

RSA



Challenging the mental health crisis

How Universal Basic Income can address
youth anxiety and depression

REPORT

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About the project

This work was funded by the Wellcome Trust as part of a project entitled **Assessing the prospective impacts of Universal Basic Income (UBI) on anxiety and depression among 14-24-year-olds**. This serves as a pilot study for our much broader, long-term examination of the role of Universal Basic Income as a public health measure.

The project commenced in August 2021 and has led to a number of articles either published or under review and two reports published by Compass. In July we published an interim report with the available findings at that point and this publication serves as the final project report..

All publications can be found collated on the project website [here](#).

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Foreword

In July 2022, the Welsh government introduced a radical scheme to supporting care leavers – a Basic Income. Care leavers unequivocally constitute some of the most disadvantaged members of society. The policy stems from many years of policy development within the Welsh Labour government and Welsh Labour party and is one of the most significant by any of the devolved governments within the UK.

The reason for its introduction is clear: as Labour has understood from its founding, inequality in wealth shapes inequality in opportunity, poorer life experiences and reduced social mobility. People born into poverty are much more likely than others to live and die in poverty. To mitigate inequality, to increase people's opportunity and to improve their lives – and life chances – people need to be able to build up their material assets and be able to draw on these to build their social capital and have a full stake in society.

Recent history, and successful Labour governments in the past, have demonstrated that the state has a crucial role to play in distributing a nation's assets in pursuit of the nation's wellbeing.

Successive Conservative governments have engaged in regressive projects of redistribution, leaving Britain more unequal than at almost any point in recent history. Our trial of a Basic Income for care leavers is one of the key means by which the Welsh government can protect our citizens from the consequences of the politics of austerity and inequality.

Providing these young people with a predictable and secure income will provide this uniquely vulnerable group the security to launch themselves into adulthood; a security which many of their peers can take for granted. This Basic Income will

give them choices – they will be able to decide whether to undertake education, develop businesses, grow their skills, make plans and decide how they want to experience life as they make the transition to adulthood.

Universal, equitable, cradle to grave forms of state helped the UK to fully emerge from the long shadow of the Second World War, to become a more prosperous, more equal and more dynamic nation.

The Welsh government's trial of Basic Income is one of many steps we are taking towards supporting people in Wales with the current cost of living crisis, which follows the lost decade of austerity and the devastating pandemic.

Over the course of this trial, we will be able to test the many claims made about Basic Income, but we hope it will support a national consensus that Basic Income has a central role to play in addressing inequality and in ensuring our young people have the same opportunities to fulfil their potential as each other.

Rt Hon Mark Drakeford MS
First Minister of Wales

1 Introduction and executive summary

We live in an age of crisis. Increasingly, there is understanding that the bases of our crises are material in nature: financial insecurity, poverty and inequality. The cost of living crisis is hitting Britain at the worst possible time since World War II. The global financial crisis (GFC), austerity, Brexit and the pandemic have all reduced Britain's economic, social and health resilience. National institutions and services are under unprecedented pressure and an increasing number of those in work are now also in poverty – a proportion that will increase significantly as a result of the cost of fuel.¹

Alongside this, there is a crisis in mental health among young people. Between 1995 and 2014, the proportion of 16-24-year-olds in England reporting a longstanding mental health condition increased almost tenfold.² Reported rates of self-harm (5.3 percent to 13.7 percent) and attempted suicide (1.3 percent to 2.2 percent) also increased from 2000 to 2014 among 16-24s in the same surveys.³ The consequences are a generation of young people affected by potentially avoidable forms of mental health problems while healthcare and public services become stretched to the point of breaking. In England alone, there were 420,314 open referrals to child and adolescent mental health services (CAMHS) in February 2022,⁴ a 54 percent increase since the same month in 2020.⁵ The trends are similar in Wales and Scotland and there is no sign of the crisis abating.

“But I have been anxious quite a bit about money. Like in the future, am I going to be able to like, buy a house or have a comfortable lifestyle? If stuff goes downhill majorly it's a big thing to be anxious about, in my opinion”. Lena, 14-16 years old

While policy has often understandably focused on improving coping strategies and increasing the efficiency of services, interest is growing in addressing the social drivers of anxiety and depression. A large body of

evidence indicates that those health conditions are strongly affected by social determinants: income, wealth, education, social capital and opportunity. Given the government's prevention agenda, policymakers are increasingly examining the role of cash interventions to avoid illness in the first place. While some GPs have called for cash prescriptions, a range of organisations, health bodies, community groups and politicians have called for trials of Universal Basic Income: a largely unconditional, regular payment to all adult permanent residents to support people's basic needs.

Some of the authors of this report have presented a theoretical model of impact of UBI (Figure 1) that suggests that schemes which provide regular, uninterrupted access to cash support have the capacity to improve outcomes by reducing poverty, stress and health diminishing behaviour. With the cost of living crisis now in full swing and more than two in five households in fuel poverty, there has never been a more important time to consider bold policies that have the potential to address underlying issues and crisis conditions.

In 2021, as part of a refreshed version of the Programme for Government incorporating the Co-operation Agreement with Plaid Cymru, the Welsh Administration pledged to 'pilot an approach to Basic

1 Bradshaw, J and Keung, A (2022) Estimates of Fuel Poverty in January 2023, Child Poverty Action Group, 1 August. Available at: cpag.org.uk/news-blogs/news-listings/fuel-poverty-estimates-uk

2 Pitchforth, J, Fahy, K, Ford, T, et al (2019) Mental health and well-being trends among children and young people in the UK, 1995–2014, *Psychological Medicine*, 49(8): 1275–1285. DOI: [10.1017/S0033291718001757](https://doi.org/10.1017/S0033291718001757).

3 Clarke, A, Pote, I and Sorgenfrei, M (2020) Adolescent mental health evidence brief 1: Prevalence of disorders, London. Early Intervention Foundation. Available at: bit.ly/3lVYoJ.

4 NHS Digital (2022) MHSDS Monthly: Performance February 2022 MHSDS Data File, Mental Health Services Monthly Statistics, Performance February, Provisional March 2022. Available at: bit.ly/3PdIUgh.

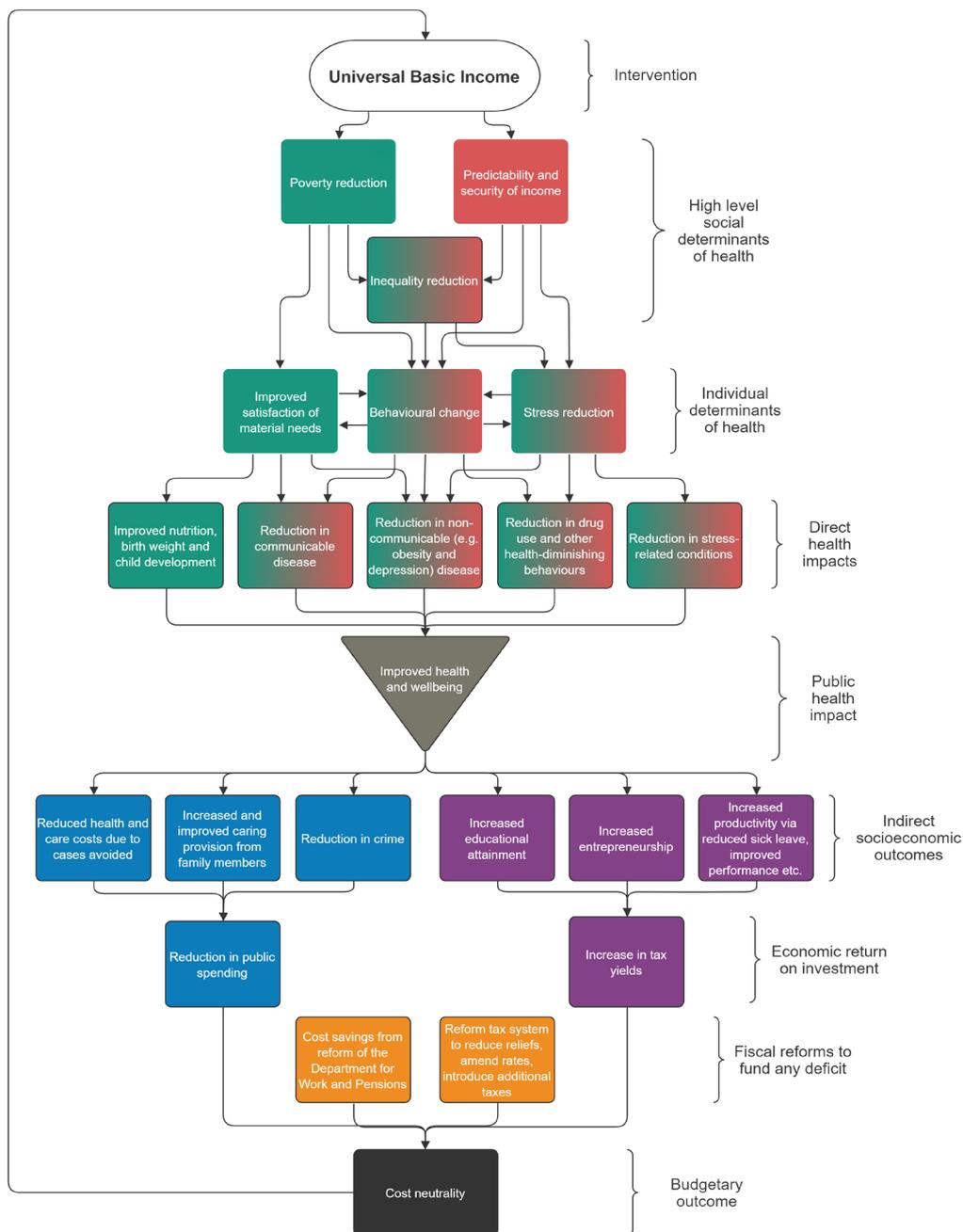
5 NHS Digital (2020) MHSDS Monthly: End of Year Final February 2020 MHSDS Data File, Mental Health Services Monthly Statistics - Final February, Provisional March 2020. Available at: bit.ly/3yRckdx.

Income'.⁶ Initiated on 1 July, the trial will last three years and involve 500 care leavers, all of whom will receive an unconditional (pre-tax) payment of £1,600 per month for a duration of 24 months. While this is not a *universal* form of basic income, and while it replaces things like housing benefit that we propose may be retained initially, there is no denying the significance of this trial. It is the first announcement of its kind in the UK and will be one of the most generous Basic Income schemes trialled anywhere in the world. Its results will help shape the UK debate on unconditional regular

payments – in particular, the impact of regular payments on disadvantaged young people as they navigate an important transition period in their lives and move toward greater financial and social independence.

Care leavers frequently encounter serious difficulty when leaving care. A 2022 Ofsted survey in England found that only around half (54 percent) said they felt safe always or most of the time with the most common reason for not feeling safe being issues relating to money (49 percent).⁷ Further, a third (32 percent) did not have enough money for hobbies and leisure activities.

Figure 1: UBI model of impact⁸



6 Welsh government (2021) Programme for Government – Update. GOV.WALES. Available at: bit.ly/3yohwUN p6.

7 Ofsted (2022) Ready or not: care leavers' views of preparing to leave care. GOV.UK. Available at: bit.ly/3uyacVJ.

8 Johnson, MT, Johnson, EA, Nettle, D and Pickett, K (2022) Designing trials of Universal Basic Income for health impact: identifying interdisciplinary questions to address. *Journal of Public Health (Oxford)*, 44(2): 408-416. DOI: [10.1093/pubmed/fdaa255](https://doi.org/10.1093/pubmed/fdaa255).

The pilot is a groundbreaking piece of policymaking that offers potential for the clearest reform to the welfare system in seven decades. It has coincided with our Wellcome Trust project: Assessing the prospective impacts of Universal Basic Income on anxiety and depression among 14-24-year-olds. The findings of that project within this report indicate that the Welsh trial offers real scope for care leavers to achieve a stable financial basis from which they can start to address other issues in their lives. Our research suggests that an increasing proportion of young people transitioning to independence would benefit from this support. For this reason, we hope that if the Wales trial produces the positive results we expect, there is scope for expansion to population-level schemes, particularly in 'left-behind' communities.

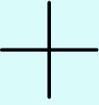
In making a series of recommendations regarding the deployment of UBI for public health purposes, this report, and chapter 6 in particular, highlights ways in which monetary interventions assist in supporting non-monetary means of aiding anxiety and depression. Wellcome's 'active ingredients' include:

- Behavioural activation: increasing engagement with positive activities.
- Collaborative goal setting and tracking.
- Engagement with the arts.
- Exposure: facing one's fears in a planned manner.
- Physical activity: more bodily movement.
- Problem solving.
- Relaxation techniques: better stress response via relaxation.
- Remote measurement technologies: use of remote technologies to monitor changes in biology, behaviour, and environment relevant to the problems.
- Self-disclosure: sharing information with others about personal experiences and characteristics.

These are evidence-based means of addressing cognitive and behavioural bases of anxiety and depression. However, as our report indicates, at least some are resource dependent, while others are affected by the cluster of economic pressures that mean that young people's time is occupied by practical education and employment related activities that have much less certain pathways to financial security than in previous times. Our findings suggest that UBI is complementary to active ingredients and, indeed, a basis for aspects of it.

