



Sign up for our newsletter

## Business & Economy

# The results of the biggest study on guaranteed income programs are finally in

For three years, 1,000 people received \$1,000 per month — no strings attached. They took better jobs. Some went back to school. Others started opening businesses.

**Chabeli Carrazana**

Economy and Child Care Reporter



---

**Published**

July 22, 2024, 12:00 a.m. CT

---

For eight years, researchers have been quietly putting together the largest, most comprehensive study on programs that give people a monthly stream of cash — no strings attached. Over time, does that income transform people's lives?

The data [is now in](#).

ner by OpenResearch, the nonprofit lab founded by OpenAI CEO Sam  
he study followed 3,000 participants from 2020 to 2023, creating a Donate  
sweeping portrait of the effects of guaranteed income programs. More than 150  
such programs have been running since 2018, serving 50,000-plus recipients —  
often [low-income women](#), [parents](#) and [people of color](#).

The researchers wanted to understand the role cash transfers play in improving people's livelihoods. "Asking if cash is good is kind of like saying, 'Is food good?'" said research director and principal investigator Elizabeth Rhodes. "But what effect does it have in different places?"

The study split the participants into two groups: 1,000 people received \$1,000 a month for three years and the rest received \$50 a month to serve as a control group. (Researchers decided to pay the second group a nominal amount to help them stay engaged with the project.)

The groups, all made up of people ages 21 to 40, were drawn from rural, suburban and urban counties in Illinois and Texas with average annual household incomes of about \$30,000, creating a representative sample of young low-income Americans. Each group was surveyed monthly and annually, and 155 people also underwent in-depth interviews once or twice a year. On average, 97 percent of participants completed the surveys.

(The OpenResearch lab is run independently from Altman and OpenAI, but the two have contributed more than \$24 million to fund the project.)

The findings were published in the National Bureau of Economic Research this week.

Right away, the data clearly showed that cash helped people spend more on their basic needs. Those who received \$1,000 monthly spent \$67 more per month than the lower-paid group on food, \$52 more on rent and \$50 more on transportation. They also spent about 26 percent more financially supporting others, typically family members or children, suggesting that the beneficiaries of guaranteed income programs extend beyond the actual participants.

he volunteers told the researchers that the money allowed them to stop check to paycheck and start imagining what they could do if they had more financial breathing room. Karina Dotson, OpenResearch’s research and insights manager, often heard participants talk about the cash giving them a “sense of self.” She said it “gave them head space to dream, to believe, to hope, to imagine a future they couldn’t imagine before.” Other research has found [similar outcomes](#).

[Donate](#)

### More like this



[How a \\$500 monthly stipend for families impacted children’s grades and parents’ sense of self](#)

[‘The beauty of cash’: The rise of guaranteed income programs could give low-wage women a crucial lifeline](#)

[Mother's Trust marks a history-making three cycles of paying Black mothers](#) [Donate](#)  
[onth](#)

Those who received \$1,000 monthly were 5 percent more likely to report having a budget, spending an average of 20 minutes more a month on finances than the group that received \$50 monthly. The money also affected how much medical care people sought, how much they considered entrepreneurship or additional schooling and even the kinds of jobs they took. Those choices varied widely from person to person.

“We are learning that cash is an imprecise instrument if you want to move the same outcome for everyone,” Rhodes said. “But it moves some things — sometimes many things — for most everyone and it’s what they need in that moment.”

Supporters of guaranteed income have long felt that cash gives people autonomy. Opponents have argued that payments incentivize people to work less. South Dakota, Idaho, Iowa and Arkansas have passed laws preventing localities from [running guaranteed income programs](#) or issuing payments, saying they waste taxpayer dollars and deter people from working.

Indeed, the study found that the participants who received the higher monthly payments worked about 1.3 fewer hours a week than those who got \$50 — but the reasons are complicated. Much of the decline happened among participants under the age of 30, who were more likely to be seeking college education or job training. Single parents were about 4 percentage points more likely to have left their jobs by the end of the study compared to single parents in the \$50-a-month group, or were slightly more likely to have reduced their work hours, indicating the extra money may have allowed them to take on more child care.

to find the employment impacts as anything but modest,” said Luke, a professor of public policy at the University of Michigan who has studied cash transfers and now co-directs a guaranteed income program in Flint. “We can rule out the idea that if you give people money, they are just going to quit work altogether.”

[Donate](#)

One participant who received the monthly \$1,000 told researchers that her child was diagnosed with autism during the course of the study and the additional money allowed her to leave her job so she could homeschool them. Others, particularly women, said it allowed them to take more flexible — even if lower-paying — jobs so they could spend more time caring for their kids.

The extra cash helped some people go down from several jobs to one or to spend more time choosing the job they would take instead of jumping at the first that became available. One participant in the \$1,000-a-month group said that during the study, she took a pay cut for an entry-level position with significant promotion opportunities. The decision paid off two years later when she moved into a salaried job earning close to six figures.

