

# Guaranteed Basic Income: A Powerful Health Intervention



## What Is GBI?

Guaranteed Basic Income (GBI) is a recurring unrestricted cash payment distributed to a targeted group of people [1]. The target group might be persons under a certain income level, unemployed people, or pregnant individuals. The model of distribution can and has taken many forms in pilot programs and experiments. Methods include, but are not limited to, tax credits, negative income tax, and annual or monthly lump sums [2]. The term GBI is understood to be different from UBI, Universal Basic Income. UBI often indicates a program where cash payments are distributed to any person regardless of income or employment status.

## GBI & Health

Numerous GBI studies and pilots have demonstrated health benefits. A recent prenatal benefit program in Canada, for example, found marked improvements in child-wellbeing-indicators -- including, higher birth weight and improved language and cognitive abilities at kindergarten age -- after maximum monthly payments of approximately \$63 USD were distributed to low-income mothers beginning in their 2nd trimester and continuing through the 3rd trimester [3]. Analysis of the 1970s Canadian "Mincome" experiment found basic income recipients not only had a decrease in hospitalization rate and length of stay, but also had fewer accident and injury hospitalizations [3].

The Indiana-based Gary Maintenance Income Experiment (1971-74) found that recipients of the negative income tax transfers moved to neighborhoods with improved housing and access to healthcare providers [4]. By moving neighborhoods, study participants reduced their exposure to associated stressors such as violence and crime, visible social inequalities, community fragmentation, social isolation, and reduced employment and educational opportunities, all of which are considered risk-factors for mental health issues [4]. Early outcomes from the 2022 Growing Resilience in Tacoma (GRIT) pilot program indicate that families are spending their \$500 monthly payments on basic needs like housing, a security that is widely recognized as a key social determinant of health [5], [6]. While still a growing body of literature, the research has demonstrated that GBI programs can have positive impacts on mental health, physical health, and access to health services [4].

## GBI & Social Justice

GBI also has meaningful implications for racial and gender equity, especially considering the persistent racial and gender wealth gaps in the U.S.. Income is one of the primary factors in building wealth [2]. Yet, at median income levels, Black Americans earn 65% of what their white counterparts do [5]. Concurrently, white families in the US have a median net wealth of \$171,000, compared to \$17,000 for Black families [5]. Likewise, women own less wealth than men due to current and historic pay inequity and occupational segregation [1]. In the workplace, research has found that women are overrepresented in earners making less than \$10 per hour [1]. As a result, women of color are at the nexus of these structural inequities and are overrepresented in low paying industries and jobs [1]. The reverberations of racial and gender wealth gaps also extend to inequities in healthcare, expressly the inability to meet unexpected expenses like medical bills [7]. The supplemental income from a GBI program, especially if funded by progressive taxation or similar policies, will begin to distribute economic resources to those who have been systemically barred from the accumulation of wealth.

## Critiques

A major concern about providing unrestricted cash assistance is that people will be disincentivized to work; however, analysis of GBI pilots has found negligible change in employment. Those that did leave the workforce tended to be women raising young children (and often disproportionately responsible for unpaid household labor) or were young men who ceased working to remain in school longer [7]. Opponents of GBI and UBI often point to other concerns like cost, inflation, dismantling other public safety networks, increased reliance on government, and adverse political implications, but research indicates many of these doubts are unfounded or minimal in practice [8]. This is especially the case considering that proponents of GBI generally see it as working in conjunction with current welfare programs and additional wrap-around initiatives, not as a stand alone solution [8], [9].

# References

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