Detailed key findings and recommendations are available at the end of this report.

1.1 Key findings in brief

	Universal Basic Income is affordable.
	Money affects mental health.
	Universal Basic Income is impactful as a preventive public health strategy.
	Universal Basic Income is popular.
	Additional needs for disabled people need to be recognised via 'UBI+'.
	Trials can be evaluated much more effectively to understand health impact.

Each of these findings individually contributes to an evidence base for the Welsh government's decision. Collectively, they provide a strong and robust rationale for Universal Basic Income as a multipurpose policy capable of addressing the multiple economic, social and health crises that are damaging our society. We have developed six recommendations to secure greater support for UBI, greater evidence and ensure that we can evaluate UBI as a policy more effectively.

- Policymakers should commit to trials of Universal Basic Income.
- Policymakers should explain the material health and economic benefits of Universal Basic Income to voters using narratives tailored specifically to people's circumstances.
- Trials should be evaluated comprehensively and consistently.
- More microsimulation modelling should be undertaken to cover all age groups and all major health conditions.
- Researchers and policymakers must engage in co-production with stakeholders to determine formulation of schemes and means of funding.
- Copyrighted evaluation measures should be brought into the public domain.

In time, we believe that work in this area will provide policymakers with longer-term impacts of cash transfers on a range of health conditions that will make this case more strongly. However, for now, the Welsh trial is critical, as it provides, for the first time, a British example of a payment that is sufficient to support people's basic needs within a group that faces some of the most harmful social determinants imaginable. Our work suggests that the outcomes will be positive and highlight the transformative value of bold and dynamic progressive politics.

Our findings support not just the intuition, but the ambition, of the Welsh government in transforming the lives of young people.

Life with a Universal Basic Income

"All of us would be more happy, not just one of us. All a tiny bit happier everyday... There is an amplifier effect if everyone is happy". Ben, 21-24 years old

1.2 Recommendations in brief

	Policymakers should commit to trials of Universal Basic Income.
	Policymakers should explain the material health and economic benefits of Universal Basic Income to voters using narratives tailored specifically to people's circumstances.
	Trials should be evaluated comprehensively and consistently.
	More microsimulation modelling should be undertaken to cover all age groups and all major health conditions.
	Researchers and policymakers must engage in co-production with stakeholders to determine formulation of schemes and means of funding.
	Copyrighted evaluation measures should be brought into the public domain.

2 Economic modelling

Our economic modelling has demonstrated that Universal Basic Income schemes can be both affordable and effective. These ‘static’ economic modelling findings are conservative, as they do not take into account the additional returns on investment provided by improvement in health, economic growth and reduction in crime. Nor do they include the likely funding of schemes through elimination of tax reliefs for the wealthy and wealth and land taxes to fund larger schemes. Even a fiscally neutral starter scheme would reduce child poverty to the lowest level since comparable records began in 1961 and achieve more at significantly less cost than the anti-poverty interventions of the New Labour governments.

We find:

- Child and pensioner poverty down by at least 54 percent each.
- Working age poverty down by between 23 percent and 71 percent depending on the scheme.
- Inequality down 46 percent to the lowest in the world under the most ambitious scheme.
- Find our economic modelling preprint, [Universal Basic Income is affordable and feasible: evidence from UK economic microsimulation modelling](#) [here](#).

“We keep being told that the alleviation of today’s heightened levels of poverty would be too complex and too expensive. This report shows that a basic income is within reach, would be affordable and feasible, and would be a clear route to building a better post-Covid society”.

Howard Reed, director, Landman Economics

We used the Landman Economics tax-transfer model (TTM) to micro-simulate the impacts of the three schemes, which were broadly designed to provide pathways towards attainment of the Minimum Income Standard (MIS).⁹ MIS is the income needed by different types of households to reach a socially acceptable living standard, as determined by members of the public with support from experts. Our calculations, conducted during 2021 and the first quarter of 2022, require the following caveats: the cost of living crisis has raised the MIS level; the government’s mini-budget, if implemented, will significantly increase inequality without addressing existing levels of poverty.

⁹ Davis, A, Hirsch, D, Padley, M and Shepherd, C (2021) A Minimum Income Standard for the United Kingdom in 2021, York: Joseph Rowntree Foundation.

Scheme 1 – Starter (per week):

£41 per child

£63 per adult over 18 and under 65

£190 per adult aged 65+

Scheme 1 is fiscally neutral in static terms and does not include savings and returns from investment elsewhere as a result of its introduction. It is affordable under any definition. No additional funding from the Exchequer and no net increase in taxation is required.

Scheme 2 – Intermediate (per week):

£63 per child

£145 per adult under 65

£190 per adult aged 65+

Scheme 2 is a mid-point between the lower and higher levels. It is not fiscally neutral, but can be funded by a range of means.

Scheme 3 – MIS level (per week):

£95 per child

£230 per adult under 65

£230 per adult aged 65+

Table 1: Universal Basic Income payments by household type for schemes 1, 2, 2a, 3 and 3a

Period	Scheme 1		Scheme 2		Scheme 2a (£41 under 18 payment)		Scheme 3		Scheme 3a (£41 under 18 payment)	
	Week	Year	Week	Year	Week	Year	Week	Year	Week	Year
Under 18	£41	£2,132	£63	£3,276	£41	£2,132	£95	£4,940	£41	£2,132
Single adult under 65	£63	£3,276	£145	£7,540	£145	£7,540	£230	£11,960	£230	£11,960
Single adult aged 65+	£190	£9,880	£190	£9,880	£190	£9,880	£230	£11,960	£230	£11,960
Couple under 65	£126	£6,552	£290	£15,080	£290	£15,080	£460	£23,920	£460	£23,920
Couple + one child	£167	£8,684	£353	£18,356	£331	£17,212	£555	£28,860	£501	£26,052
Couple + two children	£208	£10,816	£416	£21,632	£372	£19,344	£650	£33,800	£542	£28,184

Table 2: Tax-benefit formula for scheme 1

Changes to existing benefit system	<p>An unconditional, guaranteed UBI of £41 per child; £63 per adult between 18 and 64; £190 per adult aged 65+.</p> <hr/> <p>A conditional system that assesses people's needs (disability, unemployment, housing etc) and means (savings, wealth etc) to supplement UBI payments through Universal Credit and disability related benefits (Personal Independence Payment (PIP), Disability Living Allowance (DLA) etc) as well as locally assessed costs (rent, Council Tax, childcare, school dinners etc).</p> <hr/> <p>For each benefit unit,¹⁰ part of the UBI is disregarded for the purposes of calculating means-tested support (Universal Credit, Pension Credit and any other legacy benefits). The value of the disregard is £20 multiplied by the number of people in the benefit unit. So, for a single adult with no children the disregard is £20, whereas for a couple with three children it is £100. This ensures that adults and children in low income families gain something from the introduction of the UBI.</p> <p>The payment above this disregard is counted as income for the calculation of other benefits. The effect of the disregard is to raise lower net incomes by more than they would be without it. If the whole of the payment was counted as income for means-tested benefits, the net cost would fall and the income gains at the bottom would be lower.</p> <hr/> <p>Child benefit and existing state pension are abolished.</p> <hr/> <p>The existing state pension of £185.15 per week is converted into an unconditional flat rate 'citizens' pension' of £190 per week.</p> <hr/> <p>With the new pension scheme abolished, eligibility for the state pension would become automatic for citizens above the state pension age, rather than conditional on an adequate contributions record, as at present. This would raise the income of those with incomplete contribution records, mostly women, and the group most vulnerable to pensioner poverty.</p>
Changes to existing tax system	<p>Income tax personal allowance is reduced to £750 per year. Retaining a small allowance ensures that those undertaking small one-off jobs don't have to fill out a tax form.</p> <hr/> <p>Current income tax higher rate threshold stays at £50,270 gross income.</p> <hr/> <p>Existing income tax rates are raised by 3p taking them, in England, to 23p (basic rate), 43p (higher) and 48p (additional).</p> <hr/> <p>The employee National Insurance contributions (NICs) primary threshold is reduced to £20 a week (so NICs are payable on all earnings) and the rate of employee NICs is set at 13.25 percent for all earnings above the primary threshold. NICs for the self-employed are equalised with employees at 13.25 percent (currently 9 percent).</p>

¹⁰ A benefit unit refers to a subset of a household, consisting of a single adult or a married or cohabiting couple and any dependent children.

Table 3: Tax-benefit formula for scheme 2 and 2a

Changes to benefit system beyond scheme 1	UBI payments of £63 per child; £145 per adult aged 18-64; £190 per adult aged 65+.
Changes to tax system beyond scheme 1	For each member of a benefit unit, £10 of the UBI is disregarded for the purposes of calculating means-tested support.
	Employee and self-employed NICs are abolished with employer NICs retained at their current levels.
	Existing income tax rates are raised, in England, to 40p (basic), 60p (higher) and 70p (additional).
	These tax and NI changes are intended to reduce complexity, regressive impacts and disincentives to employment.
	For the fiscally neutral version (scheme 2a), income tax rates are raised in England, Wales and Northern Ireland to 48.2p (basic), 68.2p (higher) and 78.2p (additional) to compensate for the abolition of employee and self-employed NICs. For Scotland, the structure is slightly more complex, reflecting the differences in the current income tax system for Scotland compared to England: the lowest rate of income tax is 47.2p, rising to a top rate of 79.2p.
	The fiscally neutral scheme funds additional cost up front.

Table 4: Tax-benefit formula for scheme 3 and 3a

Changes to existing benefit system beyond scheme 2 and 2a	UBI payments of £95 per child; £230 per adult aged 18-64; £230 per adult aged 65+.
	Most means-tested benefits and transfer payments (Universal Credit living costs payments, legacy benefits, Pension Credits) are eliminated except for housing costs (Universal Credit housing and childcare elements and Housing Benefit for pensioners are maintained).
	Universal Credit disability additions are maintained where the total amount paid to disabled claimants is higher than the UBI level.
	There is no UBI disregard as a result of the changes above.
	Disability Living Allowance, Personal Independence Payment, Attendance Allowance are maintained (as in the other two schemes).
	Carer's Allowance, contributory Jobseeker's Allowance and contributory Employment and Support Allowance are also abolished. Any legacy benefits and tax credits equivalent to Universal Credit are also abolished (except for disability additions where the total amount paid to disabled claimants is higher than the UBI level).
	Other income tax allowances are abolished (eg dividends, savings, transferable allowance for married couples).
Changes to tax system beyond scheme 2 and 2a	Income tax rates are equalised for all personal forms of income (dividends etc), in England, at 40p (basic), 60p (higher) and 70p (additional).
	In the fiscally neutral version, income tax rates are raised in England, Wales and Northern Ireland to 65p (basic), 85p (higher) and 95p (additional) to compensate for the abolition of employee and self-employed NICs. Scottish income tax raised in similar fashion.

Our findings about scheme 1, alone, are transformative in that they indicate that universalism has the potential to help those ‘who need it most’ more than targeted schemes have previously managed. It overturns welfare orthodoxy across the political spectrum and indicates that simplicity need not come at the expense of cost. Schemes 2 and 3 provide a route to eliminating poverty as currently measured and creating the most equal nation in the world as measured by Gini coefficient.¹¹

The higher initial costs of the second and third schemes are also likely to lead to higher returns on investment in terms of increase in economic activity, improvement in health and reduction in crime, particularly in left-behind communities. Initial costs could be met by reforming the DWP, introducing wealth and land taxes, equalising tax rates across all forms of earnings to reduce regressive impacts via wealth, and increasing income tax rates so that incomes do not increase for higher earners. At a time of multiple crises, British citizens, particularly in our devolved nations and regions outside the south-east, need more security and predictability in their financial affairs; Universal Basic Income provides that.

Table 5: The impact of introducing schemes 1, 2 and 3: benefit unit winners and losers, changes in poverty, inequality and means-testing levels, as at 2022-23

	Changes to benefit units	Scheme 1 %	Scheme 2 %	Scheme 3 %
Decile 1 (poorest)	Gaining	100	100	100
	Gaining more than 5%	99.8	99.9	100
Decile 2 (second poorest)	Gaining	67.3	86.1	96.4
	Losing	32.7	13.9	3.6
	Gaining more than 5%	55.0	71.3	86.4
	Losing more than 5%	18.1	9.5	1.8
Impact on poverty compared with 2022-23 levels	Child poverty	12.5	8.1	3.8
	Working-age adult poverty	14.9	10.3	5.7
	Pensioner poverty*	7.7	9.8	4
Inequality (Gini coefficient)		0.303	0.253	0.186
Proportion of households claiming means-tested benefits		19.7	15.4	9.5

¹¹ World Bank (2022) Gini index [WWW Document] data.worldbank.org. Available at: data.worldbank.org/indicator/SI.POV.GINI [Accessed: 21 May 2022].

* Poverty among pensioners rises between schemes 1 and 2 because this is relative poverty and while the UBI payment are increased for working age adults and children in scheme 2 compared to scheme 1, payments are unchanged for pensioners in the two schemes. Hence some pensioners are pushed below 60 percent median because the median increases.

3 Income and mental health

Our analysis of large national surveys highlights the profound impact of financial insecurity on the mental health of young people.

