The Future of Universal Basic Income: The Impact of Organizational Strategies on Alleviating Poverty and Maximizing Outcomes

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THE FUTURE OF UNIVERSAL BASIC INCOME:
THE IMPACT OF ORGANIZATIONAL STRATEGIES ON ALLEVIATING POVERTY
AND MAXIMIZING OUTCOMES

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Advised by Dr. Patrick Murphy
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ABSTRACT

Universal basic income is gaining traction, with pilot programs being conducted all over the world. These programs are all organized differently, from their sources of funding to their eligibility criteria. This research draws correlations between organizational strategies of UBI programs and the outcomes their recipients experience. Specifically, it analyzes three contemporary UBI programs within the United States: the Stockton Economic Empowerment Demonstration (SEED), Alaska Permanent Fund Dividend (APFD), and the Eastern Band of Cherokee Indians per capita payments (EBCI). The research assesses the physical health, mental health, and economic outcomes of the participants in each case study, in order to understand how UBI implementation impacts these three facets of life that often suffer under conditions of poverty. Ultimately, the research aims to answer how universal basic income programs can best be structured to minimize indicators of poverty, and provide policy recommendations for the future of UBI.

INTRODUCTION

In recent years, the idea of providing money to people as a means of social welfare has grown in popularity. This concept, widely known as universal basic income (UBI), has been a contentious policy, with skeptics arguing that it disincentivizes hard work and is not economically feasible to implement. While there are many broad concerns about the feasibility and effectiveness of UBI, almost all programs have demonstrated that the benefits of universal basic income, specifically its ability to alleviate poverty, significantly outweigh the costs. By exploring the history of UBI and the various methodologies used to analyze existing program data, I hope to further examine correlations between trial organization and outcomes.

LITERATURE REVIEW

This section of the paper addresses the role of negative income taxes in the development of current forms of UBI, common goals in the development of present UBI programs, how existing systematic reviews of UBI have been conducted, and how this literature informs the methodology of this research.

THE HISTORY OF UNIVERSAL BASIC INCOME: NEGATIVE INCOME TAXES
Prominent economists like Milton Friedman and James Tobin explored negative income taxes (NIT) during the 1960s, long before modern conceptions of universal basic income existed (Frank, 2006). A NIT establishes a monetary threshold representative of a reasonable standard of living, and supplements citizens’ incomes until they meet this threshold. In this system, citizens whose income exceeds a certain threshold pay income taxes, but those whose earnings fall below the threshold receive a negative income tax percentage (a portion of the difference between a person’s income and the cutoff) back from the government. The appeal behind such a model is the claim that it would eliminate the bureaucracy of welfare programs and the distribution of such benefits while still providing government assistance to those who need it. Notably, negative income taxes would reduce the employment trap and benefits cliff that the welfare system has created, in which recipients hold themselves back from extra employment and income because they will no longer qualify for much-needed benefits (Tubbs, 2022). Additionally, a NIT incentivizes work by providing more post-tax benefits for those who are employed. This incentivization addresses the common criticism that people will choose not to work if they receive extra income from the government (Linke, 2017).

The U.S. government did not implement a negative income tax by these definitions but rather, they opted for a variation known as the earned income tax credit (EITC). Below the federal level, the concept of the NIT had far-reaching impacts on the local scale. Five NIT trials were conducted between 1968 and 1975 to explore the economic impacts of this policy. The New Jersey Graduated Work Incentive Experiment (NJ), Rural Income-Maintenance Experiment (RIME), Seattle/Denver Income-Maintenance Experiments (SIME/DIME), Gary, Indiana Experiment, and the Manitoba Basic Annual Income Experiment (Mincome) helped their
recipients greatly. That being said, the programs lacked adequate funding for continuation and data collection, and had many participants drop out (Hum & Simpson, 1993).

The NIT trials demonstrated some of the powerful impacts of providing households with extra money. Studies show that education and health indicators seemed to improve with the introduction of more income through NIT (Widerquist, 2017). Even though negative income tax programs weren’t considered to be all that successful in longevity and organization, they played a great role in paving the way for universal basic income.

UNIVERSAL BASIC INCOME

In contrast to negative income taxes, universal basic income doesn’t involve an income ceiling or changing the existing tax structure. At the same time, one primary strength of UBI lies in its ability to circumvent bureaucracy, which was an unrealized promise of the NIT. Milton Friedman famously supported cash distribution for this reason: “if the main problem of the poor is that they have too little money, the simplest and cheapest solution is to give them some more. [Friedman] saw no advantage in hiring armies of bureaucrats to dispense food stamps, energy stamps, day care stamps and rent subsidies” (Frank, 2006). Beyond this fundamental idea, however, there is considerable debate about the scope of universal basic income, and whether it should supplement or replace welfare programs.

Conceptually, UBI is relatively simple. A set amount of money is given to eligible individuals on a regular basis, and they can use it however they please. This definition is intentionally broad and leaves much to the interpretation of program directors, from the amount of money, to frequency of distribution, to eligibility criteria, and more. As such, there is great diversity among UBI programs in their organization methods and goals. For example, some programs exist to explore how additional cash impacts poverty and the conditions associated
with living in poverty. On the other hand, some programs exist to redistribute resources among citizens.

**THE VARIOUS GOALS OF UBI TRIALS**

The vast majority of UBI programs are created to combat poverty. The truth is that people need money to survive, and under the current economic circumstances, many people don’t earn enough to meet a decent standard of living. According to the Economic Security Project, an organization that funds many UBI programs, “giving people unconditional cash allows them to address their most pressing needs, and available data shows that when people receive cash, they spend it in ways that support themselves and their families” (Coffey et al., 2022). Simply put, the bottom line of universal basic income is that money is an effective tool to combat poverty.

As for UBI as a means of resource distribution, there is not much academic literature available. However, relevant discourse about oil-to-cash transfers can be applied. According to the Center for Global Development, “using cash transfers to hand the money directly to citizens thereby protects the social contract between the government and its people. Under this proposal, a government would transfer some or all of the revenue from natural resource extraction to citizens in universal, transparent, and regular payments” (Giugale and Nguyen, 2014). When natural resources are distributed to the community, there is an enhanced sense of political participation because constituents are getting something directly from the government— not as welfare, but as an entitlement of sorts. Government investment in citizens results in a heightened interest of people in government affairs, “adding additional pressure for public accountability and more responsible resource management“ (Majerowicz and Moss, 2013).

**SYSTEMATIC REVIEWS OF EXISTING UBI PROGRAMS**
Given the variety of approaches to UBI, the wide body of research available must be synthesized to reach conclusions about the policy’s implications. Academic scholars have, primarily through systematic reviews of the existing literature, analyzed pilot programs and cash transfer experiments to determine the impact of providing families with a supplemental income. Each UBI experiment has been conducted with different parameters, but researchers have reached consistent conclusions regarding the benefits of cash transfers. In exploring the various methodologies and scopes used to analyze existing data, I hope to further examine the relationship between program organization and the maximization of outcomes.

This research examines four comprehensive systematic reviews that effectively encapsulate the results of UBI trials under a myriad of criteria. It notes the time frame used, the number of UBI programs analyzed, the types of UBI they discuss, the outcomes they measure, the organizational structures they assess, and finally the geographic scope of each review.

It is worth noting that each study uses different terms to describe different types of UBI programs. For the sake of clarity, it is critical to understand these terms and their meanings. This will lead to a better understanding of what exactly UBI is, the various constraints each organizational structure has, and how program designs impact outcomes. Going forward, the working definition for “universal basic income” is a program that distributes money with no strings attached. Beyond this broad definition, other “types” of UBI referenced in the systematic reviews include unconditional cash transfers (UCT), conditional cash transfers (CCT), negative income taxes, social pensions, enterprise grants, and guaranteed basic incomes. The main differences to note are unconditional vs. conditional cash transfers (in the latter, receiving money depends on the participant fulfilling certain requirements, like taking dependents to school), and
universal vs. guaranteed basic income (guaranteed implies that not everyone, especially those within certain income brackets will receive payments).

