

# Guaranteed income increases employment, improves financial and physical health

March 8 2021

---



Credit: CC0 Public Domain

Results released on March 3, 2021 from the first year of the [Stockton Economic Empowerment Demonstration \(SEED\)](#) show guaranteed income drastically improves job prospects, financial stability, and overall

wellbeing of recipients. As Congress and the Biden administration debate the inclusion of pandemic stimulus aid, this new research counters long-held narratives that unrestricted cash payments disincentivize work.

SEED was a randomized control trial that distributed \$500 a month for 24 months to 125 recipients. The cash was unconditional, with no strings attached and no work requirements, and recipients were selected randomly from neighborhoods at or below Stockton's median household income. An independent evaluation of the program was funded by the Evidence for Action program of the Robert Wood Johnson Foundation. The program's entire \$3 million budget was funded fully by philanthropic dollars, including a \$1 million grant from the Economic Security Project.

Stacia West, an assistant professor in UT's College of Social Work, along with Amy Castro Baker, an assistant professor in Penn's School of Social Policy & Practice (SP2), were tasked with evaluating the effects of SEED and the overall impact of guaranteed income in Stockton, California. Results gathered from the first year, which spanned February of 2019 to February of 2020, found recipients obtained full-time employment at more than twice the rate of nonrecipients. Recipients were less anxious and depressed, both over time and compared to the control group.

**More information:** Stockton Economic Empowerment Demonstration (SEED): [www.stocktondemonstration.org/](http://www.stocktondemonstration.org/)

Provided by University of Pennsylvania

Citation: Guaranteed income increases employment, improves financial and physical health

(2021, March 8) retrieved 17 July 2024 from <https://phys.org/news/2021-03-income-employment-financial-physical-health.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.