Employing Understanding Society data¹², increases in household income¹³ over the course of childhood and adolescence are associated with reduced symptoms of anxiety and depression in 16-24-year-olds as measured by a higher score on the SF-12 Mental Component Summary, apart from in those with the very highest incomes. The reverse is true when average income drops.

Our primary analysis of Understanding Society also indicates that young people aged 16-24 from households within the lowest quintile (20 percent) of average incomes have a higher probability than the second lowest of those reporting clinically significant symptoms of anxiety and depression. The second lowest has a higher probability than the middle quintile and so on up the income scale.¹⁴

Alternative analysis of 14 and 17-year-olds in the Millennium Cohort Study (MCS)¹⁵ and 25-year-olds in Next Steps¹⁶ indicates that the shape of the gradient may differ at the top and bottom end of the income distribution compared to Understanding Society, but a gradient is still present. In that analysis, there was a slightly higher probability of clinical level depressive symptoms in the second lowest than lowest income group for MCS (though this difference was not statistically significant) and a higher probability in the highest than the third or second highest in Next Steps (although the latter data was individual income and from only one wave).

Financial strain,¹⁷ as reported either by the parents of 14 and 17-year-olds in the Millennium Cohort Study or by 25-year-olds themselves in Next Steps, appears to have a monotonic relationship with symptoms of anxiety and depression. This means that individuals at each higher point on the scale of strain have an increased probability of anxiety and depression symptoms. This relationship appears to be more straightforward than household or individual income among the young people in these datasets.

This may be explained by the likelihood that financial strain is not limited to those with the lowest incomes. Those who take on mortgages at a young age, or

12 Institute for Social and Economic Research (2022) Understanding Society. Available at: www.understandingsociety.ac.uk/ [Accessed: 6 February 2022].

13 A household is defined as one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room, sitting room or dining area. A household can consist of a single family, more than one family or no families in the case of a group of unrelated people.

14 We explain how we control for 'reverse causation bias' in the relevant section in the preprint: Understanding the relationship between income and mental health among 16-to 24-year-olds. Available at: osf.io/xjvrz/.

15 Centre for Longitudinal Studies (2022) Millennium Cohort Study. Available at: cls.ucl.ac.uk/cls-studies/millennium-cohort-study/ [Accessed: 10 February 2022].

16 Centre for Longitudinal Studies (2022) Next Steps. Available at: cls.ucl.ac.uk/cls-studies/next-steps/ [Accessed: 10 February 2022].

17 Financial strain, here, refers to responses to the Millennium Cohort Study question 'How well would you say you are managing financially these days? Would you say you are...?' 1 Living comfortably 2 Doing alright 3 Just about getting by 4 Finding it quite difficult 5 Finding it very difficult'. In Next Steps, answer options 4 and 5 are merged.

“There is already plenty of experimental and quasi-experimental evidence from various high-income countries that income affects mental health, including in young people at a critical developmental stage who may not yet have any means of substantially improving their financial situation themselves. Our estimates based on observational data help to quantify the magnitude of this effect in a current UK context”

Professor Richard Cookson, University of York

overcommit in general, are also likely to be affected. This may be supported by analysis from Understanding Society by benefit unit,¹⁸ in which those with middle incomes have the lowest probability of clinical level anxiety and depression symptoms.

Parents may be able to play a role in shielding young people from the impact of low household income if they are able to avoid financial strain.

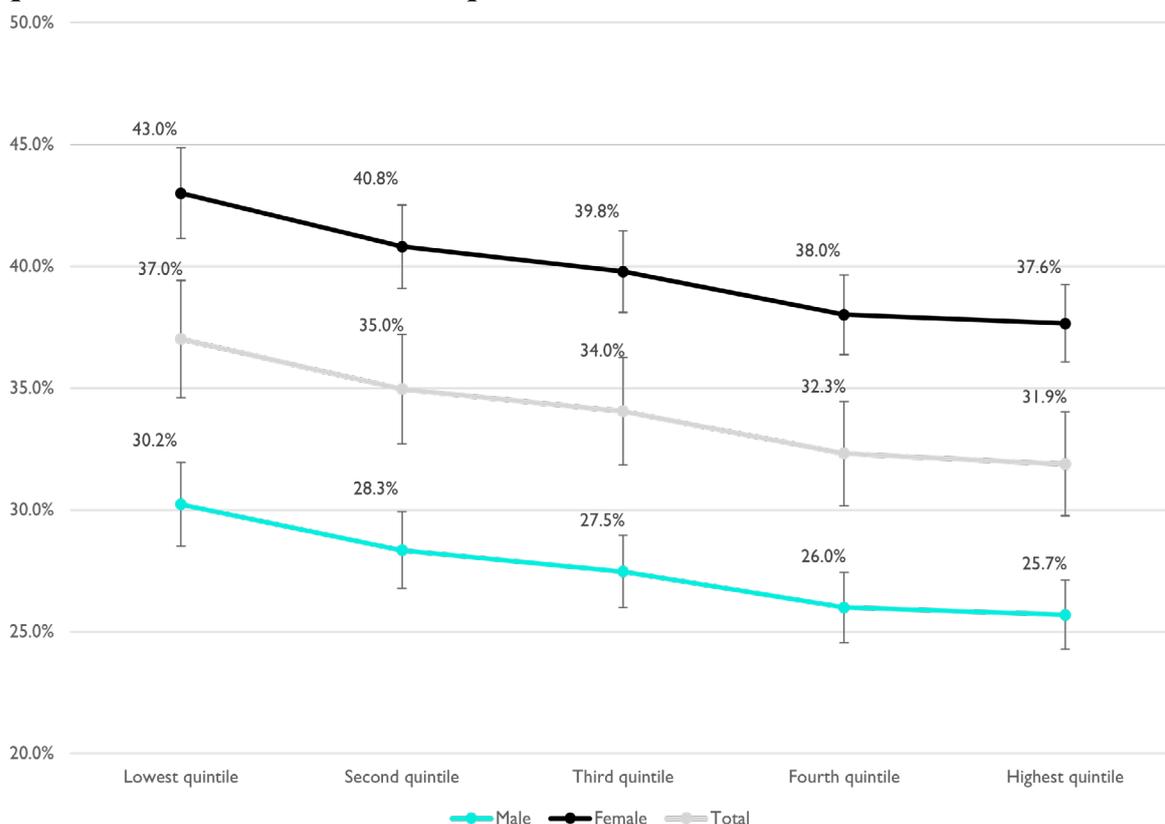
Find our primary analysis using Understanding Society data in our preprint: Understanding the relationship between income and mental health among 16-to 24-year-olds on the relationship between income and mental health, available [here](#).

Our additional analysis of Millennium Cohort Study and Next Steps data in our preprint: How far can interventions to increase income improve adolescent mental health, can be found [here](#).

In our primary analysis of Understanding Society data, we examined how differences in household income were associated with symptoms of anxiety and depression using the SF-12 measure both within individuals (where their average income had increased or decreased during the course of their life) and between individuals. Apart from at the very highest income levels, increases in income were associated with reduced anxiety and depression symptoms and the reverse was true when income dropped.

We also compared the probabilities of having clinical level anxiety and depression symptoms based on average household incomes split into quintiles. As shown in Figure 2, below, the relationship here was straightforwardly monotonic, in which each higher income quintile had a lower probability of clinical level symptoms of anxiety and depression than the quintile below it.

Figure 2: Probability of reporting symptoms that indicate clinical depressive disorder by net equivalised household income quintiles¹⁹



¹⁸ A benefit unit is defined as a subset of a household, consisting of a single adult or a married or cohabiting couple and any dependent children.

¹⁹ Note that the data presented here differs slightly from those in the interim report due to additional controls.

Findings in relation to benefit unit income were less straightforwardly monotonic, in that those with middle incomes had the lowest probability of having anxiety and depression symptoms, but a gradient was still present.

The age group analysed in Understanding Society (16-24) is complex as:

- Key life transition points are contained within it that lead to diverse experiences and exposures to financial stressors depending on age and background.
- Individuals' earnings are likely to be lower than older cohorts, possibly with the exception of pensioners, because they are either in education or are in the early stages of their careers.
- Individuals are more likely to be single and even higher income earners may have to contend with the costs of maintaining a home without a partner (or with a partner who also has a lower income).
- Individuals are more likely to live with parents or guardians.

The latter two issues could be playing a particular role here. Household income may include that of parents or otherwise-unrelated housemates, whereas benefit unit is only that of an individual and their married or cohabiting partner and any dependent children. There is a possibility, therefore, that some higher income individuals who have the capacity to live alone or with a partner may face higher financial strain than some lower-income peers.

Our analysis of the Millennium Cohort Study and Next Steps found a monotonic relationship between subject-assessed financial strain – how well parents or individuals feel they are managing – and mental health. In that analysis, while there was still a gradient between income – household in the case of 14 and 17-year-olds and individual with respect to 25-year-olds – and mental health, it appeared to be slightly non-monotonic at the lowest and second-lowest quintiles in the Millennium Cohort Study and at the second highest and highest in Next Steps (although the latter data was individual income and from only one wave). A subjective measure, such as financial strain, or an alternative income measure such as after housing costs, may reflect how individuals, and their families, experience income day-to-day.

These findings suggest that we need to be concerned about increasing the financial resources that people experience day-to-day, including via such policies as Universal Basic Income and through greater financial regulation, particularly with regard to lending criteria.

4 Modelling of health and economic impacts

Based on the evidence collected in chapters 2 and 3, we developed microsimulation modelling in order to understand the potential scale of impact on anxiety and depression among young people aged 14-24 from the three UBI schemes. This used data from the 2010-19 Understanding Society survey waves to look at cases and deaths prevented or postponed from 2010-30 and included an estimate of costs saved. The pandemic, cost of living crisis and the government's recent mini-budget, all mean that the present prevalence of anxiety and depression, the potential number of cases and deaths prevented or delayed, and the savings to the health system and costs overall, are likely to be significant underestimates, especially between 2020 and 2030.

The microsimulation indicated that:

- 200,000 to 550,000 cases of anxiety and depression could be prevented or postponed.
- 110 to 420 deaths prevented or postponed.
- £330m to £930m NHS and personal social services cost savings over 2010-30 assuming 50 percent of cases diagnosed and treated.
- £1.5bn to £4.2bn total cost savings over 2010-30 assuming 50 percent of cases diagnosed and treated.

We produced a discrete-time dynamic stochastic microsimulation that models a close-to-reality open cohort of synthetic individuals (starting at 90,000) between 2010 and 2030. Their rates of fertility, mortality, and migration were driven by Office for National Statistics estimates and projections, while ethnicity, whether born in the UK, highest educational attainment and marital status, were informed by waves 1-10 of the Understanding Society UK Household Longitudinal Survey.²⁰ Finally, we modelled their equivalised household income in mid-2015 British pounds.

We simulated the prevalence of reported symptoms that indicate clinical depressive disorder (see chapter 3) based on all of the attributes above, including equivalised household income.²¹ Doing so, we could measure the prevalence under the counterfactual

“Early indications from our modelling suggest that UBI can have a significant benefit on the mental health of young people and that this will save the health service money”

**Chris Kypridemos, senior lecturer,
University of Liverpool**

²⁰ Institute for Social and Economic Research (2022) Op cit.

²¹ Case calculations use evidence from Understanding Society to assume a causal relationship between income and anxiety/depression: Parra-Mujica, F, Johnson, EA, Cookson, R, Reed, H and Johnson, MT (2022) Understanding the relationship between socioeconomic status, income and mental health among 16- to 24-year-olds: Analysis of 10 waves (2009-2020) of Understanding Society to enable modelling of income interventions. Working paper available at: [10.17605/OSF.IO/XJVRZ](https://doi.org/10.17605/OSF.IO/XJVRZ).

equivalised household income distributions for each of the three UBI scheme scenarios (see chapter 2). We also modelled reductions in deaths based on risks identified in observational data from Sweden²² and Denmark,²³ controlling for the possibility that diagnosed anxiety and/or depression (used in those studies) may be more severe than the self-reported measure (SF-12 MCS), used in our model.

We then assessed impact on costs due to anxiety and/or depression covering a range of health and social care areas.²⁴ We inflated all costs to mid-2015 British pounds using the Consumer Price Index, and we did not apply an annual discount. In all reported figures, we ensured that we captured the uncertainty of the outputs. Note that we further assumed that only half of

the synthetic individuals that reported symptoms of the clinical depressive disorder would seek treatment. The microsimulation used a second-order Monte Carlo to propagate the uncertainty of the inputs to the outputs and we summarised the uncertainty of the output by reporting the median and 95 percent uncertainty interval (UI) of their respective distributions.

Table 6 shows the results the number of cases of anxiety and depression, and associated deaths, prevented or postponed under each scheme with uncertainty intervals in brackets.

Table 7 shows the NHS and personal social services costs savings as well as total costs savings with uncertainty intervals in brackets.