One of the first meta-reviews of UBI is the article “Economic Response to a Guaranteed Annual Income: Experience from Canada and the United States.” It was published in the Journal of Labor Economics in 1993, before most UBI trials existed. Given its age, it only explores NIT, which it refers to as a “guaranteed annual income”, showcasing the diversity of names used to describe UBI and the importance of clarifying them. It analyzes 5 NIT experiments (4 in the US and 1 in Canada): NJ, RIME, SIME/DIME, Gary, and Mincome, and explores work incentives, labor supply, and the gendered employment gap. All trials were 3 years long and conducted in low-income communities, and the design criteria assessed were dependents, ages, gendered heads of households, the percentage of households under the poverty line, and the number of households participating. The scope of this review was relatively small, and it was primarily limited by the time period it was produced in. Ultimately, the study showed that across the board, impacts on factors related to labor were minimal, addressing the concern that supplemental income would increase unemployment. Few adverse effects were found, and those which the review noted (like a minor reduction of women in the workforce) were linked with other factors, like having to care for children or elderly family members (Hum & Simpson, 1993).

In 2016, the Overseas Development Institute published the review, “Cash transfers: What does the evidence say?: A rigorous review of programme impact and of the role of design and implementation features.” It analyzed 56 different programs that ran between 2000 and 2015. Since this was quite a broad review, it encapsulated UCT, CCT, social pensions, and enterprise grants across the globe. It assessed trials on transfer levels, duration of participation, the conditionality of funds, disbursement methods, grievance mechanisms, program governance, and
services available. The outcomes it measured were monetary poverty, education, health and nutrition, savings, investment/production, employment, and empowerment (Bastagli et al., 2016, pp. 241-252). Overall, the authors concluded that the outcomes of UBI were:

- Increased spending on food
- Reduced poverty levels
- Increase in school attendance, specifically for girls
- Increased use of health services
- Dietary improvements
- Improved physical health
- Increased financial savings
- More agricultural development purchases
- Same levels of employment (except in cases of unpaid care work)
- Reduction in child labor
- Reduction in domestic abuse
- Increased female empowerment maritally and sexually

Another significant review was Ioana Marinescu’s “No Strings Attached: The Behavioral Effects of U.S. Unconditional Cash Transfer Programs,” which was published in 2017. As the name implies, it was domestic in scope and limited to UCT, but also included the 5 NIT experiments and lotteries. It analyzed programs that began between 1968-2001. It described whether or not each trial was unconditional, had a means test, was long term, covered basic living expenses, and was available to all in the geographic area. Her study also looked into the number of recipients, amount of money given, eligibility, and frequency of payments. The outcomes measured were labor participation, consumption, education, and health. Like the
previous article, it included only American trials, with the exception of the Mincome NIT program. Marinescu concluded that consumption increases, the labor supply is not impacted except for an increase in part-time work, and education is prioritized.

Lastly, “The public health effects of interventions similar to basic income: a scoping review,” appeared in Lancet Public Health in 2020. It examined 5 NIT and 4 UCT programs from 1968-2019 and measured health, employment, education, and social outcomes. The organization criteria included regular payments, unconditionality, universality, permanence, and fixed or subsistence-level payments. Not every study met all of these criteria, and the review did not discuss these research design differences further. It explored experiments conducted in the United States, Iran, and Canada. The piece concluded that historical NIT trials produced minor reductions in employment, improved educational outcomes, small positive differences in physical and mental health, as well as more economic flexibility. It also found that in contemporary UCT programs, mental and physical health improved and stress levels were lowered. Injury from risk-taking behavior increased, but crime rates went down. Women worked more part-time, and employment and productivity levels rose. Education was a greater priority and family structures were strengthened due to participants having more time and resources (Gibson et al., 2020). The different articles, organizational strategies, and findings are summarized in Table 1.
**Table 1**  
*Existing systematic reviews of UBI programs*

<table>
<thead>
<tr>
<th>Article</th>
<th>Time Frame</th>
<th>Case Studies</th>
<th>Scope</th>
<th>Organization Criteria Studied</th>
<th>Outcomes Studied</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Strings Attached (2017)</td>
<td>1968-2001</td>
<td>8 NIT, UCT, and lottery</td>
<td>US and Canada</td>
<td>Number of recipients, transfer amount, eligibility, payment frequency</td>
<td>Labor participation, consumption, education, behavior</td>
</tr>
<tr>
<td>The Public Health Effects of Interventions Similar to Basic Income (2020)</td>
<td>1968-2019</td>
<td>9 NIT, UCT</td>
<td>US, Canada, Iran</td>
<td>Regularity of payments, conditionality, universality, longevity, fixed or fluctuating payments</td>
<td>Health, employment, education, social outcomes</td>
</tr>
</tbody>
</table>

**SETTING THE SCENE: THE PARAMETERS**

These four articles set the academic scene for my analysis. They are comprehensive and draw large-scale conclusions about the impacts of UBI. Due to the breadth of their data collection, they account for a huge variety of economies, cultures, and geographic locations. A flaw is that these external factors are unmeasured, and if left uncontrolled for, can interfere with
the accuracy of assessed program outcomes. While the number of trials analyzed offsets some of this problem, there is a degree of uncertainty surrounding the conclusions drawn.

This research will compare a more limited subset of UBI trials with more specific parameters. It will exclude negative income tax programs, and only include contemporary and domestic programs which distribute funds unconditionally. The analysis excludes NIT because as a tax code-based approach, it is fundamentally different from UBI; the income cap and income tax requirements undermine the simplicity of universal basic income’s “free money” principle. Given that the economy and culture have changed significantly over the years, only contemporary programs are selected because they have more relevant applications to the present day.

Similarly, the focus is limited to the United States in order to control for economic and cultural differences. Thus, the analysis will be better positioned to identify policy recommendations for domestic UBI implementation. This approach also maintains unconditionality as a non-negotiable criteria, because conditionality interferes with outcomes by requiring participants to meet desirable behavioral goals. Program selection, of course, is limited by the amount of data available. Because this analysis only compares a small subset of the existing UBI programs, it is imperative that those selected have a comprehensive set of data available for thorough examination. For example, NIT trials were largely underfunded and as such, ended prematurely and lacked adequate data to analyze, contributing to their exclusion from the subset.

**METHODOLOGY**
The research aims to answer how universal basic income programs can best be structured to minimize indicators of poverty. In order to accomplish this, it will assess three prominent contemporary basic income experiments in the United States: SEED (Stockton Economic Empowerment Demonstration), AFPD (Alaska Permanent Fund Dividend, and the EBCI (Eastern Band of Cherokee Indians Casino per capita payments). The case study selection is bound by geography to the United States to control for differences across countries, and these experiments occur between the 1980s and present day for relevance. All three trials are widely regarded as being successful, and the research presumes that cash transfers reduce poverty and its impacts.

The data from these case studies is primarily sourced from existing analyses by other scholars. I will systematically collect data regarding the organizations of these programs and their impacts on recipients to discover trends across the board. Patterns in the data will provide valuable insight into the most effective ways that future programs can maximize the benefits of UBI. The overarching goal of the research is to create a better understanding of what UBI is and what it should aim to do, as well as suggest how this can be practically done.

The analysis assesses each program by their organization, including characteristics such as funding sources, governance, the amount of money disbursed and if it fluctuates, and eligibility criteria. The research hopes to further academic understanding the limits of funding on program design, the role of authority in design and distribution decisions, the amount of money needed to feasibly yield a net positive, and the impact of eligibility restrictions on UBI.

It focuses on three outcomes to determine UBI’s ability to reduce indicators of poverty:

- Physical health
- Mental health
- Economic wellness

While these categories are broad, they capture the variety of data within the given parameters better than specific ones. For example, positive impacts on education are considered under economic wellness because of education’s scientifically proven role in reducing poverty and increasing opportunities. Physical, mental, and fiscal health are a huge part of our daily lives, and all three suffer under conditions of poverty. More and more localities are recognizing the ability of UBI to neutralize poverty’s ills. By finding links between the way UBI programs are designed and their outcomes, this research aims to help future programs alleviate poverty and maximize outcomes for recipients.

