

12-year study looks at effects of universal basic income

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Give Directly will be transferring money to 21,000 Kenyans. Credit: MIT Sloan School of Management

For the next 12 years, MIT Sloan associate professor Tavneet Suri will be part of a team collaborating with the nonprofit [Give Directly](#) to study

the effects of implementing a universal basic income in Kenya.

Suri is conducting the research along with MIT professor Abhijit Banerjee, Princeton professor Alan Krueger, University of California San Diego professor Paul Niehaus, and Give Directly president Michael Faye. Overall, Give Directly expects to transfer \$25 million to more than 21,000 people (not including the [control group](#)), 5,000 of whom will receive cash transfers for 12 years. The money comes with no strings attached.

The study will be divided into four groups: one will receive the equivalent of 75 cents a day per person for 12 years; one will receive the 75 cents a day per person for two years; one will receive the same amount of money (in net present value) as the two-year group in an up-front lump sum; and a fourth group will act as a control group, receiving nothing.

People who advocate for a universal basic [income](#) say it will be a way to pull people out of poverty. Skeptics think a universal basic income will act as a disincentive for people to work. "It is easy to have opinions without evidence," Suri said. "It is time we tried to gather some evidence and started thinking about what the impacts truly are and how it changes people's lives."

The researchers hope the study answers several questions. How will having a guaranteed income affect wealth, security, how people use their time, employment levels, efforts to find work, childcare health outcomes, and women's empowerment? Will more people pursue educational opportunities? Will there be any mental health benefits?

Another main goal of the study, aside from helping alleviate poverty, is to have solid information to provide to policymakers. "If we want policymakers to do this, we can point to the benefits of the different

arms of the study and say, 'Here is the menu. You choose,'" Suri said.

Enrollment for the study started in November 2017 and will likely be completed by the end of April—cash transfers will start soon after that.

Several other basic income experiments, including one giving money to 2,000 people in Finland, are ongoing, but the Give Directly study is by far the largest and longest, which Suri says will allow her team to gather more data, discerning more overall effects and potentially smaller effects than is possible with smaller studies.

The researchers will continue to produce results while the study is ongoing, with the first follow-up scheduled for next year. "I expect we will have a stream of results," Suri said. "If it is really going to change the villages in the long-term like we expect, you want to watch that as it happens. Are there any big changes? If there are, we will be watching from the sidelines."

Provided by MIT Sloan School of Management

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