Table 6: Modelling results indicating case-years of anxiety and depression and deaths among 14-24s prevented or postponed

Schemes	Cases of anxiety and depression prevented or postponed over 2010-30 in ages 14-24 (95% Uncertainty Interval)	Deaths prevented or postponed over 2010-30 in ages 14-24 (95% Uncertainty Interval)
Scheme 1	200,000 (180,000-210,000)	110 (0-430)
Scheme 2	420,000 (400,000-440,000)	320 (0-640)
Scheme 3	550,000 (520,000-570,000)	420 (100-770)

Table 7: Modelling results indicating disease cost savings from different perspectives

Schemes	NHS and personal social services cost savings over 2010-30 assuming 50% of cases diagnosed and treated	Total cost savings over 2010-30 assuming 50% of cases diagnosed and treated
Scheme 1	£330m (£280m-£290m)	£1.5bn (£1.2bn-£1.8bn)
Scheme 2	£710m (£640m-£790m)	£3.2bn (£2.8bn-£3.6bn)
Scheme 3	£930m (£850m-£1000m)	£4.2bn (£3.7bn-£4.6bn)

22 Leone, M, Kuja-Halkola, R and Leval, A et al (2020) Association of Youth Depression With Subsequent Somatic Diseases and Premature Death. *JAMA Psychiatry*. 78(3): 302-310. DOI: [10.1001/jamapsychiatry.2020.3786](https://doi.org/10.1001/jamapsychiatry.2020.3786).

23 Meier, SM, Mattheisen, M, Mors, O et al (2016) Increased mortality among people with anxiety disorders: total population study. *British Journal of Psychiatry*. 209(3): 216-221. DOI: [10.1192/bjp.bp.115.171975](https://doi.org/10.1192/bjp.bp.115.171975).

24 Green, C, Richards, DA, Hill, JJ, Gask, L et al (2014) Cost-Effectiveness of Collaborative Care for Depression in UK Primary Care: Economic Evaluation of a Randomised Controlled Trial (CADET). *PLoS ONE*. 9(8): e104225. DOI: [10.1371/journal.pone.0104225](https://doi.org/10.1371/journal.pone.0104225).

Again, with caveats regarding the likely underestimate of impact, the savings from NHS and patients' related costs could pay for between 270 (under scheme 1) and 750 (under scheme 3) additional hospital based mental health nurses per year.²⁵

Our findings are indicative of the kind of scale of the mental health impact that UBI could have on a specific age group through a pathway of increased incomes. Despite the limited scope of this pilot study, it is clear that the potential is substantial and significant.

This modelling exercise assumes that low income is causally related to anxiety and/or depression, and that increasing income can fully reverse the risk. The association between income and mental health has been shown in experimental and observational studies.²⁶

²⁷ However, the heterogeneity of the implementation of the income transfer policies and the reported mental health outcomes make evidence synthesis difficult. Large, representative trials of UBI that capture comprehensive and comparable data in the real world are crucial.²⁸

In future, we need to model the health impacts of changes in income – and, in the longer term, changes through all pathways identified in Figure 1 – on the whole population and across all major disease types. The potential cost savings that UBI policies can achieve through health improvements overall may offset some of the financial burdens of implementing such policies.

Our modelling exercise has some key limitations. First, when setting the UBI payment levels and the income tax thresholds in the reform schemes, we assumed that both of these are Consumer Price Indexed-uprated between USoc Waves 1 and 10. This means that UBI payments for each adult and child are constant in real terms from year to year. We made the same assumption about tax. However, because real earnings grew in most years between 2010 and 2019, in general there is a process of 'fiscal drag' (taxpayers tending to move into higher marginal rate brackets) that gradually decreases the impact of the UBI schemes. Second, all the data we used are from the years before the Covid pandemic and the cost of living crisis. Therefore, the trends we modelled may not be indicative of the post-pandemic period up to 2030, which is likely to be significantly worse economically than in the USoc waves. Specifically, the pandemic and cost of living crisis may increase the prevalence of anxiety and/or depression in the population and further limit access to appropriate treatments and support. Furthermore, the cost-of-living crisis and the high inflation period that we are currently experiencing may compress family incomes and accelerate the mental health crisis. All these limitations make our modelled estimates conservative and research on UBI policies more relevant than ever.

25 Jones, KC and Burns, A (2021) Unit Costs of Health and Social Care 2021, Canterbury: Personal Social Services Research Unit. DOI: [10.22024/UNIKENT/01.02.92342](https://doi.org/10.22024/UNIKENT/01.02.92342), pp 136-138. Calculated using Band 5 NHS nurse salary and all other associated costs and overheads of £64,713 in 2021.

26 Thomson, RM, Igelström, E, Purba, AK et al (2022). How do income changes impact on mental health and wellbeing for working-age adults? A systematic review and meta-analysis. *The Lancet Public Health*, 7(6): e515–e528. DOI: [10.1016/S2468-2667\(22\)00058-5](https://doi.org/10.1016/S2468-2667(22)00058-5).

27 Romero, J, Esopo, K, McGuire, J and Haushofer, J (2021) The Effect of Economic Transfers on Psychological Well-Being and Mental Health. Working paper 14 September. Available at: bit.ly/3SxsvDV.

28 Johnson, EA, Johnson, MT, Kypridemos, C, Villadsen, A and Pickett, KE (2022) Designing a generic, adaptive protocol resource for the measurement of health impact in cash transfer trials. Preprint (Version 1). Research Square. DOI: [10.21203/rs.3.rs-1561814/v1](https://doi.org/10.21203/rs.3.rs-1561814/v1).

5 Public perceptions

We have conducted a series of surveys in red wall constituencies to assess support for Universal Basic Income and to develop narratives to evaluate the possibility of persuading opponents. Our full findings have been released in a report by Compass: *Winning the vote with a universal basic income: Evidence from the red wall*, available [here](#). In general, however, Universal Basic Income is highly popular among the general public and larger schemes are favoured. When framed carefully, even opponents can be persuaded.

- High levels of initial support for UBI, both in proportion of respondents and strength of support among respondents.
- Low proportion of respondents expressing strong opposition.
- Support for UBI rises from among opponents when presented with security-based narratives.

Find our preprints: *Are red wall constituencies really opposed to progressive policy?*, and *Can the ‘downward spiral’ of material conditions, mental health and faith in government be stopped?*, which cover public assessment of Universal Basic Income as a public health measure [here](#).

“Contrary to the widespread view that advocating UBI is utopian and electorally suicidal, we found consistently high levels of support for the policy in constituencies in Wales and the north and Midlands of England. Moreover, even initial opponents were receptive to simple narratives outlining the advantages of the policy”.

Professor Daniel Nettle, Newcastle University

Our findings refute one of the key objections raised by progressive politicians: ‘good idea, but likely unpopular’. This view has failed to track changes in public opinion stemming from shifts in economic, social and health circumstances and the way in which the government has addressed them. The Covid-19 pandemic saw a Conservative government effectively nationalising 11.7m jobs and paying up to 80 percent of their wages at a cost of £70bn through the furlough scheme.²⁹ There were also uplifts of £20 per week in Universal Credit, since ended, and other forms of protection against destitution, like a pause in evictions. Former Work and

²⁹ Francis-Devine, B, Powell, A and Clark, H (2021) *Coronavirus Job Retention Scheme: statistics*, London: House of Commons Library, p7.

Pensions Secretary Thérèse Coffey overturned decades of Conservative ideological orthodoxy by claiming that there is no evidence of the increase in benefit payments leading to reduced willingness to work³⁰ and former Chancellor Rishi Sunak defended a more universal approach to addressing the cost of living crisis both because middle income earners require help and because there is no other efficient means of doing so.³¹

This provides an opportunity for progressive policymaking. It is the universality of Universal Basic Income that makes it particularly popular. It addresses the perception by workers of unfairness of support going to only unemployed people and makes social security an issue for everyone. It is not subject to the discourse of 'undeserving poverty' that has had progressive politicians on the back foot for decades: this is an 'in-group' policy that appeals to voters because it benefits 'us'.

Our research indicates that this is particularly true in the former Labour Party heartlands in Wales and the Midlands and north of England. The levels of support are historically significant, especially in comparison to other welfare or health policies.^{32, 33} This finding, which has been repeated in several similar studies, emphasises the extent to which voters are aware of the need to reduce risk of destitution for them and people they know.

Indeed, we found that younger people are particularly aware of this risk and are persuaded by narratives focused on increasing economic security, while older voters were more persuaded by narratives focusing on improving health. This emphasises the need for different narratives for the same policy.

Crucially, throughout all our surveys, we found that emphasising the material benefits of the policy were more impactful than concern for abstract values. With the Conservatives under Liz Truss having effectively vacated their control of the Levelling Up agenda, this provides progressive politicians with substantial opportunity. Indeed, there are signs that such politicians may be beginning to recognise this. The Labour

Party's recently announced commitment to freezing the energy price cap at a cost of £29bn over six months³⁴ – since adopted in a modified form by the government – marked a departure from an otherwise fiscally conservative approach. It reflects findings from an Opinium poll for 38 Degrees³⁵ which found that 85 percent of 2019 Conservative voters (86 percent overall) support the policy. Further, in line with Gordon Brown's proposals, 72 percent of Conservative voters (73 percent overall) back temporarily nationalising energy companies if they cannot contain bills at their current levels. Finally, 71 percent of Conservative voters agreed that windfall tax on energy companies and bankers' bonuses should be used to fund extra support measures.

Our findings suggest that UBI gives policymakers the ability to demonstrate relevance and impact to those left behind in ways that appeals to values just cannot. With the government now appearing to prioritise a vanishingly small proportion of the population with large tax cuts during a cost of living crisis that is affecting low and middle earners far more, there has never been a better time to demonstrate national solidarity through a policy such as UBI.

All of this indicates that a generous, secure Universal Basic Income is popular and persuasive. It gives relevance to progressive parties that has been lost over the past few decades. It has the power to cut across traditional divides and appeal in a way that few other policies have.

30 Butler P (2021) One-off UK Covid benefit may stop people working, says minister. The Guardian, 3 February. Available at: bit.ly/3ABc044. [Accessed: 19 March 2021].

31 Ford Rojas, J-P (2022) Sunak says inflation impact of cost of living help 'minimal' as he tells wealthy: let's give our £400 rebate to charity. Sky News [online] 27 May. Available at: bit.ly/3Axl1a8 [Accessed: 13 June 2022].

32 YouGov (2022) Do people on low incomes bringing up children need more support from the benefits system? YouGov. See: bit.ly/3yxuZdg [Accessed 31/05/2022].

33 Health Foundation (2022) Public perceptions of health and social care polling. London: Health Foundation.

34 Labour Party (2022) Labour's plan to stop energy bills rising now and in the future. Labour.org.uk. Available at: bit.ly/3LHpMWp.

35 38 Degrees (2022) Tory voters call for renationalisation and energy price rise ban, as 2 in 3 Brits back brown cost of living plan. London: 38 Degrees. Available at: bit.ly/3dQc3zP.

6 Co-production with young people

In citizen engagement workshops, we worked with young people in Bradford to understand their perceptions and preferences for a Universal Basic Income (UBI). Their experience and analysis provide new evidence on the behavioural and emotional impacts of the current welfare system and those they expect were UBI to be introduced. This co-production was essential to address the lack of participation among excluded voices in policymaking. We placed young people at the heart of the process, to explore the social determinants of their health and the implications and applications of Universal Basic Income. Particularly important was the inclusion of young people as they experience an often turbulent period of their life – a time in which, according to research by the Health Foundation, the effects of social stressors become ‘biologically embedded’.³⁶

The workshops produced four key findings:

- **The current system is failing young people.** The young people we spoke to generally do not consider the current system to be fair or to be working for them personally, and most believe this is having a detrimental impact on their mental health.
- **UBI is popular among young people.** Most participants explicitly stated that a UBI would have some positive impacts on their mental health and all participants registered their support for some form of UBI payment.
- **There are several non-financial benefits of UBI that can benefit young people’s mental health.** Reasons provided for the mental health benefits of UBI extended to non-economic determinants such as a reduction in social stigma, more personal independence, enhanced relationships and an improved ability to plan for the future.
- **Young people appear to support retaining some conditional benefits.**

“Young people are experts in what they need to enhance their learning, their health and their future wellbeing. We need to listen to their expressed needs and lived experience and create policies that support them to flourish”.

Professor Kate E Pickett, University of York

Method

The workshops

In December 2021, we convened a series of citizen engagement workshops to investigate whether a UBI could potentially ease the mounting pressures faced by young people. Eight workshops were run by the RSA with 28 young people aged 14-22 from Bradford recruited via Born in Bradford and ActEarly. Two workshops were held for each of four age groups and were designed to include a mix of group discussions and conversations with one or two young people. This

36 Jordan, M, Kane, M and Bibby, J (2019). A healthy foundation for the future, London: Health Foundation Available at: bit.ly/3SiWXC0.

structure was intended to support participants to feel more comfortable sharing sensitive information about their finances and mental health while also enabling discussion and development of ideas. We ensured that disabled young people were included in each workshop as they form both a substantial, and often excluded, proportion of the population and are disproportionately affected by the welfare system and any changes to it. Young people were remunerated for their time as a thank you for taking part and to address issues of exploitation in research.