**FINDINGS**

The findings will be presented in two sections: program organization and outcomes. Each of the aforementioned design criteria and outcomes will be analyzed through the lens of the three case studies in order to explore patterns in the data.

**PROGRAM ORGANIZATION**

Governance, Funding, and Payments

Stockton’s universal basic income program was proposed by former Mayor Michael Tubbs in his search for creative solutions to poverty. The trial was governed by the nonprofit organization Stockton Economic Empowerment Demonstration (SEED). It aimed to give recipients $500, once a month for 18 months. SEED was run by a well-rounded advisory board, consisting of two academic experts on universal basic income and three local leaders who understood how to tailor the program to the unique needs of Stocktonians.¹ Since it lacked

¹ SEED’s advisory board members were former Stockton Mayor Michael Tubbs, co-founder of Economic Security Project (ESP) Natalie Foster, ESP’s Executive Director Taylor Jo Isenberg, San Joaquin County Human Services Agency’s Executive Director Michael Miller, and the
government funding, SEED was made possible by private and philanthropic donations. Chris Hughes, co-founder of Facebook, made a $1 million contribution through his organization, the Economic Security Project. The Economic Security Project’s main goal is to fund UBI trials and help conduct research in support of the policy. Other donors included the Future Justice Fund, California Wellness Fund, Mustard Seed Trust, Sunlight Giving Foundation, Silicon Valley Community Foundation, and many individuals (Our Vision, n.d.; Stockton’s Economic, 2018). Notably, Carol Tolan’s generous donation enabled SEED to extend its UBI program by six months, going from 18 to 24 months in length (Holder, 2020).

A key goal of SEED was to learn about the impact of cash transfers on reducing poverty. As such, formal data collection and analysis were an integral part of the undertaking. The advisory board decided to collect both quantitative and qualitative data, as they recognized the importance of both figures and storytelling in understanding poverty. In order to maintain objectivity, two independent researchers—Dr. Stacia Martin-West of the University of Tennessee and Dr. Amy Castro Baker of the University of Pennsylvania—evaluated the program’s success (Our Vision, n.d.).

Because alleviating poverty was central to the program’s mission, the UBI had to be easily accessible to recipients. The money was distributed to recipients via prepaid debit cards, provided in partnership with the Oakland nonprofit Community Financial Resources, and they were able to withdraw money at ATMs. Prepaid debit cards don’t require a bank account, which was necessary because 9.7% of Stocktonians don’t have bank accounts. Participants received the money on the 15th of every month, because welfare is often disbursed at the beginning of the

University of the Pacific’s Director of Intercultural Student Success Dr. Inez Ruiz-Huston (Our Vision, n.d.).
month and often doesn’t last until the next deposit. The UBI was strategically timed to help
reduce this burden (Our Vision, n.d.).

Secondly, the Alaska Permanent Fund Dividend was created by Alaskans in 1976 to share
the state’s profits from oil extraction with its citizens. The program was created through a
constitutional amendment, and involved the development of a funding formula to determine how
much money each Alaskan would receive. According to Article IX, Section 15 of the Alaska
Constitution as amended, “at least twenty-five percent of all mineral lease rentals, royalties,
royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the
State shall be placed in a permanent fund.” This permanent fund is the source of the UBI, but
the balance is not fixed–it varies based on the trends of the Alaskan oil industry (and in recent
years, the state budget). Typically, payments fluctuate between $800 and $2,600, though they
have been on the lower side in light of the state’s recent fiscal deficit (State of Alaska Permanent
Fund Dividend, n.d.). Payments are issued each October, and Alaskans have the option to receive
the money either as a check or via direct deposit.

Since the fund was created through a state process, the Alaska Department of Revenue is
responsible for governing it. Within the Department of Revenue, the state has a Permanent Fund
Dividend Division that oversees APFD payment distribution, registration, and the like. While
they don’t participate actively in the distribution process, the Alaska Permanent Fund
Corporation invests the principal balance of the APFD (Division Information, n.d.) As a
state-managed fund, the AFPD is accountable to the Alaskan legislature. In fact, the APFD and
its funding formula have become increasingly important to state politicians and voters alike–
especially in light of Alaska’s recent budget deficit. Thus, the impact of the APFD on Alaskan
politics and the Alaskan economy cannot be overstated.
Due to budget cuts, former Governor Walker was in favor of capping the fund to ensure its longevity— a goal that SB 128 (2016) sought to accomplish. The controversial bill was passed by the Alaska Senate but died in the House amid intense protests, demonstrating how the APFD influences the political priorities of Alaskans (Herz, 2016). However, during a special session in July of 2016, Governor Walker stood by the cuts with a veto, enacting the New Sustainable Alaska Plan and vetoing $666.4 million of the $1.36 billion Permanent Fund Dividend appropriation. The amount that remained after the veto allowed for a dividend of $1,000 per person (Walker, 2016). Only two years later, the legislature was once again debating whether or not to return to the original APFD funding formula HB 286 (Kitchenman, 2018). The vote was very close, and reflected the contention the APFD has created within the Alaska legislature (Herz, 2018). In desperation, Governor Walker passed legislation in 2018 to allow 5% of the APFD to be used for government expenditures. In an attempt to save the Alaskan economy, the governor’s controversial stances on the APFD contributed to him losing his reelection (Rosen, 2018). Table 2 represents the proposed and actual changes to APFD payment amounts throughout the Alaskan budget deficit.

From the citizens’ standpoint, Alaskans have needed to choose between eliminating or significantly reducing the APFD, or creating an income tax and increasing other taxes. Four decades into this UBI program, Alaskans are quite defensive of the permanent fund, which has become a hallmark of life in the state. According to Harstad Strategic Research’s report to the Economic Security Project, “a lopsided 4-to-1 majority [of Alaskans] prefer to scale back the oil industry’s tax credits, and decisive 2-to-1 majority prefer to start an income tax on those making over $500,000 and start a sales tax on most purchases — in lieu of halving PFD checks” (Harstad, 2017). It is evident that Alaskans are willing to make great sacrifices— including increased taxes...
on six different fronts— to maintain their UBI payments regardless of the state’s financial circumstances.

In North Carolina, the Eastern Band of Cherokee Indians (EBCI) approved opening a casino on the Qualla Boundary Trust in 1995. Then-chief of the tribe, Joyce Dugan, insisted that “if the tribe were to benefit from its new casino, then every one of its members ought to get a cut too” (Lapowsky, 2017). A year later, Harrah’s, a subsidiary of Caesar’s Entertainment company, made an agreement with the tribe to provide them with more discretion over the casino’s profits (Bruckner et al., 2011). Under this agreement, every member of the tribe would receive a percentage of the casino profits, called a “per capita” payment (Costello et al., 2003). Only 3% of the profits would go to Harrah’s. The Tribal Council of the Eastern Band of Cherokee Indians, which is the tribe’s governing body, created a fund from which to distribute casino revenue to the community. Naturally, the amount of money available fluctuates based on the profit margin of the casino. A sizable 50% of casino revenues went into this per capita payment fund, and the rest of the money was set apart to be invested in community health care, education, infrastructure, and more (Lapowsky, 2017).

Members of the Eastern Band of Cherokee Indians have received these per capita payments every year since, with childrens’ funds accumulating in a Minor’s Trust Fund for them to access once they graduate from high school or turn 18. Since 1996, payments to Cherokee Indians have averaged $5,655 a year. However, changes to the funding formula have been made by the Tribal Council when prompted by members. For example, payments were once annual, but were made biannual at the discretion of the Tribal Council (Lapowsky, 2017).

