CASH RULES EVERYTHING AROUND ME:

AN OVERVIEW OF THE IMPACT OF GUARANTEED INCOME

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Guaranteed income has gained momentum as a potential solution to income inequality and poverty in the United States, with over 150 pilots in process or recently completed across the country (Economic Security Project, 2024). These programs deliver resources quickly and empower recipients to focus on their financial needs. This flexibility is not afforded to participants in other social safety net programs, which require recipients to perform certain actions (e.g., enroll in vocational training) or limit spending on certain goods (e.g., rental or food assistance programs). The principles underlying guaranteed income date back to the late 18th century, with figures ranging from Thomas Paine to Martin Luther King, Jr. and the Black Panther Party supporting the redistribution of shared wealth through cash transfers (Bidadanure, 2019).

CASH TRANSFER **MODELS**

Though the terms are often used interchangeably, **universal basic income** (UBI) refers to the provision of unconditional cash assistance to all people that is equal to the basic cost of living, while **guaranteed income** (GI) refers to the provision of unconditional cash transfers to targeted communities.[1] GI may not be sufficient to meet an individual's basic needs. While a number of GI pilots have been established following the COVID-19 pandemic, UBI has never been fully implemented as a federal program in the United States (Hasdell, 2020). The table below provides an overview of different models of cash transfers, including UBI and GI.

Table 1: Cash Transfer Models

Name	Who receives it?	What actions are required to receive it?	Individual or household?	Amount	Frequency of payments
Universal Basic Income (UBI)	Universal	No conditions	Individual	Same for everyone	Usually monthly (but could be yearly or weekly)
Guaranteed Income (GI)	Targeted	No conditions	Individual or household	Varies (amount that ensures an income floor for recipients)	Monthly
Negative Income Tax (NIT)	Targeted	No conditions	Household	Varies based on income & income cutoff	Annually
Earned Income Tax Credit (EITC)	Targeted	Conditional on employment	Household	Varies based on income & income cutoff	Annually
Child Tax Credit (CTC)	Targeted	Conditional on number of dependents claimed	Household	Varies based on number of dependents claimed	Annually

Source: Berger Gonzalez and Bidadanure, 2020, p. 7

[1] For example, the Chicago Resilient Communities Pilot targets city residents aged 18 and over who have household incomes of less than 250 percent of the federal poverty level.

CASH TRANSFER **MODELS**

Long before the current wave of policy experimentation, policymakers pioneered **negative income taxes** in the 1960s (Frank, 2006). Like UBI, the goal of a negative income tax is to guarantee a minimum level of resources for every individual or household; unlike UBI, the amount of assistance varies depending on the individual's other income sources (ASPE, 1983). Five negative income tax pilot programs were conducted in North America between 1968 and 1975. These experiments were the first major randomized controlled trials in social science research and provided early insights into the potential impacts of unconditional cash transfers on recipients (Levine et al., 2005, p. 95).

Originally created in 1975, the **Earned Income Tax Credit (EITC)** is one of the federal government's largest-scale poverty alleviation programs. Like a negative income tax, the EITC is targeted toward individuals whose incomes are below a specific threshold; unlike a negative income tax, the EITC requires that a recipient work and file a federal income tax return. Importantly, the tax credit is refundable, meaning that qualifying filers will receive cash from the IRS even if their federal income tax liability is zero. Although the design of the EITC differs from UBI and GI, the EITC provides an opportunity to explore the implications of a cash transfer program that has been fully integrated into the federal tax system (Maag et al., 2021).

The **Child Tax Credit (CTC**) is a federal program created in 1997 to help working parents with the costs of raising children. Like the EITC, the CTC decreases as household earnings increase and phases out at a maximum threshold. Historically, the CTC excluded caregivers with no earned income, required filing an income tax return, and was paid annually via the tax system (Neighly et al., 2022, p. 18). The American Rescue Plan Act of 2021 (ARPA) increased the CTC and expanded eligibility to mixed-immigration status families and families without income (Neighly et al., 2022, p. 19; IRS, 2021). In addition, ARPA changed the CTC to disburse funds monthly from July through December 2021 (although households could opt out of the new monthly payments if a lump sum payment was preferred). **During this six-month period, the CTC effectively served as a federal guaranteed income for families with children** (Goonan & Ruben, 2023).