The first workshop addressed young people's relationship with money and its impact on their mental health. The purpose of this session was to get participants to think reflectively about the role of money in their life and how it both facilitates and inhibits their wellbeing. The second session directly addressed the advantages and disadvantages of UBI. We introduced three different UBI schemes and discussed their relative merits and whether under 18s should receive a payment directly or through a parent/guardian. We concluded the session by running an online poll to find out which scheme, if any, the participants preferred and how they thought money should be distributed to under 18s.

Analysis

We captured notes, recordings, transcripts and survey data from all eight workshops and, using the digital whiteboard programme Miro, transferred all points made by participants. We then conducted thematic analysis, grouping these in the following categories which reflected our prompted questions. We took this approach in recognition of the level of structure we brought into workshops, concluding that the scope of the responses would necessarily reflect specific lines of enquiry within the space.

The final thematic analysis included groupings of:

- Young people's financial situation.
- Relationship between money and mental health.
- Perceptions about the current system.
- Positives and negatives about UBI.
- How to pay for a UBI.
- Level of UBI payment.
- UBI for young people (under 18s).

In this report we have included a number of verbatim quotes from participants, to retain the distinctiveness and nuance of their points. To aid readability, we have proofread and shortened quotes where necessary.

Young people's lives and livelihoods

We found that the current system, of work, education and support, is not working for young people. Those we spoke to expressed tensions between their education, work and social lives. It was clear that across different income levels, young people felt pressure to keep up and were challenged to get by.

In structured discussions on young people's everyday relationships with money there was a pervasive sense of financial insecurity necessitating difficult trade-offs for young people. This spanned conversations about housing, welfare and wider economic systems and in some cases was related to experiences of insecurity earlier in young people's lives.

Typically, it was older cohorts (aged 18 and over) who were more actively preoccupied with their financial situations given their reliance on a larger and steadier source of income than those under 18 who had financial support from their parents and considerably lower outgoings.

"When I first went to uni, I had this whole spreadsheet of like, my finances and how it will work and how much money I can spend a week and still be okay until like the next instalment and things, but then sometimes when like, you get too overloaded by everything, you just like make a really irrational purchase... I can't live this strategically all the time and this structured". Ben, 21-24 years old

"I work from home a lot of time and then I can't afford to go out with my friends on the weekend and being at home for them seven days a week really just makes you feel quite down". Jade, 18-21 years old

"I've been on Universal Credit which then last minute stopped due to no fault of my own, my partner is in debt, we've nearly been homeless, I've gone weeks without food. Now I'm okay for money but I always get anxious and stressed in case we ever go back to being in such a bad place again". Abbie, 21-24 years old

Box 1: Economic security

In 2021, as part of the RSA's long-running work into the future health of young people supported by the Health Foundation, we conducted a representative national survey of 1,178 16-24-year-olds.³⁷ We found that 47 percent of all young people are financially insecure, and that young people are effectively penalised for growing up. As they move into, and through their early 20s, young people are increasingly likely to be in debt, have less savings and receive less family support. Further, work and welfare aren't providing economic security. Currently, 63 percent of young people in work are financially precarious and, for those receiving Universal Credit, the figure is 79 percent. In short, many young people find themselves in situations of financial precarity.

The need to work while still in education was part of a recurrent issue. For many of the young people we spoke to, balancing work, study and a social life was felt to be a difficult task that often required at least one element to be neglected. Amongst those at university, a majority had jobs to cover the financial shortfall. This included working zero-hours contracts and others working multiple jobs to get by.

"I have to spend a lot of time working to afford things. For example, even on holiday I have been working and put in around 10-20 hours of online tutoring... But without doing that I wouldn't have been able to afford or justify paying for fun activities, so I have had to find a balance somehow... I do online tutoring, market research and zero-hours contract agency work... I worry about not being able to balance work with my studies and social life". Bethany, 21-24 years old

"[my money comes from a] placement bursary at the moment, as well as a limited student loan. After that goes I rely on my overdraft until the next payment. I work a lot during summers to pay off overdraft and save money for the upcoming year of uni". Christina, 21-24 years old

A trade-off was perceived by some participants as a decision about whether to focus on the present or the future. Some young people also shared how they opted to prioritise their future careers via study rather than ensuring financial wellbeing in the short term by seeking work. There was also an awareness that the stresses of overwork, combined with the pressures of education, could have a detrimental effect on young people's mental health.

"[Studying] can mean you sacrifice things at the time and feel anxious about money but hopefully, in the long run, its worth it to get a degree". Abbie, 21-24 years old

One participant in the 21-24 cohort said that they had explicitly prioritised time for rest and their placement over work as they wanted a balanced life. Another from the same cohort recognised that time to oneself is crucial to positive mental health and that this means that sometimes it is better to turn down paid work and prioritise their mental health over an immediate improvement in their financial situation. Not all participants were in a position to do this, with some young people unable to avoid working long hours alongside their studies.

Box 2: Young people's perceptions of current system

Reflecting on the current benefit system, young people often felt the delivery of the system was unfair, though responses were more mixed when it came to its underpinning design. This spanned concerns about payment thresholds and those who just miss out, the delay between needing and accessing payment and a one-size-fits-all approach to people's needs which demonstrated 'a lack of humanity'.

A number of young people reflected on the stereotypes about benefit claimants passed down from older generations and felt the stigma was a negative part of the current system. We found that these perceptions of the current system most commonly influenced young people's discussion of a UBI when it came to the level of payment that it would be best administered at.

The young people we spoke to also had a nuanced awareness of the role that the benefits system plays in wider cycles of debt, poverty and inequality. Several participants showed an intuitive understanding of the efficacy of preventative interventions, stating that people get into greater and greater financial trouble due to receiving insufficient upstream support. They also said that this led to a lower degree of social mobility and stress caused by a lack of financial security. Some acknowledged differences amongst other young people, such as those who had higher levels of responsibility earlier in life.

37 Landreth Strong, F and Webster, H (2022) The cost of independence: Young people's economic security, London: The RSA. Available at: [bit.ly/3lMnEla](https://www.rsa.org.uk/publications/2022/04/the-cost-of-independence).

Young people's finances as a social determinant of health

Most young people we spoke to cited anxiety in relation to their financial situation or reflected on young people they knew feeling this way. For some this extended to stress about their future and how they might support themselves or families in the future. It was clear that the mental health of many young people is adversely affected by their financial situation.

Experiences of anxiety, stress and depression

Almost all participants in our workshops described having experienced anxiety and/or low mood, frequently linking these to their financial situation. Some participants had experienced or been diagnosed with prolonged mental health problems, with anxiety one of the most common issues mentioned. Young people described themselves as being surrounded by worries about money.

"It sort of makes you feel like crap, especially when everyone around you has so much money in comparison to you, you're just like, well, I can't do these things. [It's] really embarrassing to explain to people that you can't do things when you're little because you don't have that much money because people are so like, money orientated. And then they look down at you". Ben, 21-24 years old

Some also described anxieties about the future, linked to their growing independence and other changes in their lives. Transition points, like moving into further education, were seen by young people as prominent drivers of potential anxiety on the basis that doing something 'wrong' could affect them into the future. For some participants these feelings were compounded by work pressures, not having enough time to see friends and family and the pressure associated with comparing themselves to others with more money.

"Now that I've got into sixth form and I, like, chose the things I want to do and I've kind of chose a career path, I always worry if that will all go wrong... and then I worry that I'll have enough to live a comfortable life and that I'll have to, like, stay in the place where I am now. Because I want to move away, I want to be able to afford to move away, give back and like, just have a comfortable life not having to worry about money in the future. But I worry that I might have to worry. And it's just a bit stressful". Lucie, 14-16 years old

While anxiety was the emotion most commonly raised by participants in relation to their financial situation, some also reported feelings associated with depression. This was commonly linked to the sacrifices that the young people had to make to pursue their interests, such as not seeing their friends and family or stopping their hobbies. Many young people described feelings of exhaustion, lethargy or being drained, which are commonly seen in depression even if they did not use this term. When asked how it feels to make sacrifices to pursue hobbies and interests, one participant answered "I give up some time I could spend studying and I have to get up early on my days off, also I have to pay to get the bus home... [I feel] tired and like it's not worth it".

"Any anxiety is going to make you more tired. I know at uni I was a heck of a lot more tired when I was living away. Purely because thinking takes up energy. As simple as that... you don't realise, until you feel very anxious how much energy it takes up. And I guess it makes you more irritable [which] affects your day-to-day life". Jake, 21-24 years old

Many also explored feelings of guilt when spending. The feeling was most pronounced among people who got money from their parents, with many observing that they felt different about spending money from different sources. For some young people from poorer families, this guilt meant that they avoided asking for money from family, if at all possible.

"Sometimes when I ask for money from my parents, I kind of feel guilty anyway, because I'm taking away money that they need for essentials and to help us have a roof over our heads. And so I don't usually ask for money from my parents... I think sometimes it can put strain on the parents because obviously they might not be able to give a lot of money to the child". Lena, 14-16 years old

"When I got my money from my job I felt happy and excited because I worked for it, but when I get allowance from my parents I feel bad because it's their money and they work hard for it". Sarah, 14-16 years old

For those still relying on their parents for money, particularly among the older cohorts, there was a general sense that this can undermine young people's independence, maturity and self-esteem.

"Depending on parents can have emotional toll, it feels like you're in limbo. I want to earn my own income but also know my limitations at uni, but this kind of takes away your maturity and independence. It doesn't feel great to not stand on your two feet". Jake, 21-24 years old

Drivers of anxiety, stress and depression

Rather than identifying specific mental health conditions, young people tended to describe mechanisms and feelings that result in negative mental health outcomes. A range of factors were identified by young people. The most common of these were described as stress or pressure which were linked to various aspects of young people's lives.

1. Financial planning.

"Being unemployed and only having money from student loans makes you need to plan all the time on how you spend your money... you can never relax, its just like anxiety and stress". Chandni, 21-24 years old

2. A lack of money or anticipation of a lack of money.

"I think the main emotion is just stress and anxiety. It's like, last year, I had [a] heating bill. And even though like we're students, so we... can go into overdraft and it'd be interest free, for me that causes so much anxiety just because even growing up, my parents aren't good with money, they're still not good with money. Which means that when I see like a negative sum, it's just instantly like, I just can't, I can't really do anything, because I need to make sure that negative sum is not negative anymore". Ben, 21-24 years old

3. Work, university and the balance between the two.

"I honestly stress about [the future] a lot. Because I'm always like, what if I don't get the course I want and what if I don't get into uni, what if I don't get a job?... I'm always worried that if, if I don't do well, now, I'll be able to make money in the future. So that's like my main stress at the moment". Jade, 18-21 years old

4. The inability to get a job due to a lack of experience, which in turn prevented them from gaining relevant experience, and concerns about finding work in the future.

"I want to be able to get a nice job in the future. And I want to have enough money to have a happy, healthy life. But I just don't know how to do that, which kind of makes me nervous for the future in a way. Like, I don't want to look forward to [the future] because of the money". Lena, 14-16 years old

5. Societal norms around money and status, amplified by media representations of young people's incomes.

"In... American... film and TV shows... the child[ren] turn 16, and it's a sweet 16, here's your car, and stuff like that. So that's what would make the pressure... And even social media, like... possibly seeing other people's wage, maybe from school a while back, seeing how they're earning a lot of money and comparing yourself and this pressure once again". Violet, 16-18 years old

6. Low confidence in their understanding about money issues.

"I don't really understand much about taxes and stuff. And I feel like I should do, so I'm more prepared for the future. So, I feel like we should get taught that a lot earlier on. So we're not as anxious. Since we don't have to experience that right now at our age". Sarah, 14-16 years old

The potential impact of a UBI on social determinants of health

In conversation with young people, we explored, in turn, the positives and negatives of a potential UBI. Engaging with both sides of the debate, young people discussed the impact a UBI might have on individual relationships with work and the respective collective benefits or challenges this might bring. Whilst there were concerns about universal benefits being channelled to those already financially comfortable, when a UBI was discussed alongside ideas for more progressive taxation there was support for the idea from almost all young people.

Positives

1. Increased security.

In the immediate term, young people welcomed the additional financial support that a UBI would provide, thereby alleviating some of the stress associated with meeting bills. Several participants believed that a UBI would make them more comfortable and able to save, while others felt that it would reduce the pressure on them when thinking about the future.

"I think it would alleviate a lot of maybe anxiety over money. Like when I'm older will I make enough money to be able to afford basic necessities and stuff like that. So I feel like it would alleviate a lot of stress so I'd be a bit more comforted about it. Because it's like a safety net". Violet, 16-18 years old

"I think it would make me less anxious for the future... So I can just save up for university, because I know that you've got a lot to pay for in university. So it would make me feel less anxious for that". Sarah, 14-16 years old

2. Balance between work and wellbeing.

Some young people envisioned a UBI enabling them to work less, leading to improved mental health. With this additional free time, young people imagined that they would have more time to relax and focus on their own wellbeing and personal relationships.

"I think I'd feel kind of less stressed and more free as well. I'd have more choice. I wouldn't have to rush into finding a job. You know, I mean, because it's really not, not something I really look forward to, just working for the rest of your life. I want a bit of time to kind of find out what I actually want to do". James, 18-21 years old

"I think in my current situation, it makes me happier that I wouldn't be as stuck as I am now. And all the stress of moving and having to find a job instantly would go away. I think it would definitely benefit me mentally". Theo, 18-21 years old

3. Improving relationships.

Many young people also suggested that a UBI would allow them to invest more time and energy in important relationships and could potentially ease interpersonal tensions caused by financial difficulties or financial dependence.