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2 The points of contact for member inquiries regarding per capita payments are Devona Toineeta, Seth Jumper-Littlejohn, and Jean Arlena Gomez (Official Government Website of the Eastern Band of Cherokee Indians, n.d.).
Perhaps more consequentially, in 2016, the Council voted to stagger the payout of the Minor’s Trust Fund, which averaged $30,000. The Junaluska Leadership Council, composed of EBCI high schoolers, felt it was unwise to give young adults instant access to huge quantities of money— they would lose more in taxes and be more likely to make risky financial decisions (Kays, 2016). In response to this, the Tribal Council decided, with some disagreement, to split the fund into three staggered payments, with the final payment being made at the age of 25 (Kays, 2016). There has been mild disagreement within the Tribal Council regarding the fund, but not remotely to the extent of the Alaskan legislature.

**Table 2**

*Proposed and actual APFD payment amounts during Alaska’s budget deficit*

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposed or Actual Payment</th>
<th>Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Actual Payment</td>
<td>$2072&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>2016</td>
<td>Proposed SB128 payment amount</td>
<td>$1500&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>2016</td>
<td>Governor veto proposal payment amount</td>
<td>$1000&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>2016</td>
<td>Actual Payment</td>
<td>$1022&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>2017</td>
<td>Actual Payment</td>
<td>$1100&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>2018</td>
<td>Proposed HB286 payment amount</td>
<td>$2700&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
<tr>
<td>2018</td>
<td>Actual Payment</td>
<td>$1600&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>a</sup> (Summary, n.d.)<sup> b</sup> (Herz, 2016) <sup>c</sup> (Herz, 2018)

**Eligibility Requirements**

The eligibility requirements for these three programs vary significantly, and reflect the funding and administrative capabilities of each.
SEED selected its 125 household recipients across three different criteria:

- They had to be older than 18.
- They had to reside in Stockton
- They had to live in a neighborhood with a median household income equal to or less than $46,033, which was the city’s median income. That being said, their household income didn’t have to be below $46,033 to participate (Our Vision, n.d.).

The age limit raises the question of whether or not minors should receive UBI, even if the money is set apart until adulthood.

In contrast, 660,000 of Alaska’s residents received APFD payments in 2016 (Marinescu, 2018). The state has a comprehensive list of requirements to receive payments, nonetheless, the vast majority of Alaskan residents qualify. First, one must be a registered resident of Alaska for at least a year, be physically present in the state for at least 72 hours consecutively within a 2 year period, and not be absent for more than 180 days. Additionally, one may not claim residency in any other state or country or receive benefits for doing so (State of Alaska Permanent Fund Dividend). Every person who meets these criteria is eligible, including children, so long as an adult files for them as an eligible sponsor—another approach to considering children in UBI programs.

Most notably, applicants cannot have a substantial criminal history. Residents cannot be sentenced or incarcerated for a felony conviction within the past year or have been incarcerated for a misdemeanor in the last year if they have a prior felony or 2 prior misdemeanors after 1997 (State of Alaska Permanent Fund Dividend). An issue to consider is if excluding formerly-incarcerated individuals from receiving UBI maintains recidivism rates and reduces access to resources which aid successful reintegration.
Alaska provides more in this regard than Stockton did, but as previously noted, the Eastern Band of Cherokee Indians makes their UBI per capita payments the most “universal.” As the name suggests, per capita payments are equalized on a per capita basis, regardless of income, age, employment status, or any other factors. The only requirement is being a member of the Eastern Band of Cherokee Indians, and having a preexisting American Indian status (Lapowsky, 2017). Roughly 16,000 people receive the per capita payments annually, and payments go out every June 1st and December 1st (Marinescu, 2018; McKie, 2022). Unlike Alaska, EBCI’s UBI for minors is not a stipend for families with children– the full distribution amount is added to an account accessible only by the child once they grow up, so they have resources available as they begin their adult lives.

These three domestic trials all approached universal basic income differently at every step of the process: from governance, to funding, to payment amounts, to program goals, to recipients, to scales, and more. The wide range of organizational strategies reflect the variety of programs collectively referred to as universal basic income. The different features of these three programs are summarized in Table 3. These differences impact the results of each program. This analysis will explore the unique findings of each case study in order to provide guidance on the ways to maximize outcomes through UBI program design. It will examine these outcomes through the lenses of physical health, mental health, and economic wellness.
# Table 3

*Organizational characteristics of SEED, APFD, and EBCI*

<table>
<thead>
<tr>
<th>Structure</th>
<th>SEED</th>
<th>APFD</th>
<th>EBI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time period</td>
<td>2019 - 2021</td>
<td>1976-present</td>
<td>1996-present</td>
</tr>
<tr>
<td>Governance</td>
<td>Advisory board (local)</td>
<td>Alaska Department of Revenue (state)</td>
<td>Tribal Council (tribe)</td>
</tr>
<tr>
<td>Funding Source</td>
<td>Private donations</td>
<td>Oil revenue</td>
<td>Casino revenue</td>
</tr>
<tr>
<td>Goal of UBI</td>
<td>Reduce poverty</td>
<td>Distribute resource</td>
<td>Distribute resource</td>
</tr>
<tr>
<td>Payment amount</td>
<td>$500</td>
<td>$800-2600</td>
<td>$5655 (annual average)</td>
</tr>
<tr>
<td>Fixed/fluctuating payments</td>
<td>Fixed</td>
<td>Fluctuating (based on revenue/state budget)</td>
<td>Fluctuating (based on casino profits)</td>
</tr>
<tr>
<td>Payment timing</td>
<td>Monthly (the 15th)</td>
<td>Annually (October)</td>
<td>Biannually (June/December)</td>
</tr>
<tr>
<td>Payment method</td>
<td>Prepaid debit card</td>
<td>Direct deposit or check</td>
<td>Direct deposit or check</td>
</tr>
<tr>
<td>Eligibility</td>
<td>Adults living in Stockton low-income neighborhood</td>
<td>Registered Alaskan residents of over one year without criminal records</td>
<td>Members of the Eastern Band of Cherokee Indians</td>
</tr>
<tr>
<td>Amount of recipients</td>
<td>125 families</td>
<td>~670,000 individuals</td>
<td>~16,000 individuals</td>
</tr>
<tr>
<td>UBI for Children</td>
<td>N/A</td>
<td>Additional money for adults who file for children</td>
<td>Saved in separate account for minors, accessible in adulthood</td>
</tr>
<tr>
<td>Evaluation method</td>
<td>Analysis conducted as part of program</td>
<td>N/A, examined by scholars independently</td>
<td>N/A, except Costello’s coincidental Great Smoky Mountains Study</td>
</tr>
</tbody>
</table>
OUTCOMES

It is important to note that due to the structural organizational differences of these three case studies, data availability regarding outcomes differs. For example, given the two-year timeline of the SEED UBI trial, only short-term impacts could be reported, in contrast to the other two long-term case studies. However, the body of information available on impacts of the APFD and EBCI per capita payments are less cohesive than that of SEED, since they lacked a formal evaluation component. Despite these natural differences in data collection, all three case studies lead to valuable conclusions on the outcomes of universal basic income.

Physical Health

SEED’s Preliminary Report didn’t outline quantitative physical outcomes of the program, but it discussed important qualitative patterns. Many recipients reported that the extra money made it easier to afford groceries throughout the month (Baker et al., p.12). Often, they would run out of CalFresh during the month, so UBI filled in the gaps and reduced food insecurity. It is widely known that consistent and adequate nutrition greatly improves one’s physical health, and a lack thereof has detrimental effects, so the positive impact of UBI keeping food on the table cannot be overstated.

The additional financial cushion also enabled SEED recipients to prioritize their physical health in ways they couldn’t afford to before. For example, caregivers from recipient families reported that they were able to receive dental and preventative care—both of which were considered luxuries before receiving UBI payments (p.15). Dental and preventative care, while postponable, are instrumental to maintaining long-term wellbeing. Additionally, women were able to purchase adequate menstrual products for themselves and diapers for their children (p.15). Both are hygienic necessities, but because they are expensive, they are often neglected in
favor of more pressing things like rent. UBI was able to restore some of the dignity lost from being unable to take care of immediate bodily needs.