STUDYING GUARANTEED **INCOME**

While there has been a proliferation of guaranteed income pilots across the United States in recent years, it is challenging to draw broad conclusions about the costs and benefits of these programs due to the various ways that pilots are designed. Measuring the impact of cash assistance requires a causal research design, best accomplished with a randomized controlled trial (RCT) or lottery where one is comparing the experiences of recipients to a comparison group, and many pilots did not identify such a group at their outset. Additionally, many pilots are small (usually less than 1,000 people in both treatment and control groups), which reduces confidence in conclusions drawn from these studies. Finally, many pilots rely exclusively on survey responses to understand participant experiences; this can be challenging if individuals in the comparison group do not respond to the survey at similar rates, as this introduces non-random selection or bias into the study. The flexibility of cash also makes it difficult to track and collect data for research, particularly on spending and consumption. As a result, any initial results need to be carefully interpreted. A number of RCTs examining the effectiveness of cash are underway, and we expect more robust research results in the near future.

This literature review will synthesize published findings from research evaluations of cash transfer programs within the United States, Canada, and Kenya, highlighting the impact that unconditional and conditional cash transfers have on employment, housing, education, financial stability, justice involvement, and health outcomes. Although each program and evaluation had unique features, the following studies were highlighted due to their larger sample sizes, the statistical significance of their results, and/or the rigor of their research design.

Since 2018, the Inclusive Economy Lab has supported the OpenResearch Unconditional income Study (ORUS), which released initial results in 2024. This study has several strengths: it was an RCT with a sample designed to be representative of the country's working population (participants were 21 to 40 years old) spread across rural, suburban, and urban regions of two different states (Texas and Illinois). Uniquely, the cash transfer amounts varied based on treatment ($1,000 per month for three years) and control group ($50 per month for three years), with control participants being unaware that they were assigned to the control group. ORUS saw high survey response rates regardless of treatment status, leading to high quality data. This program, implemented by two non-profit organizations in Illinois and Texas, provided the United States' first large-scale randomized trial of guaranteed income. Studies with smaller sample sizes or less rigorous research designs are highlighted if relevant for one of the outcome areas described above.

STUDYING GUARANTEED INCOME: **EMPLOYMENT**

Studies on unconditional cash transfers indicate that adverse effects on employment and the labor market earnings are limited.[2] While the negative income tax pilots described previously pointed toward small negative effects on labor supply (Eissa & Liebman, 1996; Price & Song, 2018), only one of the five pilots demonstrated a statistically significant reduction in employment (Marinescu, 2018; Burtless, 1986). Moreover, these studies relied primarily on survey and qualitative interview data (rather than administrative data) to measure outcomes and made multiple errors, which muddied key takeaways (Hausman & Wise, 1979; Greenberg & Halsey, 1983).[3] In the case of the Seattle/Denver Income Maintenance Experiments, self-reporting led to misreported income or hours worked, as recipients had incentive to underreport to maximize the amount of assistance received (ASPE, 1983).

The 2021 expansion of the CTC sparked further debate on the impact of unconditional cash transfers on workforce participation and labor supply. Corinth et al. (2021), using survey data linked with administrative tax and government data as part of the Comprehensive Income Dataset, estimated that the CTC expansion would prompt approximately 1.5 million workers (2.6 percent of working parents) to leave the workforce. However, Enriquez et al.'s (2023) study, using a difference-in-differences and triple-difference approach with Current Population Survey microdata, found no strong evidence of a labor supply response to the CTC expansion.

In 1996, the Eastern Band of Cherokee Indians began distributing unconditional cash transfers to every individual tribal member using revenue generated from a local casino. As of December 2022, per capita payments were $9,042 USD (approximately $9,668 in 2025 USD) before tax (Lossiah, 2023). Akee et al. (2010) found that there was no statistically significant evidence of a change in employment (full-time or part-time) for tribal members after payments began. Similarly, the Alaska Permanent Fund began disbursing dividend payments to qualifying Alaska residents in 1976 (Alaska Department of Revenue, 2023). Jones and Marinescu (2022) found that the Alaska dividend payments had no significant impact on full-time employment, but increased part-time employment by 1.8 percentage points (17 percent). Additionally, researchers from the University of Alaska's Institute of Social and Economic Research found that Alaska Permanent Fund payments boosted winter seasonal employment (Aizenman, 2023). Jones and Marinescu (2022) suggest that any potential disincentive to work might be offset by increased spending across the population, which would increase demand for workers.