"It could help like strengthen my relationship with my parents. They sometimes rely on me financially which sometimes puts me off spending time with them". Ben, 21-24 years old

"Well, I do feel guilty whenever my parents give me money... But with a UBI, I feel like it could help me so I don't need to ask for money. And it could also help me be more responsible and learn how to look after my own money". Sarah, 14-16 years old

4. Better quality work.

Young people recognised the potential of UBI to enable people to take on jobs that they really enjoy, rather than being pressured into settling for jobs simply to pay bills. Understanding the relationship between good work and wellbeing, young people saw this as one of the most important ways that a UBI could improve mental health. Young people also reflected on how a UBI might change their plans for the future, either changing the field they aspired to be part of or allowing them to consider a more entrepreneurial path.

"I do think that a lot of people, the majority would definitely work and especially I think they'd enjoy working more because they could do the jobs that they enjoyed, and not just a job to that they don't enjoy just because they need it to get by". Marie, 21-24 years old

"So they can go from job to job and try to go further up the employment ladder, in terms of, they're not stuck in one job, because they can afford to quit, to move on to something else... So help people progress in that way. Just have enough money coming in to fall back on so that no one goes hungry". Theo, 18-21 years old

5. More opportunities for learning.

An additional benefit to working fewer hours was that young people could focus more on studying. Some participants predicted that a UBI would result in improvement in their grades, while others viewed the educational benefits as being more expansive. One young person said that the additional time would allow them to pursue more extracurricular activities to gain a more well rounded education. Another felt that a UBI would allow young people to focus on courses that truly interest them, rather than choosing the course expected to deliver high financial returns in the future.

The notion of education as an investment was raised on several occasions. A UBI was seen as changing the mind-set from young people trying to invest in themselves to a society investing in its young people's futures collectively.

"I feel like... I'd have more control over my choices, like choosing what uni to go to, I won't have to worry about being able to pay for a certain uni, because I knew I could go to any of them". Nicola, 16-18 years old

"I probably would maybe not like fully quit my part-time job... but I would, like, lay off as many shifts as I was doing.... So I could definitely focus on my grades". Rochelle, 16-18 years old

6. Wider societal impacts.

Many participants praised the universality of the system, viewing UBI as an effective way of removing some of the barriers they had identified in the current system, such as thresholds and stigma. When paired with a progressive taxation to fund it, a UBI was also viewed as an effective means to reduce inequality as 'everyone is equal and has a fair share'. Perhaps with a mind to their experiences in education, participants saw a UBI as an opportunity to ensure that 'people started life on a more equal footing' and expressed a hope that the policy would lead to a more meritocratic society.

"I think you no longer have like a financial view of your peers. So it makes everything a bit more equal. In terms of... if you're going out or like spending money... everyone has this Universal Basic Income, it's what they spend is not necessarily reflective of their own income or their parents' income, or their parents' financial situation. I think it might decrease that gap between people in social settings". Farah, 18-21 years old

Young people also anticipated a positive economic impact beyond the payment itself as a result of increased productivity coming from improvements in wellbeing. Three cohorts referred directly or indirectly to the concept of the marginal propensity to consume by anticipating that a UBI would produce positive economic effects through redistribution to poorer people who are more likely to spend money and less likely to save it.

"I guess if people have more money, then that would have a knock-on effect for their health [and] the NHS wouldn't be as strained as it is... I feel like there's a lot of like ripple effects that would happen". Christina, 18-21 years old

Negatives

1. Distribution of benefit.

Typically, when a group was prompted to consider disadvantages, they first responded by saying that it would be unfair to make cash transfers to the richest in society. This was framed as some groups – variably 'rich friends', 'people with generational wealth' or 'the middle class' – getting something they don't need. Some concerns were alleviated when a UBI was paired with progressive taxation. However, there remained some concerns that a UBI did not constitute a spending priority for the government and that the funding might be better used to improve healthcare provision, for example.

"I think, for people who don't need it, like the upper-class, it's just pointless for them, isn't it? They've already got enough money, and it's not directed to the people that truly need it. And it's a waste of the government's money that could be put towards like, like helping the NHS". Annie, 16-18 years old

2. Individual responsibility and behavioural impacts.

There was some moralising of what a UBI should be used for and whether there were societal risks related to the positives discussed earlier in conversations. Echoing some of the narratives about benefits claimants that were identified earlier, some young people felt that 'people would take advantage' of a UBI. This was expressed as concerns that it may discourage personal financial responsibility, with participants voicing worries that people may spend it on materialistic things or 'blow' the money.

"I probably would just end up saving it... But I think it depends on the person, how they would spend it. Like, that's what I would do with it, but you don't know [whether] other people might like abuse it and not like spend it well". Tara, 21-24 years old

"I'm not exactly the type of person that I'll get the money and ... just blow [it all]. I think I'd definitely save the money. Put it towards essentials... I think [other] people could kind of spend it on more, well, stuff they don't need in terms of retail, like buying more clothes, and that kind of thing. Like, for example, if they get this money once a month [they could] think, 'Oh, I could get that design or something that I've always wanted', which obviously isn't an essential". Annie, 16-18 years old

3. Productivity.

There was a fear that providing increased financial security could lead to potential productivity losses or job shortages among occupations perceived as being less desirable, whether due to the nature of the work or the pay. This was seen as the flip side to the personal benefits of taking on less or better work.

“If we’ve been reliant, people won’t aspire to do things anymore, like, doctors, engineers, or just wanting to get something out of your life. Because if you’re relying on the money the government is giving you, you’re sitting back at home, not aspiring to anything. People might just forget about their ambitions and think, because they have a safety net they don’t have to do anything”. Jenn, 16-18 years old

“They’ll be happy to work less. But I think they need to know the importance of their job, because every job is it is important in its own way. And I think, if they don’t know that, then they can’t really help society, because everyone has a role in society. And if you don’t do it, then it could really affect how people live in the future”. Lena, 14-16 years old

The practicalities of a transitional UBI

In discussions on payment levels, young people brought considered and reasoned perspectives into the pros and cons of higher and lower levels.

Scheme 1

The starter scheme appealed to participants who had concerns about how recipients may spend a UBI. Some voiced their concerns that a higher payment may lead to it being spent on ‘reckless’ or ‘useless’ things. It was seen as appropriate that a UBI gives some additional help but ‘shouldn’t be to pay the rent’. Others said that taxpayers may not be in favour of a higher UBI.

Opposition to this level of payment tended to relate to arguments that £60 per week is too low in most cases. It was felt by some that a UBI of £60 per week would not be much to fall back on especially for those on lower incomes.

Scheme 2

Scheme 2 proved popular with the young people, though the majority of those in support of it opted for it as a middle ground. This perspective tended to emerge after a discussion of higher and lower levels. For some it was seen as good baseline from which to begin experimenting. One participant saw it as the best scheme as it supports the current benefits system while ‘giving a decent amount of money’ and others added to the view that in combination with other benefits it was a fair level.

Table 8: The amount received by different types of recipients under the proposed workshop schemes³⁸

Recipient type	Scheme 1	Scheme 2	Scheme 3
Under 18s	£40 per week	£40 per week	£40 per week
Single working age (18-64) person	£60 per week	£145 per week	£229.81 per week
Lone parent with two under 18s	£140 per week	£225 per week	£410.74 per week
Couple with two under 18s	£200 per week	£370 per week	£511.39 per week

³⁸ Note that the schemes here differ from the final formulations proposed elsewhere primarily due to the most recent Minimum Income Standard figures being used in the latter.

Scheme 3

Scheme 3 attracted a lot of praise for its commitment to ensuring a decent standard of living for all. Participants recognised that people need money to meet their essential needs and imagined this scheme as having a greater impact on those on low incomes, large families, disabled people and young people with no family support. It was also noted that the Minimum Income Standard does not cover the costs of luxuries, making it an appropriate means of state support. One young person from a less well-off background said that this payment could really help their family and others on low incomes.

Downsides discussed mirrored wider concerns about a UBI, for example whether a payment, particularly at a higher level, could disincentivise work. One young person also expressed concern that the proposed expenditure might be more effectively spent on the NHS.

Young people and UBI

We also asked participants about their views of a UBI of £40 per week specifically for young people aged 14-17. Young people saw the benefits of a UBI for this age cohort in two broad categories: independence and improved relationships with friends and family. Participants saw it as an opportunity to provide a sense of independence for all young people, while also preparing them for the future. This was seen as having the greatest potential for young people who might be in difficult situations such as being in care or abusive families.

"I think it could bring friends closer together because everyone has an equal amount of money in a way". Lena, 14-16 years old

"Those suffering in abusive homes, poverty stricken households or those that are even homeless would need the money going to them personally. Some parents/guardians might not give the child the money or use it for luxuries, meaning that the child is never in control of their own money". Abbie, 21-24 years old

However, it was recognised that young people might need guidance about financial management. Related to independence is the relationship young people have with their parents. Several participants said that they feel guilty asking parents for money and that this would improve their relationships with them. A UBI for young people was also seen as a means to address some of the inequalities that exist in friendship groups, allowing poorer and richer children to socialise on an equal footing.

"In regards to making payments to young people aged 14-18, I feel like a better way to go about it would be for the parent or guardian to receive the £40 from the ages 14-16 but from the age of 16 allowing the child to take hold of this £40... To build independence for the child and to teach them from young how to manage money and budget as this is an essential life skill". Chandni, 21-24 years old

The negatives that the young people associated with a UBI for people their age reflected those presented about the policy in general. Some were concerned that certain people may spend it frivolously on "things that aren't essential in life" (Lena, 14-16 years old). This was also linked to a lack of financial literacy education.

When considering if a UBI should be paid to parents or guardians, young people or split between the two, a majority of young people ultimately favoured a split payment. Paying directly to young people was seen as important in realising the potential benefits around independence, though this also amplified the concerns that the money would be spent 'irresponsibly'. Paying wholly to parents was seen as problematic as some parents could choose to spend it on themselves or otherwise offer an additional means of control over their children. It was on balance that a split payment was generally concluded.

Ultimately, it was clear that, far from a snowflake generation, the young people we spoke to were realistic about the causes of their circumstances and the need for ambition, aspiration and hard work. However, they were also clear that the existing system undermines their interests. Importantly, among the many different policies that have been presented to address this generation's difficulties, Universal Basic Income was one that seemed to be a common sense response to a very straightforward problem: the lack of economic security. This is a responsible generation that is presently underrepresented in policy-making and lacks a natural home within progressive parties as they currently stand in Westminster. One young person summed up the challenges and opportunities that the modern economy is exposing:

"Inequality is rising in the UK and reducing the gap should be priority for society... Computers are replacing jobs so, like, do we want to use this as an opportunity for equality, not increasing the gap between rich and poor"? Ben, 21-24 years old

7 Addressing varying and additional needs

Addressing how varying and additional needs are accounted for under a system of Universal Basic Income has been one of the most significant challenges faced by its proponents. Disability benefits are perhaps the most crucial component of that challenge given that disabled people disproportionately bear the brunt of welfare policy and reform. Some disability organisations are opposed to UBI, in part because of fears that disabled people would lose out, relatively, in a system designed to increase the incomes of a much larger proportion of people. However, our consultation with disability organisations has shown that the majority appear not to have adopted a policy or to have a particular position on UBI's formulation and implementation. Given the emergence of trials of Basic Income, including in Wales, there is urgent need for policy development among those advocacy organisations.

Indeed, there is an opportunity for proponents of UBI to influence the policy development of such organisations and to set out means of ensuring that disabled people benefit from UBI's introduction. The published literature from both disability organisations and researchers suggests that the gap between those who oppose and those who support UBI may not be as wide as has sometimes been assumed. For example:

- Retaining a reformed needs-based system of additional payments (as in UBI+) may address concerns about disabled people losing out relative to non-disabled people.
- UBI's unconditional status may address concerns about disabled people being left without income during needs-based assessment processes and if needs change over time.
- A UBI that meets the Minimum Income Standard may address concerns that a benefit diluted across the population would be insufficient for anyone and would inflict a net loss for disabled people.

- UBI may be able to resolve issues relating to stigma in the existing welfare system that leave disabled people socially isolated and othered, and which likely contribute to low take up of existing benefits by people who are entitled to them.

We must take account of the concerns and needs of disabled people – and others who have varying and additional needs – in final formulations of UBI policies and any remaining forms of conditional support. There are means of doing this, and engagement, discussion and debate can ensure that issues relating to levels of payment, reform of assessment and provision through services are resolved.

“The impact on people with additional needs, particularly disabled people, has too often been overlooked in discussions, research and policy development related to UBI. The evidence indicates that there are substantial benefits to be gained for everyone if we get the system right. We have a duty to ensure that disabled people’s voices and needs are included and heard”.

