





# CIE Economics AS-level

## Topic 3: Government Microeconomic Intervention

### **d) Transfer payments**

Notes



-  These are welfare payments from the government. They aim to provide a minimum standard of living for those on low incomes.
-  No goods or services are exchanged for transfer payments.
-  Examples of transfer payments in the UK include:
  - Job Seeker's Allowance
  - Income Support
  - Child benefit
  - The state pension
-  These are in place to ensure people have a basic standard of living and to help reduce the level of inequality in society. Transfer payments are a means for the government to redistribute income from the rich to the poor.