More recent guaranteed income pilots do find modest declines in labor force participation and earned income. The OpenResearch Unconditional Income Study (ORUS) observed that

[2] As additional findings on cash transfers are published, the impact on labor will become clearer.
[3] The effect between treatment and control may have been overestimated due to overall differential attrition, nonrandom selection, errors in randomization protocols, and non-participation of survey recipients.

monthly $1,000 cash transfers resulted in an approximate 4 percentage point decrease in market participation for cash transfer recipients and no statistically significant impact on job quality and human capital investment, though it noted that younger recipients may be encouraged to pursue further formal education. ORUS also observed that total individual income (excluding transfers) decreased by $2,000 USD per year for the treatment group relative to the control group (Vivalt et al., 2024).

Another recent study of Compton, California's guaranteed income program, a randomized controlled trial which distributed unconditional cash transfers averaging $500 to 695 households for two years (with treatment split between a "low-frequency," or quarterly, transfer group and a "high-frequency," or twice-monthly, transfer group) found no overall impact on labor force participation. However, they did find that household income (excluding transfers) decreased, with treatment households recording an average decrease of $333 per month compared to the 1,402 households in the control group (Balakrishnan et al., 2024). This income reduction is driven by how part-time workers responded to the cash, as they found heterogeneity in labor supply treatment effects between part-time and full-time workers (at baseline). Specifically, Balakrishnan et al., 2024 found that cash transfers led to a 13-percentage point decline in employment for participants who were part-time employed prior to the study, with no impact on the labor supply of full-time workers.

Finally, cash transfers may affect the quality of employment or entrepreneurship. For example, the Kenya Universal Basic Income program reported no changes to overall labor supply, but noted that recipients shifted from wage employment toward self-employment (Banerjee et al., 2023). Recipients experienced a significant reduction in hours of wage work in mostly agriculture and a slightly larger increase in hours worked for non-agricultural self-employed work. ORUS also found that cash transfer recipients showed greater entrepreneurial aspirations (captured through measures "entrepreneurial orientation" and "entrepreneurial inclination"), but these attitude shifts did not translate into actual increases in entrepreneurial activity (Vivalt et al., 2024).

STUDYING GUARANTEED INCOME: **HOUSING**

Research suggests that cash transfers reduce housing cost burdens and improve housing stability. Effects on residential mobility and homeownership are mixed, as are benefits for individuals experiencing homelessness. For example, Pilkauskas and Michelmore (2019) found that the EITC reduces cases of doubling up (i.e., shared housing with others such as a nonnuclear family), household crowding, and mothers' housing cost burdens. However, they found no evidence that the EITC reduced homelessness, evictions, or foreclosures (Pilkauskas & Michelmore 2019). Balakrishnan et al. (2024) also found an improvement in housing security with an index that combined three self-reported survey responses as part of their evaluation of Compton, California's unconditional cash transfer program.[4] Based on this housing security index, they found that unconditional cash transfers had a large, statistically significant positive impact on cash transfer recipients' housing security (+0.29 SD), which was largely driven by a decrease in participants' perceived likelihood of eviction.[5]

While guaranteed income programs targeting individuals who are already homeless suggest that unconditional cash transfers may help individuals get housed more quickly, medium- and long-term impacts on rates of homelessness are unclear. For example, a cluster-randomized controlled trial of the New Leaf Project, a small guaranteed income pilot that targeted Vancouver residents experiencing homelessness, found suggestive evidence that a one-time cash transfer of $7,500 reduced the number of nights spent in shelters and increased the likelihood that a participant was stably housed after 12 months (Dwyer et al., 2023). Results from other pilots focused on housing stability, such as the Denver Basic Income Pilot (DBIP), are inconclusive. DBIP's results suggest that providing larger unconditional cash transfers did not significantly improve outcomes for participants, and the study also experienced a sample loss of nearly 50 percent due to attrition at the 10-month follow-up (Brisson et al., 2024).[6]

Research on the effects of cash transfers on housing mobility are mixed. Findings from the Gary Income Maintenance Tax experiment did not show that cash recipient households were more likely to move than non-recipient households (Kehrer, 1977). On the other hand, Opportunity NYC–Family Rewards, a conditional cash transfer program, initially found that families receiving the transfers had a significantly lower residential mobility rate than families in the control group (Riccio et al., 2010), but this effect dissipated over time (Riccio et al., 2013). More recent findings from ORUS showed that cash transfer recipients were 11 percent more likely to move neighborhoods and 10 percent more likely to move housing