Last, recipients expressed an increased ability to leave bad situations, such as abusive partners, due to the financial stability SEED provided them (p.19). Abusive and unsafe situations are often difficult to escape without financial independence, so victims often feel forced to stay. For example, a recipient named Chelsea said in an interview that she “stayed in a bad marriage for longer than [she] should have because [she] didn’t have the funds or the means to leave," and notably, that “had something like SEED came along sooner in her life, she would have been able to leave that abusive relationship several years earlier.” Chelsea directly attributed having enough money to being able to leave a financially secure but physically unsafe relationship. Receiving UBI enabled people in situations like Chelsea’s to stand on their own two feet and survive without dependency on others. Of course, being able to choose whether to remain in relationships or not drastically improves peoples’ mental and physical health. UBI provided those who participated in the trial with more options than they could afford before, and this changed lives for the better.

Unlike SEED, the Alaskan government did not conduct any official evaluations of the impacts of the Permanent Fund Dividend on recipients. As such, studies regarding the physical impacts of the APFD are disproportionately conducted on certain subtopics: in this case, the impact of UBI on the health of infants, children, and youth.

Studies found that newborns from families who receive the APFD had better birth outcomes. Chung et al. found that on average, recipiency of the APFD was correlated with an increase in newborn birth weight by 34.8 grams. Additionally, the likelihood of these babies being born underweight was reduced by 0.7% in families who received the UBI. Not to mention,
on average, their 5-minute APGAR scores (a measure of newborn overall health) increased by 0.063. The same study also found that an additional $1,000 of family income would increase birth weight by approximately 17.7g and reduce the likelihood of low birth rates by 14% (Chung et al., 2016). Low birth weights are correlated with poverty, so this reduction is significant (Strully et al., 2011). Of course, money itself does not translate to increased birth weights, but the extra income can be assumed to have afforded mothers a healthier prenatal environment than otherwise. It is known that maternal conditions during pregnancy impact fetal development and newborn health, so money from UBI has the potential to greatly improve these conditions.

Available data also demonstrates correlations between the extra money received from Alaska’s UBI program and childhood obesity rates in recipient families. According to Watson et al., every $1,000 received had the potential to reduce a 3-year-old’s likelihood of being obese by up to 4%. When applied to the population at large, the study noted that this could equate to a 22.4% reduction in the number of obese 3-year-old Alaskans. The scholars also projected that a $1,000 investment per child could prevent 66,000 cases of obesity every year. Given the amount of health issues associated with obesity, this reduction could save up to $310 million in medical expenses before children reach 18 (Watson et al., 2019).

That being said, not all impacts of the additional money were positive. In the months after the APFD funds were distributed, reports of substance use-related incidents increased by 10% (Collins, 2019). This is equivalent to roughly 100 extra incidents. This figure is not drastic, but the consequences are. It can be inferred that enough of the UBI recipients spent some of the money on illicit substances to increase the amount of incident reports. Given the unconditional nature of unconditional cash transfers, purchases of drugs and alcohol are unpreventable. That
being said, concerns must be raised if they significantly impact communities, and future programs should aim to reduce these unwanted consequences.

Similarly to Alaska, much of the research conducted on physical outcomes of the per capita payments were on birth and early childhood outcomes. Due to the financial security and resources that the per capita payments provided, recipients felt more empowered to grow their families. As a result, there was an 18% increase in average monthly births compared to rates prior to payment disbursements (Singh, n.d.). Given the maternal and infant mortality crisis Indigenous communities face, this statistic is striking.

That being said, the reported impacts of UBI on physical health lasted far beyond birth. All other things considered equal, American Indian children are 33-42% likelier to be obese than their non-Indian counterparts (Bullock et al., 2017). UBI enabled Cherokee children to defy these statistics: those who received per capita payments tended to have lower obesity rates than their non-Indian counterparts. The same study found that receiving UBI reduced the probability of a recipient being obese by 2-4% in early adulthood (Akee et al., 2013).

Besides obesity, substance abuse is a prevalent issue in Native communities. In fact, the Office of National Drug Control Policy has ranked the Qualla Boundary region, where the Eastern Band of Cherokee Indians reside, as one of the nation’s 10 High Intensity Drug Trafficking Areas (HIDTA) (Newsome, 2022). Beyond trafficking, the tribe has also struggled with disproportionately high incidents of drug abuse and overdoses. UBI was able to largely reduce these rates for the Eastern Band of Cherokee Indians. After receiving the payments, only one in five Natives had mental health or drug problems in comparison to one in three people in adjacent communities (Costello, 2016). Per capita payments had the ability to not only
compensate for racial disparities in substance abuse, but overcompensate, putting tribal members at a statistical advantage to their neighboring non-Indigenous communities.

Additionally, children from families who received per capita checks were 7% less likely to deal drugs than children who didn’t (Akee et al., 2010). A reduction in internal drug trading within a community known for its substance abuse issues is a significant benefit from UBI, and contributes to the collective health of the tribe. That being said, a study found that despite general improvement in this sector, 17.6% of recipients between 19 and 24 years old reported spending this money on drugs and alcohol (Bruckner et. al., 2011).

Like the Alaskan reports, there were some unfortunate consequences to giving people large amounts of money. The influx of wealth was correlated with an increase in risky decision-making by recipients. In the months that the per capita payments were distributed, the risk of accidental deaths increased twofold (Bruckner et al., 2011). It is evident from both programs that infrequent deposits of large sums of money can result in unsafe or poor behavior.

Mental Health

SEED chose to assess mental health outcomes of UBI recipients both quantitatively and qualitatively. They utilized the Kessler 10 Psychological Distress Scale and Short Form Health Survey 36 to assess the mental states of recipients throughout the duration of the program. The Kessler 10 is a scale that ranges from 10-50, with higher numbers indicating more mental distress (Baker et al., 2021, pp.18). Four observation periods (roughly a year) after receiving the money, recipients experienced an average reduction of 2 points in Kessler 10 scores, going from disordered distress levels to comparative health. They experienced less symptoms of anxiety and depression. On the other hand, those who were in the control group retained their disordered distress levels throughout the study. Thus, there was a significant improvement in the mental
health of recipients directly because of the impacts of the additional income. The Short Form Health Survey, which recipients were also asked to fill out, had 36 measures and 8 indicators of overall wellness:

- Physical limitations from health issues
- Social limitations from physical and mental health issues-
- Limitations in usual activities due to health issues
- Physical pain
- Overall mental health assessment
- Limitations in usual activities due to mental health issues
- Energy and tiredness
- Overall general health assessment

The results reflected improvements in physical pain, energy levels, and emotional health and wellbeing (Ware, 1992). Overall, the data overwhelmingly showed that recipients had better mental health after receiving universal basic income.

SEED conducted interviews of recipients to better understand how exactly the money eased their stress levels and improved their quality of life. As mentioned in the physical health section, unpaid care workers reported that they were able to prioritize their own needs, and this new emphasis on self-care led to better emotional health. UBI enabled people who usually devote most of their time and money to the betterment of others to take care of themselves too. The dignity that this provided transcends monetary value.

Additionally, the financial cushion gave recipients a buffer zone, so they could afford to spend time with loved ones that would ordinarily be spent working. Recipients reported that investing more time, energy, and money into their relationships strengthened them. Since recipients were often in a better state of mind than they were before SEED, as reflected by the quantitative data, they were able to be emotionally present and focus on the things and people
that mattered to them. For example, one participant, Tomas, noted that the extra money lowered his stress and enabled him to process and grieve the death of his daughter healthily, as well as be a more present father to his other children. Overall, Stockton’s UBI program was able to increase the dignity, self-esteem, relationships, and quality of life of those who received it (Baker et al., 2021).

Unfortunately, there is a large gap in the academic literature about the mental health impacts of the APFD. This is likely because mental health was not a popular topic of conversation around the time the fund was created. Only in recent years has the relationship between poverty and mental health outcomes become widely recognized and studied.

