

# Basic Income Project

## Y Combinator Research

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# OVERVIEW

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- What is basic income?
- Why are we conducting an experiment?
- Our approach
- Study design and research questions

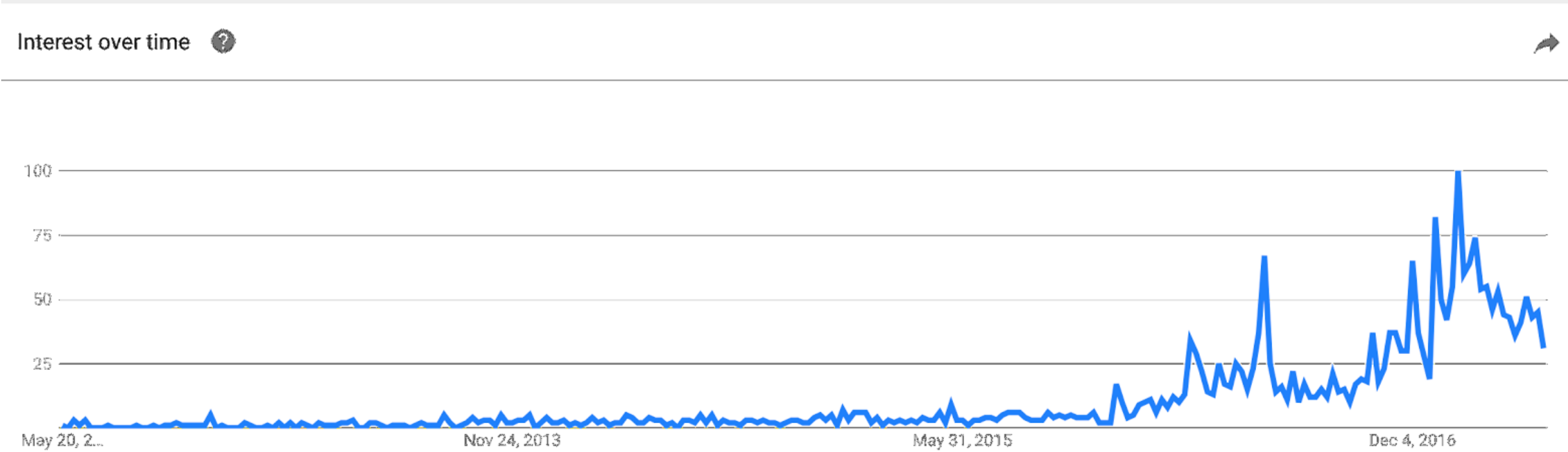
# What is basic income?

# MOTIVATION

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- Labor market changes
- Deep poverty on the rise
- Existing social safety net unable to meet both current and forthcoming needs
- Need for researchers and policymakers to explore alternatives

# INTEREST IN BASIC INCOME



Source: Google Trends

# OUR APPROACH

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- Geographically dispersed randomized controlled trial (RCT)
- Examine behavioral responses to an increase in income provided by unconditional cash transfers
- Outcomes of interest across multiple dimensions
- Begin with small pre-pilot in Oakland
- Launch larger, longer-term study within a year

# STUDY DESIGN

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- Between 2,000 and 3,000 randomly selected individuals from regions in two states
  - Minimum of 1,000 will receive basic income
  - Individuals between the ages of 21 and 40
  - Sample stratified by gender, race/ethnicity, income level, whether or not participants have children, etc. to ensure representativeness
- Cash transfers of \$1,000 per month for treatment group
- Most participants will receive the income for 3 years, but a small subset will be guaranteed the income for 5 years

## **TIME USE OUTCOMES**

### ***Employment***

Changes in labor market participation (e.g. withdrawing from or joining the labor market)

Reducing or increasing the number of hours worked

Shifting labor patterns:

Shifts from a lower-quality to a higher-quality / more fulfilling job

Self-employment, secondary jobs, and/or entrepreneurial activities

Increasing investment in searching for a job

### ***Human Capital Investment***

Education or training of individual

Education or training of members of household

### ***Unpaid Productive Activity***

Child or elder care

Volunteering

Civic or community engagement

### ***Leisure***



## **HEALTH-RELATED OUTCOMES**

### ***Physical Health and Well-being***

Health markers and predictors of future disease (BMI, hypertension, etc.)

Self-reported health

Healthy behaviors (diet, exercise, alcohol consumption, smoking)

Health insurance coverage

Health and mental health service utilization

Sleep

Food security

Housing quality and stability

### ***Mental Health***

Depression

Anxiety

### ***Cognitive Functioning and Stress***

Stress (self-reported and cortisol)

Attention and inhibitory control (e.g. psychomotor vigilance test and Stroop test)

# FINANCIAL OUTCOMES

## *Assets, Savings, Borrowing, and Investment Behavior*

Bank utilization

Liquid assets

Debts/repayment (including use of payday loans, check cashers, etc.)

Other savings

Access to credit/credit utilization

Investments (including investments in physical capital like a vehicle)

## *Cash Flow*

Income

Expenditures (self-reported and transactions from bank accounts)

## *Financial Health*

Center for Financial Services Innovation (CFSI) indicators of financial health

Consumer Finance Protection Bureau (CFPB) financial well-being scale

## **POLITICAL AND SOCIAL OUTCOMES**

### ***Political and Social Attitudes and Behaviors***

Voter turnout  
Self-reported forms of political participation  
Trust in government  
Economic conservatism  
Intergroup prejudice  
Other-regarding preferences

### ***Social Capital***

Social interaction and connections  
Satisfaction with interpersonal relationships

### ***Anti-Social Behaviors***

Arrests  
Convictions  
Domestic violence (self-reported)

# DATA SOURCES

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- Surveys
- Administrative data
- Biomarkers
- Cell phones?