[4] Balakrishnan et al. (2024)'s housing security index combined three self-reported survey responses: whether the household is able to pay their rent or mortgage, their likelihood of eviction, and the number of months behind on rent or mortgage payments.
[5] "Perceived likelihood of eviction" was identified as a pre-specified secondary outcome for Compton's guaranteed income program (Balakrishnan et al., 2024).
[6] The Denver Basic Income Pilot provided unconditional cash transfers of varying amounts: 1) 12 monthly cash payments of $1,000, 2) initial direct cash payment of $6,500 with 11 subsequent monthly payments of $500, and 3) 12 monthly cash payments of $50 for a total of $600.

STUDYING GUARANTEED INCOME: **HOUSING (continued)**

units. Although recipient households in the ORUS study sample were more likely to move, researchers did not detect changes in measures of neighborhood quality. However, proximity to childcare amenities such as daycare options increased amongst cash transfer recipients compared to control participants (Krause et al., 2025).

Finally, evidence of the impact of cash transfers on homeownership is limited. Kaluzny (1979) found that a negative income tax policy was associated with increases in homeownership relative to the comparison group (Levine et al., 2005, p. 100). As mentioned earlier, families who received the cash transfers were not more likely to move in the Gary Income Maintenance Tax experiment. However, among those who did, they were twice as likely to purchase homes (Kehrer, 1977).

STUDYING GUARANTEED INCOME: **EDUCATION**

While studies suggest that unconditional cash transfer programs may improve educational outcomes, particularly for young children, conclusions in this area are limited by study age and research design. The earliest evidence on this topic comes from the Mother's Pension program (1911-1935); studies of this program found that male children of program participants were 20 percent more likely to complete at least eight years of school and more likely to graduate high school compared to their non-recipient counterparts (Neighly et al., 2022; Aizer et al., 2016). While this program predated the establishment of compulsory public education in most jurisdictions, the negative income tax experiments of the 1970s also found positive impacts on children's education outcomes (Maynard & Murnane, 1979; Salkind & Haskins, 1982). For example, the Gary Income Maintenance Tax Experiment saw children of recipients score an average of 22 points higher on their standardized reading tests than children in the control group (Maynard & Murnane, 1979), and a study on the Manitoba Negative Tax Income Experiment, also known as Mincome, showed that the negative income tax lowered high school dropout rates in 11th grade (Forget, 2011). As noted above, these experiments had errors in the original research design and data collection stages that produced unreliable findings. Additionally, randomization and significance tests for Mincome's outcomes were not reported (Marinescu, 2018).

More recent and conclusive findings come from research on the Eastern Band of Cherokee Indians casino dividend program from Akee et al. (2010), which discerned that children from recipient households were 15 percent more likely to graduate high school by age 19, compared to children from non-recipient households. The impact of the per capita payment was especially impactful on the lowest-income households; children from these households were recorded to have an extra year of schooling by the age of 21 (Neighly et al., 2022).

STUDYING GUARANTEED INCOME: **EDUCATION (continued)**

Studies of the EITC and the CTC suggest a tax credit worth approximately $4,998 (in 2025 USD) during a child's early years can boost achievement levels by the equivalent of two extra months of schooling (Chetty et al., 2011), and that an additional $1,000 in EITC exposure from the ages of 13- to 18-years-old increased a child's likelihood of completing high school by 1.3 percent and completing college by 4.2 percent (Bastian & Michelmore, 2018). Conversely, recent research from ORUS focusing on parent and child outcomes did not find that unconditional cash transfers had any significant or meaningful impact on educational or school-related outcomes after linking participant data to administrative data. However, it is possible that the COVID-19 pandemic may have affected the external validity of these findings, as there is some suggestive evidence the treatment led households to engage more in hybrid schooling compared to the control group (Krause et al., 2025).

STUDYING GUARANTEED INCOME: **FINANCIAL STABILITY**

There is strong evidence that unconditional cash transfers reduce poverty and increase savings. Findings on debt and household net worth are mixed, with studies showing that recipients often borrow to finance automobile purchases. Research suggests that the EITC raises millions of people above the poverty line every year; similarly, the Alaska Permanent Fund Dividend (PFD) reduces poverty by about 20 percent, and the Eastern Band of Cherokee Indians casino dividend program reduced the number of families below the poverty line by an estimated 35 percent from 1995 to 2000 (Meyer, 2010; Berman & Reamey, 2016; Bruckner et al., 2011).