That said, Harstad Strategic Research’s survey reports that 81% of Alaskan residents believe the APFD makes a positive difference in their quality of life. Notably, poor people, women, and Indigenous Alaskans reported the greatest positive impacts of the program on them. In programs that lack an income threshold, not all recipients are in dire need of the money to survive. As such, disadvantaged groups experience the benefits of universal basic income more strongly than others. Additionally, 56% of surveyed Alaskans say the PFDs boosted their sense of security (Harstad, 2017). As all three case studies have demonstrated, cash transfers tend to increase the perception of security by recipients: not just financially, but physically and emotionally.

Finally, one evaluation focused on the relationship between per capita income and suicide rates in Alaska. The researcher found that there was no statistically significant correlation between the two, as far as the Alaska Permanent Fund Dividend is concerned (Ferry, 2021).

Even though the EBCI per capita payments started around the same time as the APFD, this case study yields a comparative abundance of data regarding mental health outcomes. This
is because the primary data collection was done by Jane Costello, a psychologist. Dr. Costello was conducting a study on the mental health of children in the region. The survey design oversampled Indigenous children. Unbeknownst to her, the Eastern Band of Cherokee Indians was creating the per capita payment system as she conducted her studies. She only noticed when trying to investigate what appeared to be an anomaly: suddenly, only Native children in her experiment experienced great improvements in their mental health— not only compared to their former selves, but also compared to adjacent non-Indigenous children being studied. Dr. Costello decided to use her data from before and after per capita payments to draw conclusions about the mental health impact of UBI on the treatment group. The other children who she studied served as a control group.

Her Great Smoky Mountains Study found that the frequency of behavioral problems in children who were brought out of poverty by UBI declined by 40%. Children who were younger when they started receiving the payments experienced greater benefits than older children, as they were impacted by poverty for less time. Dr. Costello grouped participants into three age cohorts: the youngest being 12 or under in 1996, the middle being 14 in 1996, and the oldest being 16 in 1996. Fewer of the youngest cohort had any psychiatric disorder (31.4%) than the middle cohort (41.7%) or oldest cohort (41.4%). The youngest children were 1/3 less likely to develop substance abuse and psychiatric problems in adulthood than the oldest group (Velazquez-Manoff, 2014). The disorders assessed were DSM-IV psych disorders, depressive/anxiety disorders, behavioral (conduct, oppositional, and antisocial) disorders, and substance use disorders (abuse or dependence on alcohol, nicotine, cannabis, cocaine, amphetamines, inhalants, opioids, hallucinogens, and sedatives). The youngest group also were much less likely to report having delinquent friends than the oldest (Costello, 2003). This study
demonstrates that the earlier in a child’s life that a family is lifted out of poverty, the greater their outcomes are in adulthood.

Similarly to the SEED trial, participants experienced improvement in the quality of their parenting. Of course, money doesn’t inherently make one a better parent, but the per capita payments allowed parents to allocate more time and energy towards their children (Velazquez-Manoff, 2014). Studies from Akee et al. found that improved relationships between mothers and children increased by 4%. Compared to life before the per capita payments, parents reported an increase in supervision of their children, including knowledge of their whereabouts (Akee et al., 2010). According to an article from the Biological Psychiatry journal, positive parenting and strong, loving adult presences can cushion against many adverse impacts of poverty (Sobowale & Ross, 2018). Universal basic income helped create more positive adult presences in Cherokee families, and children were able to reap the benefits.

Economic Wellness

SEED collected information on both participants’ use of the payments and their ability to improve their own economic circumstances as a result of UBI. Through purchase histories from the prepaid cards, the organization was able to determine what the participants tended to spend their money on. Although, it is important to note that over the course of the year, roughly 40% of prepaid card money was transferred to a bank or financial institution or withdrawn as cash, so this portion of spendings or savings could not be tracked (Baker et al., 2021, pp. 12). Regardless, SEED found that recipients overwhelmingly spent the money on meeting their basic needs. On average, between 30-40% of the money was spent on food every month, with the remainder going to home goods, utility payments, auto care, and the like (pp.11). People in
poverty often lack access to essential resources, but the SEED program demonstrated that UBI can help address these needs.

Notably (and in a stark comparison to the APFD and EBCI recipients), less than 1% of tracked purchases by SEED recipients were for alcohol and tobacco products (pp.11). It is difficult to explain why or generalize because there are many possible reasons for this. While this data could point to “productive spending,” there could be an interfering psychological aspect in which recipients spent the money more “acceptably” due to knowledge of the data collection process. Until more research is done, this statistic is both interesting and inconclusive.

Not only were recipients able to improve the quality of their day-to-day lives, but they also made long-term financial progress. Before the UBI trial began in 2019, 52% of recipients were making payments on their debts. Over a year into the trial, this figure had increased to 62%. In contrast, during the same period of time, the control group’s average payments on debts had decreased (Key Findings, N.D.). Additionally, those who received the payments were more likely to have been able to pay for a $400 unexpected cost in full. At the beginning of the program only 25% would’ve been able to do so, and a year later, the rate doubled to 52%. On the other hand, the control group’s ability to pay for such an expense had only increased by 3% (pp.16). This was a huge gain in overall economic stability for the treatment group, because before UBI, unexpected expenses required the sacrifice of non-negotiables.

For example, Jovan, a construction worker who received the payments, had an unforeseen auto expense (Participant Stories, n.d.). If he didn’t get it repaired, he wouldn’t be able to get to work without his wife dropping him off, but if his wife dropped him off, she wouldn’t be able to get to work! Such a situation would have been a huge source of stress that
threatened both of the family’s sources of income. The SEED money enabled Jovan and his family to get their car repaired quickly and maintain their economic (and mental) stability.

When it comes to financial security, a stable income can be just as important as the amount of money one has. SEED was able to significantly improve financial stability for its recipients. During the program, the control group’s income was roughly 1.5x more volatile than those who received UBI. On a monthly basis, participants experienced income fluctuations of roughly 46.4%. This is still relatively high, but certainly lower than the 67.5% income fluctuations of those who didn’t receive universal basic income. Increasing the consistency of finances on a monthly basis led to a drastic increase in stability.

The extra money also helped recipients have more agency over their social lives, and be able to make positive choices in their investments. They depended less on pooling money and scarce resources with others to survive, meaning that UBI enabled them to be less reliant on fragile networks (Baker et al., 2021, pp.12). Before SEED, many would have to choose between continuing unhealthy relationships and not having their basic needs met. As one participant, Jada, aptly put it, poverty meant “feeling compelled by circumstance to ‘choose’ between terrible options… such as ‘opting’ to live in a ‘cave’ with broken appliances, constant vermin, and an absentee landlord rather than living in a nicer place with family members whose presence invites more unpaid care work and difficult relationships” (Key Findings, N.D.). Universal basic income provided people with the financial means to create new options that didn’t involve stressful family relationships or survival networks that they wanted to live without.

Additionally, participants with children noted that UBI enabled them to give their dependents better opportunities and adequate attention. Having the means to invest in children helps them create brighter futures and paths out of poverty. Receiving enough income to do so
both boosts parents’ dignity and confidence, and strengthens their relationships with their children. Participant Mekie noted that she finally had the means to support her teenage sons in their pursuit of opportunities. For her, UBI meant being able to send her child to football camp and making sure he wouldn’t go hungry before track meets—something that wasn’t always possible before SEED (Participant Stories, n.d.).

Recipients demonstrated the ability to improve their own economic circumstances with help from UBI. Contrary to the belief that people won’t work if they receive universal basic income, the treatment group had a 5% increase in employment compared to the control group. Moreover, far more participants were able to be employed full-time than before: 40% of them were in 2020, but only 28% of them were full-time employees in 2019 (Baker et al, 2021, pp.19). In this sense, universal basic income was not a “handout,” as it is sometimes described: rather it provided just enough money for recipients to transition from a period of scarcity to growth. They demonstrated that when people are invested in, often, they improve themselves so they can “pay it forward” to their communities. While not everyone in Stockton received UBI, the benefits were felt beyond the 125 participants, by their families and the community at large.

