

Universal basic income experiment made people happier but not more likely to get a job

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Finland's Social Insurance Institution (FSII) has published the results of an income experiment it carried out for two years to learn more about ways to reduce unemployment. They [report](#) that their experiment showed that giving unemployed people a no-strings-attached guaranteed income instead of an unemployment allowance made them happier and less stressed—but it did not make them any more or less likely to get a job.

The experiment carried out by the [government](#) tested the idea of a concept called [universal basic income](#) (UBI), which guarantees

participants a certain basic standard of living via direct cash transfer. The standard of living guaranteed includes reasonably nice housing, sufficient food, proper health care, and a means for engaging with the surrounding community. UBI is an idea that has been kicked around and tested before, but thus far, findings have produced mixed results.

In this new experiment, the Finnish government randomly chose 2,000 people who were receiving [unemployment benefits](#) and offered them a roughly equal sum without the attendant job search requirements. Normally, there are also restrictions on how the money can be used. Subjects in the experiment were given free rein—they could live on the dole with no worries, and they would keep receiving their money even if they got a job. The experiment lasted from the beginning of January in 2017 until the end of December 2018. The results of the experiment have been widely anticipated as polls show that most people believe UBI would make people less interested in finding a job.

The government asked the volunteers how they were doing during the experiment via questionnaire. Over half reported that their health was either good or very good. In contrast, just 46 percent of a control group said the same. The UBI participants also scored higher when reporting trust levels in the government and when asked about their future outlook. In general, the FSII report concluded that overall welfare for those participating in the UBI experiment was higher than for the control group. But there was also a downside. Unemployment for those in the UBI experiment remained at basically the same levels as for the control group.

More information: [julkaisut.valtioneuvosto.fi/bi ...
24/161361/Report_The
%20Basic%20Income%20Experiment%2020172018%20in%20Finland.
pdf?sequence=1&isAllowed=y](https://julkaisut.valtioneuvosto.fi/bi.../24/161361/Report_The%20Basic%20Income%20Experiment%2020172018%20in%20Finland.pdf?sequence=1&isAllowed=y)

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