Participants in cash transfer programs also frequently report using funds to pay down debt or build savings. During the COVID-19 pandemic, data indicated that middle- and low-income households spent their first round of stimulus checks on bills and household supplies, but over three-fourths of households reported using subsequent payments to either pay down debt or increase their savings (Armantier et al., 2020; PGPF, 2021). ORUS results indicate that unconditional cash transfers did increase household expenditures, self-reported financial health, credit scores, and liquid savings, while the Compton guaranteed income pilot found that unconditional cash transfers led to a $302 decrease in expenditures for recipients, a roughly 10 percent decrease relative to the control group (Bartik et al., 2024; Balakrishnan et al., 2024).[7]

Research findings related to debt are more nuanced. For example, ORUS cash transfer recipients increased their debt by approximately $1,800. This increase in debt is largely attributed to a growth in recipients' auto loan debt, which aligns with Bartik et al. (2024)'s

[7] Researchers noted that the sample studied in ORUS had higher average incomes, was younger, whiter, more rural, and resided in areas that had a lower cost of living than those in the sample for the Compton study (Balakrishnan et al., 2024).

STUDYING GUARANTEED INCOME: **FINANCIAL STABILITY (continued)**

findings that there were small increases in car ownership amongst recipients. As a result of this additional borrowing, overall household net worth declined, suggesting that large temporary transfers may not lead to long-term, persistent financial improvements for young, low-income households (Bartik et al., 2024). On the other hand, findings from Compton indicated that recipients reduced their debt by $2,190, though this finding is not statistically significant. Recipients of twice-monthly transfers were more likely to own a car and had significantly lower credit card debt ($1,074 less credit card debt relative to a control mean of $4,449) when compared to recipients of quarterly transfers (Balakrishnan et al., 2024). Finally, research on the negative income tax pilots in the United States and Canada "[shifted] their debt from high-interest lending institutions…to more traditional lending institutions," suggesting that the funds dually helped families reduce debt and escape harmful financial institutions (Kehrer, 1977).

Experimental research on unconditional cash transfers in Kenya found that the treatment group increased their non-land assets, livestock assets, and durable goods (such as metal roofs) relative to the control group (Haushofer & Shapiro, 2016). This led to statistically significant increases in revenue, although researchers did not find significant effects on profits over the short time horizon (Haushofer & Shapiro, 2016). These findings suggest that cash transfers may enable families to make investments without relying on traditional capital markets, though their applicability to American capital and labor markets is unclear and further research is needed.

STUDYING GUARANTEED INCOME: **JUSTICE INVOLVEMENT**

Evidence of the impact of cash transfers on involvement with the criminal legal system, violence and victimization is limited but promising, warranting further study and exploration. Research on the Eastern Band of Cherokee Indians casino dividend program found that an annual $4,000 cash transfer to parents reduced 16- and 17-year-olds' chances of committing a minor crime by 22 percent compared to their counterparts who did not receive payments (Akee et al., 2010). Evaluations of the Alaska Permanent Fund observed an 8 percent decrease in property crime incidents in the four weeks following transfers, but also reported a 10 percent increase in substance abuse incidents in the same period (Watson et al., 2020). Calnitsky and Pons (2021) utilized town-level sociodemographic data from the Census for Mincome recipients living in medium-sized Canadian Prairie towns, where recipients were able to access a guaranteed income equivalent to about $18,594.14 USD (2025 dollars) for a family of four. Their research on Mincome found a robust negative relationship between the unconditional cash transfer and both violent crime rates and total crime rates, as well as property crime rates.