Outside of employment, recipients were able to increase their job prospects through professional development opportunities. With economic stability, people could take positive “risks” that they wouldn’t have been able to otherwise, such as forgoing a few hours of minimum wage work to do an interview. Recipients reported that UBI enabled them to participate in internships, training, courses, and more so they could advance in their careers (pp.19). As participant Kent stated, “You can take so much risk…The only reason I got the internship was because of me taking the risk of having to quit a job before and knowing that I have that money. I could sustain myself until this new opportunity came around, and I was able to take it” (Key
Findings, n.d.) Not being able to afford to take the next step holds people back from pursuing better things. Any time someone spends on professional development is time that could be spent working to earn much-needed money. It is hard for people to break the cycles of poverty and improve their economic circumstances. Stockton’s SEED program demonstrated that universal basic income has the potential to mitigate the consequences of poverty by providing a means to surmount such barriers. The economic impacts of the SEED program are summarized in Table 4, with the figures drawn from the data provided in the SEED Preliminary Report.

<table>
<thead>
<tr>
<th>Category</th>
<th>Treatment group (2019 vs. 2020)</th>
<th>Control group (2019 vs. 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment on debts</td>
<td>+10%</td>
<td>-4%</td>
</tr>
<tr>
<td>Ability to pay for $400 unexpected expense</td>
<td>+28%</td>
<td>+3%</td>
</tr>
<tr>
<td>Rate of employment</td>
<td>+5%</td>
<td>-3%</td>
</tr>
<tr>
<td>Rate of full-time employment</td>
<td>12%</td>
<td>+5%</td>
</tr>
<tr>
<td>Income volatility (monthly)</td>
<td>67.5%</td>
<td>46.4%</td>
</tr>
</tbody>
</table>

Similarly to the SEED program, the APFD was able to make great strides in raising people out of poverty in Alaska—especially for marginalized residents. Scholars estimate that the program has reduced the poverty rates in Alaska up to 20% (Marinescu & Hiilamo, 2018). This universal basic income program lifts between 15,000 and 25,000 Alaskans above the poverty line every single year. The vast majority of these Alaskans are from rural areas or are
Indigenous (Berman, 2016). Impressively, the Permanent Fund Dividends reduce the amount of Indigenous Alaskans who live in poverty by 25%.

Between 1994 and 2004, the income of the poorest 1/5 of Alaskans increased by 28%. In the rest of the United States, the poorest 1/5 of Americans only experienced a 12% increase in wealth. There is no doubt that the APFD contributes to the difference between these two statistics. Despite the trial’s universality, the data defies trickle-down economics: the richest 1/5 of Alaskans only experienced a 7% increase in income during the same time period, a quarter of the gains the poorest 1/5 made. While the incomes of the poorest and richest people are still different, this is a contrast from the rest of America’s rates: the poorest 1/5 had a 7% increase in income and the richest 1/5 had a 26% increase. The presence of universal basic income surprisingly flipped these statistics (Goldsmith, 2004). This goes to show how much more impactful UBI is to people in poverty, and presents a case for limiting the universality of cash transfers to only people of lower incomes. Granted, universality is a key component of the APFD, and is a reason why it is supported by the majority of Alaskans. Regardless, economic benefits are maximized for disadvantaged communities.

Unlike SEED, there is not much data available regarding the aggregate spending of the UBI recipients; this is likely because there is no formal evaluation component of the program. That being said, 72% of Alaskans report saving their PFD for essentials, emergencies, paying off debt, or for future activities like retirement or education (Isenberg, 2017). Overall, most recipients spend their UBI in traditionally “productive” or “smart” ways.

Overall education levels increased among the most disadvantaged students (Marinescu & Hiilamo, 2018). Especially in marginalized communities, education is crucial to creating pathways out of poverty. When more students go to school, they reap economic and personal
benefits which uplift themselves and their families. However, a study by researcher Mattathias Lerner showed that data did not show positive correlations between the APFD and high school completion rates (Lerner, 2019).

Some of the most critical research done about the impacts of the Alaska Permanent Dividend Fund concerns employment and the effects of UBI on labor. The data referenced below has been used to statistically counter claims that cash transfers worsen work ethic and encourage people to quit their jobs. A groundbreaking report from Ioana Marinescu and Damon Jones demonstrated that there are no statistically significant negative impacts of the APFD on labor. In fact, Alaskans who received UBI were working at similar rates to proportional states like Wyoming and Utah. The study detected a small reduction in labor supply on an intensive margin, meaning a reduction in hours for certain groups (notably pregnant women and new mothers, which is generally unproblematic). In fact, Alaska had more mothers rejoin the workforce after receiving the cash transfers due to an increased ability to access transportation and more (Marinescu & Hiilamo, 2018). Even outside of this, the researchers found positive employment impacts on the extensive margin. There was a 1.8% increase in part-time work compared to before the cash transfers. This increase is attributed to UBI increasing consumer spending, thus creating a greater demand for labor (Marinescu & Jones, 2018). Universal basic income increases the purchasing power of citizens, and overall, greater demand for labor is good for the economy, consumers, and workers alike. When more people work, their incomes increase beyond what the cash transfers initially provide them. Evidently, the benefits of UBI stretch beyond the pockets of Alaskans to the state economy at large.

Like the other two programs, the Eastern Band of Cherokee Indians’ per capita payments have significantly reduced poverty levels. Because the community is low-income, the impact of
the payments on poverty levels is even greater than it is in more socioeconomically diverse places like Alaska. Between 1995 and 2000, the percentage of Cherokee families who were under the poverty line reduced from 60% to roughly 25% (Bruckner et al., 2011). By 2001, the number of tribal members living below the poverty line dropped by 50%: a huge margin (Velazquez-Manoff, 2014). This study shows how universal basic income can address poverty on an economic and holistic scale.

There has also been a significant reduction in crime and increase in education since the instatement of per capita payments. Lower crime rates and higher education rates tend to improve the economic wellness of communities. According to administrative records, minor crimes committed before age 21 in families who received the payments declined (Velazquez-Manoff, 2014). Specifically, 16 and 17 year olds who lived in recipient households were 22% less likely to be arrested than their non-Indian counterparts. This is striking data, especially considering that being arrested as a minor can significantly alter the trajectory of one’s life for the worse. Youth weren’t the only ones who benefited in this regard: parents who received the cash transfers also had a lower probability of being arrested (Akee et al., 2010). One or both parents being incarcerated can have devastating consequences on the long-term outcomes of their children too. As aforementioned, younger children experienced greater benefits of being in families who received UBI than older children. The Great Smoky Mountain Study showed that the youngest cohort of children reached higher levels of education and had fewer criminal offenses than the other children as adults (Costello et al., 2010).

As for education, on-time high school graduation rates of Cherokee youth improved. In fact, being in a family that received only 4 years of per capita payments increased the likelihood of students graduating high school by age 19 by 15% (Akee et al., 2010). There were positive
impacts even before graduation for younger children: being from a family who received payments increased school attendance on average by 2.5 days a quarter. The poorest children benefited even more: on average they were at school for 4 more days a quarter than usual (Akee et al., 2010). All of this data supports families with children being prioritized for UBI eligibility– the benefits of cash transfers are generational, even before the children receive money directly.

As far as labor goes, there was no statistically significant evidence of any change in employment after receiving payments (Akee et al., 2010). There weren’t any conclusive indicators of negative changes to the labor supply. The outcomes of the SEED, APFD, and EBCI universal basic income programs have been overwhelmingly positive on almost every front. These findings are summarized in Table 5.

