provide its immediate impetus, **gentrification—and the actions of these very groups—is** also **shaped by large-scale government policies and public investments.**

Transit: [Richard Florida, 09/02/15, CityLab, <http://www.citylab.com/housing/2015/09/the-role-of-public-investment-in-gentrification/403324/>]

**The largest, most important, and most obvious example is transit**—subways, light-rail, buses, and other forms of urban mass transit—which the study dubs “transit-induced gentrification.” It is no secret that **affluent people in large, dense, congested metros are drawn to transit hubs**. **Numerous studies have examined the clustering of advantaged groups and neighborhood transformation taking place along subway lines, cable cars, light rail stations, and along rail lines** out to the older suburbs surrounding large cities. Reviewing a large body of research on the effect of rail transit on property values, the San Francisco Fed study does find evidence of a small to modest premium for properties located near rail stations….

Education: **transit is not the only kind of public investment that can help spur gentrification. Schools are another obvious one.** Along with crime, the perception, and in many cases the reality, of lower quality schools has long driven middle-class families out of cities. **More advantaged groups are attracted to investments and improvements in public schools, including the creation of new charter and magnet schools**. As they migrate back to urban neighborhoods, **these groups in turn create increased political pressure for additional investments in local schools.**

Impact: [Dedrick Muhammad, Director of the Racial Wealth Divide Initiative, Huffington Post, 01/29/14, <http://www.huffingtonpost.com/dedrick-muhammad/must-end-gentrification-t_b_4687167.html>]

As President Obama noted in his State of the Union address, **economic inequality** has **reached an epic height** in our nation, shutting the doors of opportunity for millions of Americans. In urban centers **we see this growing inequality through gentrification**. Too often **the “development” of urban centers means the displacement of low and moderate-income long-time residents and new housing and amenities for the rich. A first step in ending the growing economic inequality, which is deeply tied to ongoing racial inequality, is to stop this displacement**.

**The corrosive effect of gentrification can be found throughout the nation** even in the “liberal” whitest city of America Portland, Oregon. Portland is known internationally as a leader in urban design with many boasting of its bike-friendly streets, accessible 20-minute neighborhoods and quaint local business culture. In fact, this year, Portland was named the best U.S. city by the real estate company, Movato.

Unbeknownst to many, however, Portland is also a case study in gentrification, a glaring reminder that **urban economic disparities will persist as long as the structural inequalities of our economy remain.**

**Contention 3: Early Childhood Education**

Solving income inequality will require breaking the cycle of poverty. This requires breaking low income children out of the chains that currently hold them down. The problem is that in the status quo, low income children don’t receive enough early education to achieve this. In fact, according to the National Poverty Center in September 2013,

**“about half of the inequality in** the present value of **lifetime earnings is due to factors determined by age 18.”** He writes that **early interventions such as high-quality preschool** (along the lines of the Perry Preschool or Abecedarian program) **have more positive effects, higher cost-benefit ratios and much higher economic returns [than] later interventions** such as reduced student-teacher ratios and education and training programs for adults.

One for the inequality we currently face is that current means-tested early childhood programs don’t have enough resources. Arthur Rolnick and Rob Grunewald of the Federal Reserve Bank of Minneapolis cite in 2007 that

". . . **recent studies suggest that** one critical form of education, **early childhood development,** or ECD, **is grossly under-funded. However, if properly funded** and managed, investment in ECD **[it] yields an extraordinary return,** far exceeding the return on most investments, private or public. . . . **In the future any proposed economic development list should have early childhood development at the top."**

Programs such as Head Start and Early Head Start offer a lasting solution to income inequality. Experts in the field recognize this fact. Katherine Newman, a professor of sociology and public affairs at Princeton University, explains that

**“**Universal **high-quality early childhood education is the single most powerful investment we could make in ensuring poverty doesn't strike the next generation,"**

Many of these benefits are long term, but early-childhood education provides short term return on investment in terms of alleviation as well. According to a 2015 review of studies by the National Bureau for Economic Research:

**[means-tested early childhood programs] caused a 56% increase in the high school graduation** for females **and a 29% increase in employment** at age 40 for males**. Other beneficial e↵ects include criminal activity,** employment**, health behavior, and welfare take-up.**

In order to stop income inequality in the long term, we have to start with our children. Early childhood development proves to be the most effective way to raise the capabilities of these children from school to work, but it doesn’t currently have the means to do that. We should prioritize it now and break the cycle of poverty.