STUDYING GUARANTEED INCOME: **JUSTICE INVOLVEMENT (continued)**

Promising findings from recent programs are noteworthy but limited by research design and sample size. The Returning Citizens Stimulus (RCS) distributed an average of $2,256 to approximately 8,000 returning citizens – individuals who had recently been released from local jails, state, and federal prisons – in seven major U.S. cities during the COVID-19 pandemic. The cash transfers were conditional on meeting program milestones selected by the participant and reentry staff, such as preparing resumes. During implementation, they found that over 90 percent of participants reached their conditional program milestones and received two or three payments over the course of three months; many reported using the funds to obtain safer housing or a car to drive to a better employment opportunity (Garcia et al., 2021). An impact evaluation, using propensity score matching methodology to establish causality, found that in the first year after being released, RCS program participants committed fewer parole violations for both overall and violent offenses than nonparticipants. RCS program participation was limited to three months and generally occurred shortly after release from prison. As a result, RCS program participation appeared to reduce recidivism among participants beyond the period they received cash transfers (Schwartz, 2025). Schwartz (2025)'s impact evaluation suggests the RCS program may have been effective at reducing reincarceration among program participants in the 18-, 24-, and 30-month follow-up periods, but further study is needed to determine the true effect of this program.

While the direct evidence from guaranteed income programs and crime is more limited, there is a large literature highlighting the important role of social welfare programs and public assistance in reducing crime and violence. Previous research highlights that emergency financial assistance from Chicago's Homelessness Prevention Call Center reduces arrest rates for violent crimes by 51 percent with the effect lasting for three years and driven by singles (as opposed to married recipients) (Palmer et al., 2019). Lastly, we know removing access to public benefits such as college financial aid, Supplemental Nutrition Assistance Program (SNAP), or Supplemental Security Income (SSI) for previously incarcerated individuals can increase recidivism rates by significant amounts (Lovenheim & Owens, 2014; Yang, 2017; Tuttle, 2019; Deshpande & Mueller-Smith, 2022; Carr & Packham, 2017; Foley, 2011).[8] This research is consistent with the idea that economic factors affect reentry into the criminal legal system and suggests financial security is an important determinant of crime (Holzer et al., 2006; Travis, 2006; Harding et al., 2014; Munyo & Rossi, 2015; Blakeslee & Fishman, 2018). However, guaranteed income studies focused on system-impacted individuals need larger sample sizes to generate more evidence on how unconditional cash transfers may impact criminal justice outcomes.[9]

[8] For example, Deshpande and Mueller-Smith (2022) show that losing SSI increases the number of criminal charges by a statistically significant 20 percent over the next two decades, with the increase in charges concentrated on income motivated offenses such as theft or burglary. Tuttle (2019) finds that a SNAP ban increases recidivism among drug traffickers. Yang (2017) shows that eligibility for welfare and food stamps for drug offenders at the time of release significantly reduces the risk of returning to prison within one year by up to 10 percent.

[9] There have been more recent studies, such as the Just Income program in Gainesville, Florida, and the Excel program in Durham, North Carolina, that focuses on the impact of unconditional cash transfers on criminal justice outcomes. However, these studies are limited by sample size (n = <300) and do not have enough power to determine impact.

STUDYING GUARANTEED INCOME: **HEALTH**

Few studies have comprehensively assessed the effects of unconditional cash transfers on health outcomes, but recent results suggest limited to no impact on participant and community health outcomes. This warrants further study, especially for participant-reported subjective health outcome measures. A quasi-experimental study of the EITC showed an increase in infant birth weight and decrease in incidences of low birth weights (Hoynes et al., 2015). Aizer et al. (2016) found that male children of mothers receiving cash from the Mother's Pension Program lived one year longer than those whose mothers applied to the program but were not accepted. Furthermore, the study found that the former group were less likely to be underweight than the latter (Aizer et al., 2016). Similarly, findings from Mincome indicate that the unconditional cash transfers had a positive impact on health outcomes. The hospitalization rate for Dauphin residents decreased by about 19 percent throughout the duration of the experiment (1973-1978) (Forget, 2011).[10] Additionally, there was a decline in overall contact with physicians, especially for mental health issues in the treatment group (Forget, 2011).

Several studies note positive effects for guaranteed income programs on mental health. Costello et al.'s (2010) quasi-experimental, longitudinal evaluation of the Eastern Band of Cherokee Indians program found that recipients had overall better long-term mental health outcomes compared to non-recipients and individuals who began receiving payments later in their life: recipients who were in the youngest cohort were less likely to have psychiatric disorders in adulthood, especially alcohol and cannabis use and dependence.[11] These findings suggest that environmental interventions such as cash transfers can have long-term benefits, even after the intervention is over (Costello et al., 2010). Findings from the Kenya Universal Basic Income Program indicate that the cash transfers significantly improved participants' overall psychological well-being, measured by happiness, life satisfaction, stress levels, and scores on the Center for Epidemiologic Studies-Depression Scale (CES-D) (Haushofer & Shapiro, 2016). From ORUS, Miller et al. (2024) observed that cash transfer recipients experienced significant improvement in mental health and stress measures in the first year of receiving unconditional cash, but these differences did not persist and faded by the second year.