Elliott Johnson, associate senior research fellow, Northumbria University

It is essential that development and implementation of UBI take extremely seriously the interests of disabled people, as defined by the social model.³⁹ According to the Equality Act 2010 definition, disabled people comprise 21 percent of working-age people and 22 percent overall.⁴⁰ They also face a range of intersectional determinants,⁴¹ with substantial overlap between disabled people, people with long-term and multiple health conditions – including stress-related conditions⁴² – and people with lower socioeconomic status (SES). This includes much higher rates of poverty, with a gap of 21 percentage points between the rates for disabled (38 percent) and non-disabled (17 percent) working-age people in 2019-20 UK data.⁴³ Disabled people are also often subject to particular health needs and effects

in relation to social policy and are disproportionately affected by welfare and reforms to welfare systems.⁴⁴ Importantly, given the ‘universal’ nature of UBI, disabled people face, on average, additional costs of £583 per month to have the same standard of living as their non-disabled peers.⁴⁵

39 Shakespeare, T (2017) The social model of disability, in Davis, LJ (ed), *The Disability Studies Reader*, 5th ed. Abingdon: Routledge, pp195-203.

40 Department for Work and Pensions (2022) Family Resources Survey: financial year 2020 to 2021, Disability data tables. GOV.UK. Available at: bit.ly/3xWibO2.

41 Activity Alliance and IFF Research (2020) Annual Disability and Activity Survey 2019/20. Activity Alliance, Manchester. Available at: bit.ly/3OUN4j6, pp118-123.

42 Rhode, PC, Froehlich-Grobe, K, Hockemeyer, JR et al. (2012) Assessing stress in disability: Developing and piloting the Disability Related Stress Scale. *Disability and Health Journal*, 5(3): 168–176. DOI: [10.1016/j.dhjo.2012.03.002](https://doi.org/10.1016/j.dhjo.2012.03.002).

43 Joseph Rowntree Foundation (2022) UK Poverty 2022: The essential guide to understanding poverty in the UK. York: Joseph Rowntree Foundation. Available at: www.jrf.org.uk/report/uk-poverty-2022, p58.

44 Johnson, E and Nettle, D (2021) Fairness, generosity and conditionality in the welfare system: the case of UK disability benefits. *Global Discourse*. DOI: [10.1332/204378920X15989751152011](https://doi.org/10.1332/204378920X15989751152011).

45 John, E, Thomas, G and Touchet, A (2019) *The Disability Price Tag 2019: Policy report*, London: Scope. Available at: bit.ly/3C8lLae.

While the current system of needs- and means-tested benefits in the UK is intended to address some of these economic issues, there is substantial and increasing evidence of the harm that its strongly conditional nature has had on the health and wellbeing of recipients, particularly disabled people.^{46, 47, 48, 49}

“My partner tried to apply for, what’s it called? When you can’t physically work from a disability. And because it was during lockdown and stuff, they just kept turning around and saying he’s not disabled, and he’s fine. And basically, it’s a physical condition, they can come and actually see him. And I think that’s put a lot of pressure on him and he was very upset [by] the fact that the government was telling him he’s not disabled, but then he struggled to do daily stuff. And so I think in some ways, it’s good that they’re prioritising who needs it, but then a lot of people do get let down by their conditions”. Abbie, 21-24 years old

We have examined issues regarding how such conditionality could be addressed by UBI in some detail elsewhere,^{50, 51, 52} but a flat-rate payment alone cannot be expected to address all of the challenges that people with varying and additional needs face.

“[Under UBI, current benefits claimants] might not get as much in a sense, because if everyone’s getting the same, then I guess they could feel left out. ... If everyone’s getting it, then their needs might not be at the top anymore. The government might think, ‘oh, everyone’s getting it, everyone’s fine’. They might not care as much for the disabled or poor”. Lena, 14-16 years old

Despite the issues identified with the current, conditional system, some organisations believe UBI may, in reality, lead to a relative reduction in disabled people’s financial security and an increase in exclusion from work.⁵³ Disabled People Against Cuts (DPAC)

argues that the ‘bad idea’⁵⁴ and ‘unworkable policy’⁵⁵ of UBI would likely be pursued on the basis of fiscal neutrality, or at least fiscal constraint, achieving similar levels of ‘widespread harm’ as that achieved under the guise of ‘progressive ideas’ effected by Universal Credit. This, they contend, would mean that currently targeted welfare payments would be diluted and spread across the entire population, leading to a decrease for most disabled people through increased restriction in eligibility for additional payments and pressure on social care funding.⁵⁶ They also argue that the need to continue assessment to meet additional needs means that claims that a UBI would end such testing and the associated stigmatisation are overstated, and that ‘UBI adapts to a flexible model of employment which favours employers while further disadvantaging disabled workers’.⁵⁷

Disabled people involved in a thinktank undertaken by Inclusion Scotland echoed these concerns but considered inclusion of disabled people in work on UBI crucial:

“Other participants reflected that it was vital that disabled people be included in any pilot of BI [basic income] in Scotland. They were concerned to ensure that disabled people not be avoided because their participation represented something that was ‘too difficult’ to achieve under the current system, due to the administrative challenges of moving disabled people between systems.”⁵⁸

The Scottish Campaign on Rights to Social Security (SCoRSS), meanwhile, shares worries about a net loss in welfare assistance for disabled people and argues that it is essential that any changes to disability assistance be future proofed to ensure that it would work well under a ‘citizens Basic Income’ and be ‘well-connected

46 Shahidi, FV, Ramraj, C, Sod-Erdene, O, Hildebrand, V and Siddiqi, A (2019) The impact of social assistance programs on population health. BMC Public Health, 19: 2. DOI: [10.1186/s12889-018-6337-1](https://doi.org/10.1186/s12889-018-6337-1).

47 Wickham, S, Bentley, L, Rose, T et al (2020) Effects on mental health of a UK welfare reform, Universal Credit. The Lancet Public Health. 5(3): e157–e164.

48 Johnson, E and Spring, E (2018) The Activity Trap. Manchester: Activity Alliance. Available at: bit.ly/2A0SkXK.

49 Johnson, MT, Degerman, D and Geyer, R (2019) Exploring the health case for Universal Basic Income. Basic Income Studies. 14(2): 1-11.

50 Johnson, E and Nettle, D (2021) Op cit.

51 Johnson, MT, Johnson, EA, Nettle, D and Pickett, KE (2022) Op cit.

52 Johnson, MT, Johnson, EA, Webber, L et al (2021) Modelling the size, cost and health impacts of universal basic income: What can be done in advance of a trial? Health Services and Outcomes Research Methodology, 21: 459–476. DOI: [10.1007/s10742-021-00246-8](https://doi.org/10.1007/s10742-021-00246-8).

53 Disabled People Against Cuts (2019) UBI: Solution or Illusion? The Implications of Universal Basic Income for Disabled People in Britain. Available at: bit.ly/3yuEudb.

54 Ibid p4.

55 Ibid p12.

56 Ibid pp14-15.

57 Ibid pp14-15.

58 Inclusion Scotland (2020) Friend or foe? Basic Income and Disabled People in Scotland, Edinburgh: Inclusion Scotland. Available at: <https://bit.ly/3r5CQLl>, p21.

access to other public services for disabled people'.⁵⁹ Importantly, their report highlights that 'SCoRSS members believe that regardless of what wider changes are made to other social security entitlements, a separate non-means-tested social security payment for disabled people should be maintained'.⁶⁰

The Commission on Social Security is led by Experts by Experience including several disabled activists and undertook two large-scale consultations on how social security more generally should be structured. Its proposals include several components. First, there would be a guaranteed decent income (GDI) at Minimum Income Standard level through a calculation tracking 50 percent of minimum wage (currently £163.50 per week) and changes in MIS with a single householder supplement of 20 percent. Anyone aged 18+ could apply for this GDI and it would not be dependent on work status, though it would be tapered through a tax rate of 45p in each £1 earned above an allowance of £512 per month, which would be assessed through a 'light touch tax self assessment approach'.⁶¹ It is unclear how often this self assessment would take place and the plans include scope for 'voluntary' deductions from GDI, but GDI as a whole would be unavailable to those with savings of more than £85,000. There would be an as yet undecided disability supplement to GDI, a Child Benefit (at £50 per child per week) and a new disability benefit which would not be treated as income in relation to GDI. Housing costs would be dealt with separately, with a longer-term aim of large-scale building of social housing.

The Commission's proposed new disability benefit would be non-means-tested, like Disability Living Allowance and the Personal Independence Payment, and would be based on the social model of disability and designed in full co-production with paid Deaf and disabled people. Principles include: annual uprating, no one financially worse off, minimal burden on claimants, award based on need with no targets and no risk of people being left with nothing at any point. They propose that there would be a comprehensive range of areas for support considered, with individualised assessments based on the needs the claimant identifies, a collaborative approach to decision-making with assessors and decision-makers trained to have detailed knowledge of the social model of disability and other

areas of knowledge required. Decisions would be paper based where possible with full accessibility, transparency and rapid appeals. There would also be lifetime awards available and longer gaps between reviews. Lowest rates would be equivalent to the PIP standard rate for daily living and mobility, the middle rate the current PIP enhanced amounts and the higher rate £1,000 per month to match Scope's finding that one in five disabled adults and nearly a quarter of families with a disabled child face extra costs of over £1,000 per month. The Commission also proposes reforms in a range of other areas such as job conditions, education, health and care, along with a progressive local tax.

The Commission's GDI more closely matches a Minimum Income Guarantee (MIG) approach and the report mentions UBI only on the basis that:

"... the highest UBI proposal the Commission saw evidence of was for £92 per week (by the RSA). That falls far short of ensuring the Commission's first principle... of ensuring everyone has enough money to live, whereas the guaranteed decent income of £163.50 does that".⁶²

In this project, we developed three schemes (see chapter 2) with an intention to benefit the mental health of young people aged 16-24, to whom they were presented through online surveys and focus groups to understand which features might best meet their needs (see chapter 6). Both the focus groups and the online survey respondents from whom they were drawn included representation from young disabled people. The schemes ranged from a lower, introductory version to a full Minimum Income Standard level, with an intermediate scheme between the two.

59 Scottish Campaign on Rights to Social Security (2020) Beyond a Safe and Secure Transition - A Long Term Vision for Disability Assistance in Scotland. Available at: bit.ly/3C6aHcD, p29.

60 Ibid p30.

61 The Commission on Social Security (2022) Technical Note. London: The Commission on Social Security. Available at: bit.ly/3BLVeOC, p2. And see The Plan [here](#).

62 Ibid p4.

Our Minimum Income Standard-level proposals overlap substantially with Duffy and Elder-Woodward's UBI+, in which 'extra income supplements would be introduced in accordance with the spirit of UBI',^{63, 64} meaning no means testing or conditionality based on spending or behaviour, which have been shown to have particularly harmful effects on disabled people's activity.^{65, 66} With regard to a reformed assessment or claims process, they suggest it 'should be designed with disabled people to be empowering and respectful. Obviously, this would be radically different from the medical and professionalised models of assessment currently being used'. They point to the benefits that UBI+ could have for disabled people, including highlighting better physical and mental health, and reduction in poverty, particularly given their higher rates among disabled people.⁶⁷ They also emphasise the reduction in income insecurity it would provide given that systems like Employment and Support Allowance 'are organised so that the whole of your income is dependent on proving the negative impact of your impairment on your ability to work',⁶⁸ with the existing process inherently stressful and made worse by a drawn-out appeal system that leaves individuals challenging a decision without income until it concludes. They argue that a key benefit of UBI+ is to remove the poverty trap created by means-testing and conditionality that results in people with fluctuating conditions being unable to take on work straightforwardly in the periods during which they are more able to do so. They claim that UBI+ achieves a significant aim of the disabled people's Independent Living Movement by putting disabled people in control of funding their own care and support. Finally, and in common with our suggestions,⁶⁹ they believe that establishing a welfare system common to all citizens means that there is political reason to ensure the benefit is kept at a level to ensure support among the population.

Importantly, Duffy and Elder-Woodward highlight the possibility that some opposition to UBI is founded on a belief within the Independent Living Movement

that being employed in the paid workforce is a crucial component of inclusion.⁷⁰ And we agree with their conclusion that it is important to emphasise conceptions of social value that do not depend solely on economic productivity. We concur with their suggestion that UBI has the potential to tip the balance in favour of workers, providing a safety net to turn down 'bad work' and negotiate better, more meaningful and dignified contractual obligations. They summarise their view that it would:

"... benefit the UBI movement to adopt this vision and to see the fight for UBI as part of an effort to build an emancipatory welfare state. It is not enough to think in terms of meeting needs, instead we need to see the purpose of the welfare state as being to empower potential".⁷¹

Although they would remain in lower schemes, we have proposed that UBI at the level of the Minimum Income Standard would replace almost all means-tested benefits – including Employment and Support Allowance and Universal Credit (apart from a reformed housing support payment) as well as Carer's Allowance – but that reformed needs-based payments, currently covered by PIP and DLA, would remain in some revised form. This is not an endorsement of the current system of needs-testing, but, rather, a means of ensuring that UBI's simplicity of administration would be retained as far as possible while preventing disabled people – and others with varying and additional needs – from losing out, relatively, from the new system. Given differing needs in areas such as care, transport and housing, we concluded that a system in line with UBI+ would be both the fairest and most feasible means of creating a policy that could be introduced, particularly in the absence of effective public services and housing provision.