**ANALYSIS**

The Stockton Economic Empowerment Demonstration, Alaska Permanent Fund Dividend, and Eastern Band of Cherokee Indians per capita payments showcase three different ways of thinking about universal basic income and making it a reality. Each targets a different part of the American population, and gives them unconditional cash transfers for different reasons. The scales of the programs are vastly different, from SEED’s 125 families, to EBCI’s 16,000 individuals, to Alaska’s 670,000 individuals. From governance to disbursement, every phase of the process is unique to each trial.
Despite all of these differences, all three programs appear to effectively reduce indicators of poverty on multiple dimensions. They also contribute to positive physical health outcomes, including access to nutritious food and preventative care, greater safety and security, better birth statistics and early childhood well-being, overall reduction in substance abuse, and more. While Alaska lacked evidence regarding mental health outcomes, Stockton and the Eastern Band of Cherokee Indians demonstrated sizable improvements, such as reductions in mental disorders and illnesses, stress relief, and positive investments in relationships. From an economic perspective, universal basic income raised many families in each trial out of poverty, increased

<table>
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<th>UBI Program</th>
<th>Physical Health</th>
<th>Mental Health</th>
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<td>SEED</td>
<td>Greater food security More access to hygiene products More agency over relationships</td>
<td>Less anxiety/depression More energy, less pain Better self-care practices Improved relationships</td>
<td>Meeting basic needs Payments on debts Ability to cover unexpected costs More income stability More opportunities More employment</td>
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<tr>
<td>APFD</td>
<td>Increased birth weights Less childhood obesity More substance use reports</td>
<td>Higher quality of life</td>
<td>Less poverty Income gains for the poorest More education More part-time work</td>
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their financial stability, empowered them to develop professionally, and helped them pursue and maintain employment. They also increased education levels, lowered crime rates, and positively impacted recipients’ social networks.

The analysis demonstrates that the different outcomes of each UBI program are a byproduct of their different organizational structures. Some design components in each trial yielded greater benefits and reduced more drawbacks than others. This research aims to provide insight into data-driven strategies for reducing indicators of poverty and expanding benefits to recipients and their communities. Given program organization and outcomes data for SEED, the APFD, and the EBCI’s per capita payments, these are policy recommendations for future universal basic income trials.

Policy Recommendations

In terms of disbursement processes, small and frequent payments may be more effective than large, lump sums. Smaller payments reduce the likelihood of participants engaging in risky behaviors upon receiving payments. The only significant weaknesses present in the data were increased substance-related incidents reported in Alaska following disbursements and more accidental deaths from unsafe risk-taking in the Cherokee community. Both of these were similar in nature and occurred in trials that provided a large amount of money infrequently to recipients (annually and biannually as opposed to monthly). Sudden, large increases in income can lead to diminishing returns to scale, possibly enabling poor decisions and ignorance of their consequences. These negative tendencies may be mitigated by reducing the amount of money in payments and increasing their frequency to encourage stability and normalization. If recipients perceive universal basic income payments as good but uneventful, unusual and harmful behaviors could be reduced post-disbursement.
Additionally, smaller payments could encourage better spending and saving habits. For example, 17.6% of young adult Cherokees reported spending some of the money on substances. Even the Junaluska High School Leadership Council of the EBCIs recognized that giving people large quantities of money all at once can be counterproductive. Not to mention, smaller payments aren’t necessarily less effective: SEED reported just as many short-term positive benefits for recipients as the other two trials did, despite the smaller payment amounts. Overall, this could be an effective strategy to minimize potential consequences of universal basic income.

Very specifically, mid-month disbursement could be beneficial to recipients. As SEED noted, many income changes happen at the beginning and end of the month, from EBT deposits to rent payments. This can lead to shortages in funds and resources through the middle of the month, for example, food stamps running out. SEED organized their program with disbursement on the 15th of each month, and this offered recipients greater food security than before and more confidence that they have what they need to survive on a month-to-month basis.

Prioritization of families with minor children in participant selection for UBI trials in cases where funding is limited emerges as a wise strategy. The research shows that universal basic income has incredibly positive outcomes on children, from higher birth weights to reduced psychological issues to increased education rates. The lives of children from families under the poverty line in the three trials were changed as a result of UBI. It enabled them to break negative cycles in adulthood and gave them the tools and resources to achieve a greater quality of life than before. Universal basic income has the potential to transform future generations of children in poverty for the better, setting them up for success and empowering them to build a brighter future.
While funding remains at the forefront of this conversation and can greatly limit or expand program options, long-term universal basic income programs are much preferable to their shorter counterparts. For the sake of consistency and economic stability of recipients, program continuity is important. As the data shows, there are countless long-term benefits of receiving UBI that recipients miss out on when programs are cut short, especially for children and for the economy at large. Not to mention, programs as limited as SEED’s lack the time necessary to notice benefits that outlast the payments themselves. That being said, financial constraints for both programs and analyses are real, and short universal basic income trials are much better than nothing at all.

Financing UBI programs remains a challenge. Stockton’s funding was limited and relied on donors, which limited the program length but reduced backlash from the general population and the perception of UBI as a taxpayer-sponsored handout. Alaska’s natural resource strategy works, but only in places with bountiful resources like oil. Universal basic income should be implementable regardless of geographic location, so this is another constraint. The Eastern Band of Cherokee Indians sharing a communal resource is a picture of what is possible when wealth is distributed, but requires selflessness on the part of stakeholders who could otherwise be making huge profits. In the current climate of corporate greed, this may not be realistic, unless revenue from resources are specifically allocated to UBI.

As far as governance is concerned, the bigger the scale of the program, the more difficult it becomes to manage. Because Alaska’s UBI was run through the state, the legislative and governmental involvement was immense. The APFD became a highly contested political issue that caused great chaos within the legislature, and even contributed to a change in governors. Local programs are comparably easier to run and can be more time and cost-effective, especially
in initial phases. While large demonstrations like the APFD and EBCI per capita payments are of great importance to both these communities and the academic literature, for up-and-coming universal basic income trials, smaller programs may be more feasible.

Another recommendation is to make programs unconditional by attaching no strings to the money. This both reduces bureaucratic costs and maintains the dignity of recipients, implying that they can be trusted to manage their own finances. Data from the three trials demonstrated that for the most part, recipients spent the money on traditionally productive things like food, debt payments, and auto care. Trusting that people in poverty are capable of making good decisions also helps to dismantle myths about the moral character of poor people. On a greater scale, universal basic income has the potential to drastically alter the way we think about poverty and what we know about the distribution of wealth. UBI enabled Cherokee children not only to close their health gaps with white counterparts, but surpass them. Similarly, in a country that prioritizes the profits of the rich over the welfare of the poor, the APFD flipped the narrative by creating greater income equality and increasing the financial growth of its most vulnerable. This demonstrates that in many ways, poverty is a policy choice. Changing the rhetoric regarding poverty can help end the demonization and punishment of poor people that serves to perpetuate inequality.

Most important, and somewhat ironic, “universal basic income” is most effective when it is not universal: if there are limited resources, programs that prioritize low-income and marginalized communities yield the greatest benefits. Logically, every extra dollar goes farther if given to people in poverty as opposed to everyone, regardless of income. This also begs the question of what UBI should be called if it is not universal, and prompts future discussion of what it should aim to accomplish. Given how great of a limitation funding is for this policy
proposal, constraining eligibility is my greatest recommendation to ensure the financial viability of UBI programs.

**CONCLUSION**

As we continue to understand the breadth and depth of the consequences poverty has on every aspect of life, the ever-growing body of academic literature demonstrates that universal basic income has the potential to address and mitigate these repercussions. This project contributes to the existing scholarship by comparing the overwhelmingly positive outcomes of UBI, regardless of design, and shedding light on the most effective ways to maximize these outcomes. This research is highly relevant, given that universal basic income trials are sweeping the nation, especially on a local level. This analysis of the Stockton Economic Empowerment Demonstration, Alaska Permanent Fund Dividend, and Eastern Band of Cherokee Indians per capita payments provides a glimpse into what policy implementation could and should look like. As more programs are developed, scholars should continue to analyze new data to create a fuller understanding of universal basic income’s ability to reduce indicators of poverty.
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