“If I didn’t have the cash transfers, there is no way I could have taken that pay cut. But hearing about the growth opportunities, I was like, ‘I have to give this a shot,’” she told the researchers.

The study took place against the background of the pandemic, when many people [lost jobs](#), [child care options vanished](#) and government assistance was expanded through enhanced unemployment insurance and a [bigger child tax credit](#). That’s important to remember, said Taylor Jo Isenberg, the executive director of the Economic Security Project, which committed early funding to several of the first guaranteed income programs.

“It’s been a pretty tumultuous four years in our economy,” Isenberg said. “I think what you see here is people just trying to navigate that.”

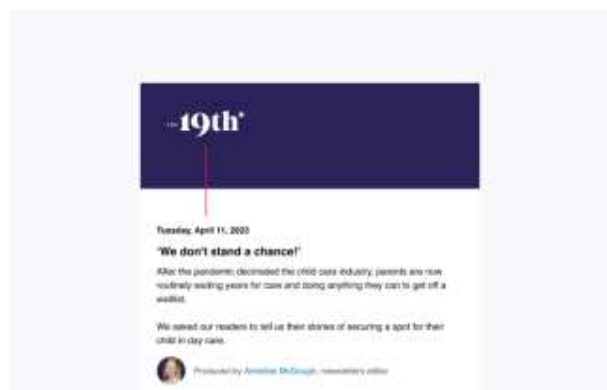
Since [the 1960s](#), guaranteed income has been seen as a way to help communities of color, women and LGBTQ+ people. Each of those groups still faces [large pay disparities](#) in an economy built primarily to [support White men](#).

en't looking for ways to *not* contribute to their community," Isenberg just that cash allows them to name for themselves what that looks like for their lives." Donate

For some, that looks like entrepreneurship. By the third year of the program, Black participants who received the \$1,000 payments were 26 percent more likely — and women of any racial background were 15 percent more likely — to report starting or helping start a business, compared with Black participants and women who received \$50 a month.

Dotson said some women reported pursuing entrepreneurship because the flexibility it provided made it easier to care for their children. Some of the ventures included offering online yoga classes, starting a screen printing business or using the money to take graphic design classes in order to start a digital art business.

Still, guaranteed income researchers point out that the extra money is finite and can't solve big structural problems like access to capital, homeownership or health care coverage. For example, those who received more cash were about 10 percent more likely than the group that received less money to visit an emergency room or go to the dentist at least once a year. But the money didn't lead to more health care access overall or improvements in physical and mental health.



Sign up for more news and context delivered to your inbox, daily

[Donate](#) I agree to [the terms](#)

---

The timing of the stipend matters, too. In Flint, Michigan, Shaefer runs the Rx Kids program, which gives women \$1,500 during their pregnancy and \$500 a month for the first year of their child’s life. Regardless of income, every family in Flint with a pregnant person or newborn qualifies for the program — an estimated 1,200 families in the city this year. Of those, about 800 have been participating since the program launched in January.

About 40 countries have programs that give cash to parents to help their children, Shaefer said, but in the United States, the closest comparison has been the child tax credit. In 2021, it was [expanded for one year](#) to ensure that the lowest-income families qualified for as much as \$3,600 per child in tax breaks. The amount of the credit was also increased and sent in monthly installments instead of annual ones. Although these changes drove down child poverty rates, the next year the tax credit automatically reverted to its prior, more modest structure. Congress has [failed to pass legislation to make the increase permanent](#).

Shaefer, whose research helped inform the expansion of the child tax credit, sees cash transfers as particularly effective because many families are poorest [right before](#) they welcome a child. “Everybody wants to be a good parent, and there is some evidence that if we put money in the hands of moms, they are just a bit more likely to make those investments in kids and in family,” he said.

Because the OpenResearch data found the impact of regular cash stipends in a variety of areas, it is helping Shaefer and others who run programs think about how they can be refined to reach specific outcomes. The data can also inform policy discussions, like about re-expanding the child tax credit, which is likely to come up again in Congress next year.

complete analysis of the OpenResearch data is coming later this year, details about the study’s effects on children. “This is a great time,” [Donate](#) Shaefer said, “to explore and not assume we got the structure of the program right.”

Republish this story



### Recommended for you



[Black women in Martin Luther King Jr.’s neighborhood will soon receive monthly cash payments](#)



[Black women in Martin Luther King Jr.’s neighborhood will soon receive monthly cash payments](#)



[Magnolia Mother’s Trust marks a history-making three cycles of paying Black mothers \\$1,000 a month](#)



[How abortion restrictions like Texas’ push pregnant people into poverty](#)

### The 19th

The 19th is a 501(c)(3) tax-exempt organization. Our stories are [free to republish in accordance with these guidelines](#).



[Donate](#)