

Guaranteed income found to improve people's health during the pandemic

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Credit: Katie Harp on Unsplash

People who received \$500 monthly cash payments for two years as part of the Stockton Economic Empowerment Demonstration (SEED) reported improved physical health during the COVID-19 pandemic as a

result of increased financial assistance, according to the final program evaluation published in the *Journal of Urban Health*. The findings build on interim results of the SEED program published in 2021 in which payment recipients prior to the pandemic reported steadier monthly incomes, less anxiety and stress, and an easier time securing full-time employment.

"Our findings show that guaranteed income programs mitigate the negative financial and [health consequences](#) associated with income volatility," says Amy Castro, co-author of the study and the co-founder and director of the Center for Guaranteed Income Research at Penn's School of Social Policy & Practice. "A national guaranteed income program that complements our nation's current social safety net could profoundly impact people's overall health and economic well-being."

Led by former mayor Michael Tubbs and funded by philanthropic contributions, the SEED program provided 131 residents of Stockton, California, with \$500 monthly cash payments between February 2019 and January 2021. Each recipient lived in census tracts at or below the city's median household income level of \$46,033; participants were permitted to use the money as they saw fit. Researchers employed a mixed methods evaluation of quantitative and qualitative data—supported by the Robert Wood Johnson Foundation's Evidence for Action program—that measured participant impact against a randomized control group of 200 other city residents who did not receive payments.

While the program had a greater impact on people's finances prior to the upheaval caused by COVID-19, the final study—the first to evaluate the program's full results via [peer review](#)—determined that certain noteworthy trends held steady both before and during the pandemic. Participants used the payments to manage risk and support themselves and their families through and beyond the study period. They also

reported increased financial independence and self-sufficiency.

"Every person in the United States, regardless of who they are and where they live, should have the resources necessary to support themselves and their families," says Claire Gibbons, senior program officer at the Robert Wood Johnson Foundation. "Given the clear connections between financial health and [physical health](#) and well-being, this study shows the potential for a guaranteed income benefit to transform people's lives."

"The world has changed in completely unpredictable ways since we first began SEED, but the need for a guaranteed income is greater than ever. Despite a global pandemic, I'm heartened that key factors such as no negative employment impacts, lowered [income](#) volatility and improved physical health were consistent over such a tumultuous time period," says former Stockton mayor Michael Tubbs. "Fortunately, we now have more than 40 pilots generating data under more stable circumstances, and we have national evidence that unrestricted cash is swift and effective with the tremendous success of the expanded Child Tax Credit."

More information: Stacia West et al, Impact of Guaranteed Income on Health, Finances, and Agency: Findings from the Stockton Randomized Controlled Trial, *Journal of Urban Health* (2023). [DOI: 10.1007/s11524-023-00723-0](#)

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