More recent pilots suggest that guaranteed income may change the type of care accessed by cash transfer recipients but may not improve short- or long-term health outcomes. For example, Agarwal et al. (2024)'s study of Chelsea Eats, a pilot that provided unconditional

[10] Health and Census variables used in the study could not explain the gap between Dauphin and the control populations, but the author suggests that this may have been due to a newer hospital opening in Dauphin which led to supply-induced demand as well as other variables they could not control for (i.e. ethnicity) (Forget, 2011).
[11] Costello et al. was conducting the Great Smoky Mountains Study, a longitudinal study of psychiatric and substance use disorders in rural and urban youth where American Indian children were oversampled around the time per capita payments began to be disbursed. After publishing results of a natural experiment that evaluated the impact of per capita payments on the development of psychiatric disorders in 2003, the authors followed up with the children at adulthood to see if the impacts of receiving the per capita payment persisted into adulthood (Costello et al., 2010).

cash transfers of up to $400 per month for nine months, found that cash transfer recipients recorded a relative decrease of 27 percent (compared to the control group) in overall emergency visits to the hospital. More specifically, cash transfer recipients were observed to have a 62 percent decrease for behavioral health-related emergency department visits (relative to the control mean), 87 percent relative decrease in substance use-related emergency department visits, and a relative decrease of 42 percent in emergency department visits that resulted in hospitalization. However, recipients did not report or provide evidence of improved health at the end of the program. Miller et al. (2024) also found no improvements in physical health measures based on ORUS survey data and biomarkers from blood draws. They did find that monthly cash transfers of $1,000 increased medical care spending by approximately $20 every month (excluding insurance premiums). Researchers also found suggestive evidence that visits to specialists and office visits may have increased as a result of receiving the cash transfers (significant at the 10 percent level based on unadjusted p-values). However, Miller et al. (2024) noted that the probability of receiving dental care and potentially other office-based care that are typically not covered by Medicaid increased by about 10 percent for cash transfer recipients. Similarly, Noble et al. (2025)'s findings from Baby's First Years, a rigorous randomized controlled trial studying the effects of providing unconditional cash transfers of $333 per month (high cash transfer group) and $20 per month (low cash transfer group) to 1,003 low-income, new mothers in the United States, indicate that unconditional cash transfers had no impact on any of the study's four primary child development outcomes, as well as child overall health and sleep measured after three years.

THE FUTURE OF **GUARANTEED INCOME RESEARCH**

The momentum behind guaranteed income reflects a shift toward poverty alleviation strategies that provide recipients the flexibility to address their needs and pursue their most important goals. Existing research suggests that unconditional cash transfers reduce poverty with negligible impacts on labor supply, labor force participation, education, and physical health outcomes. Studies of conditional and unconditional cash transfer programs also suggest positive effects on health and mental health outcomes; reductions in minor and property crimes; improvements to housing quality; and increases in educational attainment. Importantly, few studies offer recent, rigorous evidence on long-term outcomes.

The Inclusive Economy Lab is currently evaluating three well-powered guaranteed income pilots. These studies will provide valuable insights into the potential of unconditional cash transfers to improve lives across a range of outcome domains and for a variety of subpopulations. Future studies should prioritize:

- Understanding the effects of unconditional cash transfers on acute risks such as violence, victimization, crime, housing instability and homelessness;
- Examining whether conditional or unconditional cash transfers can improve take-up and completion of programs with suggestive evidence of improved employment or educational outcomes;
- Comparing the reach and effectiveness of unconditional cash transfer programs to conditional or in-kind government assistance programs that may impose greater administrative costs on recipients;
- Measuring long-term outcomes to determine if initial evaluation findings endure and whether intergenerational impacts exist;
- Understanding the value of different monthly cash transfer amounts, and whether there are differential effects for larger cash transfers up front; and
- Understanding who benefits the most from unconditional cash assistance.

The Inclusive Economy Lab will periodically update this document as our understanding of the above questions evolve.

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