

Guaranteed Income Improves Physical & Psychological Health

What Happened

Over a two-year period (Feb. 2019 - 2021), 131 (125 primary recipients and 6 alternates) Stockton, CA residents living in Census Tracts at or below the city's median household income (\$46,033) received \$500 per month — no strings attached, as part of a guaranteed income initiative. In order to evaluate the impacts of the monthly payments on health and financial wellbeing, a mixed-methods study was conducted that included 200 control participants who did not receive a guaranteed income as part of the study.

Who Was Involved

The [Stockton Economic Empowerment Demonstration \(SEED\)](#) was a philanthropically-funded initiative led by Michael Tubbs, the former mayor of Stockton. Led by Drs. Amy Castro and Stacia West, the evaluation was supported by two grants from the Robert Wood Johnson Foundation's [Evidence for Action](#) Program. Participants in the pilot were residents of the city of Stockton.

The Key Takeaways*

- Guaranteed income did not cause people to leave the workforce, instead it led to shifts from unemployed to employed. This trend of maintained employment continued throughout the study.
- Recipients used the funds to manage risk by supporting themselves and their networks, particularly during the pandemic.
- Prior to the pandemic, people who received monthly guaranteed income payments had improved psychological health and experienced less month-to-month income volatility.
- Guaranteed income payments led to improved health prior to and during the pandemic.
- Guaranteed income led to increased self-determination and agency, as well as a higher capacity for risk-taking.

* West, S. & Castro, A. (2023). Impact of Guaranteed Income on Health, Finances, and Agency: Findings from the Stockton Randomized Controlled Trial. *Journal of Urban Health*; ePub ahead of print. <https://doi.org/10.1007/s11524-023-00723-0>.

Why It's Important

Guaranteed income has been posited as one way to increase financial security and economic wellbeing for individuals and families. In both historical and international contexts, providing unconditional cash has been linked to improved health and wellbeing, as well as better financial security. Because of the negative health impacts linked to income and wealth inequality, the Robert Wood Johnson Foundation partnered with researchers to determine if a guaranteed income could promote health and wellbeing. This pilot study was the first to rigorously evaluate the impacts of guaranteed income cash payments on economic wellbeing and health, as well as employment and other outcomes.



Impacts of COVID-19

The COVID-19 pandemic, which started in the second year of the study, complicated the project in a number of ways including substantial changes to the employment and childcare landscape and government aid programs that also offered financial assistance to individuals. The first year of the study showed several significant positive impacts of cash payments to individuals. During year two of the study (and year one of the pandemic) while the findings didn't always remain statistically significant, the trends were still largely positive.

The Findings

Income Volatility: During the first, pre-pandemic, year of the study individuals receiving the cash payments had significantly lower income volatility, 19% compared to 26% for those in the control group. During the first year of the pandemic, income volatility was still lower for those receiving cash payments compared to those who weren't (22% compared to 25%), although it was no longer significantly significant.

Psychological Distress: Individuals receiving cash payments had lower levels of psychological distress during the first year of the study, but the effect dissipated during the pandemic or after the cash payments ended.

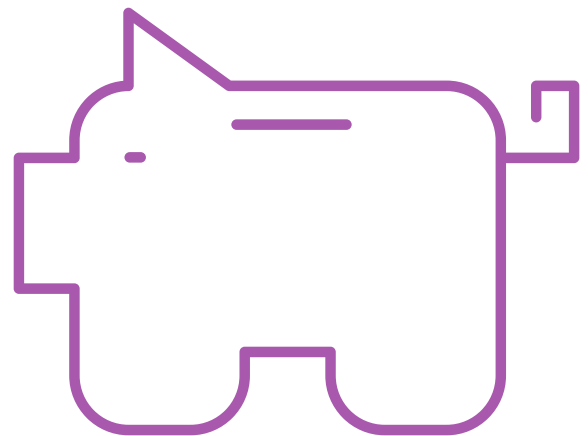


Mental & Physical Wellbeing: At the end of the first year, those receiving cash payments were significantly better off in five domains of mental and physical wellbeing, reporting having less bodily pain; more energy; better emotional wellbeing; improved ability to be productive and engaged in work and other activities; and better physical functioning. During the pandemic,

those receiving guaranteed income payments indicated better physical functioning. Once the cash payments stopped, mental and physical wellbeing became more similar between those who did and didn't receive cash payments.

Employment: This study demonstrated shifts from unemployment to employment (full time, part time, or as a caregiver) for those receiving cash payments prior to the start of the pandemic. While not statistically significant, this trend in employment continued during the second year of the study and beyond.

Other Outcomes: The \$500 in guaranteed income led to other positive outcomes. During the pre-pandemic year of the study, individuals receiving the guaranteed income payments reported a significantly increased capacity to handle an unexpected \$400 emergency. Monthly cash payments also altered the ways individuals evaluated risk – increasing self-determination and capacity for risk-taking around new educational and employment opportunities. Participants articulated how setting alternative pathways requires freedom and the ability to choose risks when outcomes are uncertain.



Findings around agency also exposed a lack of structural support for women and children that mirrors national trends, with limits to personal choice and gendered expectations of care work, which were amplified during the pandemic.

Participant Insights

The impacts of guaranteed income are best communicated by recipients of those funds. One participant, Kent, shared, “you can take so much risk... The only reason I got the internship was because of me taking the risk of having to quit a job before and knowing that I have that money.

I could sustain myself until this new opportunity came around, and I was able to take it.” Another recipient, Ann, who was caring for elderly parents and children, described how the \$500 effectively patched holes in the safety net pre-pandemic only to see the power of cash curtailed under the dual burden of COVID and care work saying, “You feel like Gumby in a way. You know, you’re just being pulled in so many different physical, and mental, and economic ways... I can’t be stretched any thinner... ‘how am I gonna survive?’”



More Information

Learn more about the findings, [read a recently published article in the Journal of Urban Health](#). For media or other inquiries, please contact Steph Chernitskiy at steph.chernitskiy@ucsf.edu.

Partner Organizations

About the Center for Guaranteed Income Research

The [Center for Guaranteed Income Research \(CGIR\)](#) is an applied research center specializing in cash-transfer research, evaluation, pilot design, and narrative change. We provide mixed-methods expertise in designing and executing empirical guaranteed income studies that work alongside the existing safety net. Headed by its Founding Directors, Drs. Amy Castro and Stacia West, CGIR's team led the design and research for SEED. CGIR is housed at the School of Social Policy & Practice at the University of Pennsylvania.

About SEED

The country's first mayor-led guaranteed income program launched by former Stockton Mayor Michael Tubbs, SEED distributed \$500 a month for 24 months. The cash was unconditional, with no strings attached and no work requirements. Recipients were randomly selected from neighborhoods at or below Stockton's median household income.

About Evidence for Action

[Evidence for Action \(E4A\)](#) is a national program of the Robert Wood Johnson Foundation, with direction and technical assistance provided by the University of California, San Francisco. Evidence for Action funds investigator-initiated research to build a culture of health that enables all members of society to lead healthier lives now and for generations to come. E4A grantees conduct innovative, rigorous research on the impact of programs, policies and practices on health and racial equity.

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