While some of the much-vaunted simplicity and efficiency of a flat-rate UBI may not be achieved under this kind of scheme, the mechanisms required to administer remaining conditional benefits are likely to be substantially reduced. For example, pensions would

63 Duffy, S, Elder-Woodward, J (2019) Basic Income Plus: Is UBI consistent with the goals of the Independent Living Movement? *Social Alternatives*, 38(2): 19–27. Available at: bit.ly/3akQXYU

64 For further detail on UBI+ bolt-ons using Minimum Income Standard data to cover individual, home, travel and activity costs as well as those associated with long-term illness, disability or caring, see Richardson, C and Duffy, S (2020) *An Introduction to Basic Income Plus: Version 1.0 for consultation*, Sheffield: Centre for Welfare Reform. Available at: bit.ly/3fg7KOJ.

65 Johnson, E and Spring, E (2018) *The Activity Trap*. Op cit.

66 Activity Alliance and IFF Research (2020) *Annual Disability and Activity Survey 2019/20*. Activity Alliance, Manchester. Available at: <https://bit.ly/3OUN4j6>.

67 Duffy, S and Elder-Woodward, J (2019) Op cit. p20.

68 Ibid pp21-22.

69 Johnson, E and Nettle, D (2021) Op cit.

70 Duffy, S and Elder-Woodward, J. (2019) Op cit. p23.

71 Johnson, MT and Johnson, E (2019) Stress, domination and basic income: considering a citizens' entitlement response to a public health crisis. *Social Theory & Health*, 17: 253–271. DOI: [10.1057/s41285-018-0076-3](https://doi.org/10.1057/s41285-018-0076-3), p263.

no longer rely on contributions records and, under our Minimum Income Standard level policy, unemployment benefits would no longer exist, eliminating the requirement for a Jobcentre Plus system focused primarily on conditionality rather than supporting people into work. The numbers of people claiming needs-tested sickness and disability benefits or support with housing costs is comparatively small overall. And there is the possibility, for example, of examining a decentralised system through local authority administration.

Importantly, these proposals should be seen as flexible and open to discussion and debate. They were primarily developed to form the basis for economic and health modelling while ensuring that people with additional needs would not lose out relatively. There is nothing that should be fundamentally incompatible with, for example, the proposals from the Commission on Social Security, SCoRSS, Inclusion Scotland or Disabled People Against Cuts, although we acknowledge that the intentions of any government instituting such policies would be key to their success or failure. Where there are differences in approach, we suggest that these are not irreconcilable. For example, the Commission on Social Security's proposal to include an additional payment within the standard guaranteed decent income would appear to duplicate support for additional living costs of disability. Employment and Support Allowance and the disability and health condition component of Universal Credit are intended to replace income that would otherwise come from work. Within a system of UBI, it would seem sensible to deal with 'income replacement' through the primary payment, with additional costs assessed through a needs-assessed system.

Our proposals also address some of the issues raised by the Commission on Social Security in relation to UBI payments being too small to meet the requirements outlined by the MIS. In scheme 1, this would be through the existing conditional system. But scheme 2, in itself, approaches the guaranteed decent income even without conditional support. While scheme 3 exceeds it significantly in most cases. Indeed, it is important to remember that under UBI, everyone would receive the whole sum without claiming, without assessments and without a taper over a certain earning level.

The core advantages of a UBI for people currently receiving benefits can be summarised as the following:

- Payments from major means-tested benefits designed to replace income that would otherwise come from work, such as Employment and Support Allowance (which many disabled people receive) and the major components of Universal Credit, would become unconditional.
- A level of income would be guaranteed no matter what. This would help to relieve issues relating to waiting periods before conditional benefits begin and the destitution that transitions out of these benefits can cause. Disabled people would always have some income, even if it is modest.

"The process is so lengthy, sometimes unnecessarily lengthy, means people go without the necessary finances for months on end. I know what British people are like. They will not ask for help. Unless it's the last possible thing they can do... So, knowing that that's the last port of call for somebody, and then they're having to wait means you're just pushing them into further and further trouble and further debts and like, and then it becomes that cycle of like poverty, where they can't seem to get out of it, because they, their help wasn't there when they actually needed it." Ben, 21-24 years old

- The stigma attached to receiving payments from the state would likely be substantially reduced or eliminated, addressing othering and exclusion of disabled people and other existing benefit recipients. While non-disabled people or people who do not need additional support for housing may not receive the same amount in total as others, they are still getting something.
 - Issues relating to low take up of benefits among the population are likely to be, at the very least, substantially reduced due to automatic engagement with the welfare system, reduction in stigma and increased awareness.⁷²

"I think as well as everyone's got it, there's not going to be that much judgement around you getting money from the government, because everybody is." Abbie, 21-24 years old

- In common with our suggestions,⁷³ establishing a welfare system common to all citizens means that there is political reason to ensure the benefit is kept at a level to ensure support among the population.⁷⁴

72 Standing, G (2019) Basic Income as Common Dividends: Piloting a Transformative Policy. London: Progressive Economy Forum. Available at: bit.ly/2Ww9ZiD. p26.

73 Johnson, E and Nettle, D (2021) Op cit.

74 Duffy, S and Elder-Woodward, J (2019) Op cit. p.21.

- Errors in decision-making driven by targets and conditionality are likely to be rarer and less costly, both financially and in terms of wellbeing, under a less conditional system.⁷⁵

In the context of a cost of living crisis that has immediately followed a pandemic, a decade of austerity and the global financial crisis, there is an opportunity to reshape the welfare system to ensure that no one is left at risk of destitution. If we are to secure wellbeing and opportunity for all, we must consider alternatives to the systems we have come to see as inevitable. People in receipt of means-tested and needs-tested benefits are at the sharp end of the health impact of financial precarity. It is essential to recognise the impact that this has for both the individuals themselves and society as a whole.

“As a GP in an area of high socioeconomic deprivation and poor health outcomes, I am acutely aware that the things making my patients sick lie a long way upstream from my consulting room. Many of my patients’ lives are defined by precarity and uncertainty. Whether it’s the delivery driver who doesn’t know whether he’ll have a day’s work until he gets his van to the depo, or the person receiving benefits living under the threat of sanctions, it’s hard to plan beyond the week, let alone longer. We all recognise that feeling absorbed in stressful situations can lead to short-term unhealthy behaviours – this is certainly true of my patients. Further, I observe that patients facing sustained precarity (whether in work, receiving benefits or both) develop a fatalism and hopelessness regarding their health that I found shocking when I first started working as a GP.

In addition to the direct health impact of poverty and precarity, I know of patients trapped in a ‘sick role’ by the benefits system, whereby they face the real prospect of losing their income if an assessor takes the view that they are recovering. Patients have told me that they want to stop medication which is ineffective and causing side effects, but are fearful to do so in case it leads to their benefits being cut. Others have told me that they are wary of following medical advice to exercise for similar reasons. These first steps towards recovery (and potentially an eventual return to paid employment) are being discouraged by the current system.

Universal Basic Income, combined with reform of the needs-testing system of disability and sickness benefits, has the potential to ease financial precarity for so many of my patients, which has been shown in modelling studies to translate into better health outcomes. I can see clear potential benefits for my patients, and the next step is to start trials in defined geographical areas to properly assess the impact on health at both an individual and community level”.

Dr Jonathan Coates, GP in Newcastle upon Tyne

75 Standing, G (2019) Op cit. pp35-36.

Resource development

While existing trials of cash transfers indicate a range of impacts, they all suffer from failure to capture evidence comprehensively and consistently in ways that enable accurate generalisation. For the first time, we have created a generic, adaptive protocol resource for deployment in any cash transfer trial to capture comprehensive evidence of health impact. This will provide the basis for much more precise modelling.

Find our generic, adaptive protocol resource [here](#) and the preprint detailing its development [here](#).

“Our model of impact suggests that Universal Basic Income could result in a multitude of health benefits through a number of key pathways. Testing this will require a joint effort between researchers from a range of disciplines, citizens, funders, policymakers and government more broadly. We need consistency when planning the designs of interventions and means of evaluating their impact. Our work in this area is a modest first step. Our protocol resource gives us a foundation that will, over time, provide representative and comparable data from the UBI schemes our nation’s young people sorely need to see developed and implemented”.

Elliott Johnson, associate senior research fellow, Northumbria University

The resource incorporates a large number of measures broken down into a modular bank for deployment in a range of trials. We outline two types of trials currently under discussion: one smaller pilot focused on young people, like the Welsh trial for care leavers, in a lower-socioeconomic status town like Bradford; and one population-wide study in a town like Dunfermline in Scotland.

Importantly, the resource ensures that a large majority of data can be collected through self-reported measures where resources do not allow for interviewers or biomarker collection.

In doing this, we concluded that paid licensing of measures poses a significant obstacle to researchers. While we sought, where possible, to use open access measures, it is clear that a number of measures of wellbeing widely used in studies require researchers, including in community settings and low-and-middle

income countries, to go through onerous processes for approval. The academic community should come together with funders to bring widespread measures into unlicensed public use or, at the very least, to remove financial barriers.

We are now implementing the measures in a number of studies, with some having already been employed in other parts of the project as well as current and planned trials of UBI.

9 Key findings and recommendations

“The findings of this report are clear: there is no obvious alternative to Universal Basic Income with the same potential to address the crises facing young people. Whereas previous generations saw pathways to careers, property and family through work, today’s young people have been cut adrift following the financial crisis, a lost decade and the economic consequences of a pandemic and now cost of living crisis. This, despite their being, in many ways, historically the most educated and skilled generation overall. People know that they are at risk, they know that they need secure income and, a secure income would complement non-monetary means of mitigating anxiety and depression, such as active ingredients. When explained effectively, people endorse Universal Basic Income schemes, including those that approach the levels of payment in the Welsh government’s trial. Far from its weakness, Universal Basic Income’s universality is what shifts people’s perception of welfare as something for others, to something that is of central importance to the interests of people like them: hardworking, aspirational and responsible members of society. It is no coincidence that, where politicians endorse Universal Basic Income, they achieve success. The Welsh and Scottish devolved administrations are examples for Westminster politicians to follow”.

Professor Matthew Johnson, Northumbria University

9.1 Key findings



1. Universal Basic Income is affordable

- 1.1. Impactful starter schemes can be introduced with little reform to taxation.
- 1.2. More generous schemes that increase income overall for a larger proportion of the population can be funded through savings from reform and implementation of alternative revenue sources.



2. Money affects mental health

- 2.1. Apart from in those with the very highest incomes, increases in household income over the course of childhood and adolescence are associated with reduced symptoms of anxiety and depression as measured by a higher score on the SF-12 Mental Component Summary. The reverse is true when average income drops.
- 2.2. Our primary analysis indicates that young people aged 16-24 from households with the lowest quintile (20 percent) of average household incomes have a higher probability than the second lowest of reporting clinically significant symptoms of anxiety and depression. The second lowest has a higher probability than the middle quintile and so on up the income scale.
- 2.3. Financial strain (reported by parents or participants depending on age) is associated with clinical levels of anxiety and depression symptoms. This may be an indicator of the financial position that all members of households are exposed to after financial commitments. If we are serious about preventing mental ill health, we need to increase people’s household income and the financial position they experience day-to-day.
- 2.4. The young people we spoke to face a trade-off between education, work and wellbeing, with financial insecurity affecting their education, work quality, life chances and mental wellbeing.

9.1 Key findings continued

	<p>3. Universal Basic Income is impactful as a prevention strategy</p> <p>3.1. Each of our schemes would likely lead to a significant and substantial reduction in cases of anxiety and depression among young people. This would save the health service money.</p> <p>3.2. More effective financial regulation to ensure that people do not overcommit leading to high financial strain may enhance any effect of a UBI.</p>
	<p>4. Universal Basic Income is popular</p> <p>4.1. Support for UBI is high in left-behind and red wall constituencies, including in Wales.</p> <p>4.2. Policies like UBI can help progressive politicians win elections.</p> <p>4.3. Young people we spoke to support overwhelmingly support UBI as a means of addressing the challenges they face.</p>
	<p>5. We must consider additional needs</p> <p>5.1. There are ways to account for differing needs UBI scheme, particularly with regard to disabled people, through reformed additional payments. UBI+ has promise and further consultation with disabled people and disability organisations is needed at each stage of development and implementation.</p>
	<p>6. Trials can be evaluated much more effectively to understand health impact</p> <p>6.1. Comprehensive, comparable and generalisable data has often been lacking in previous trials but can, and must, be produced.</p>

9.2 Recommendations

	<p>1. Policymakers should support trials and pilots in order to address the specific challenges of mental health problems among young people and the range of other health, economic and social crises we face in Britain.</p>
	<p>2. Policymakers should explain the material health and economic benefits of Universal Basic Income to voters using narratives tailored specifically to people's circumstances.</p>
	<p>3. Trials should be evaluated comprehensively and consistently, including through generic, adaptive protocol resources designed specifically for the purpose.</p>
	<p>4. More microsimulation modelling should be undertaken to cover all age groups and all major health conditions.</p>
	<p>5. Researchers and policymakers must engage in co-production with stakeholders to determine formulation of schemes and means of funding.</p>
	<p>6. Copyrighted measures should be brought into the public domain in order to support comparative, comprehensive, validated collection of health data.</p>

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