

**SHOULD THE UNITED STATES GIVE PEOPLE MONEY?
EVIDENCE FROM HIGH-QUALITY EMPIRICAL RESEARCH ON
UNCONDITIONAL CASH TRANSFERS**

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Unconditional cash is a popular tool for people of all political stripes, forming the basis of policy proposals like Universal Basic Income and an expanded Child Tax Credit. Many rationales for unconditional cash exist. Some defend the policy on efficiency grounds, with arguments that cash is preferable to in-kind support, that it would generate greater economic benefits than costs, or even that it would pay for itself. Others argue for unconditional cash on moral grounds, saying that it would improve recipients' lives, reduce poverty, and lead to a more egalitarian society.

Over the past decade, researchers have conducted multiple high-quality studies to assess the effects of transfers of up to \$12,000 in yearly unconditional cash lasting several years. This essay surveys this latest round of research to determine which policy rationales for unconditional cash transfers it supports—if any. It finds that the research supports the moral arguments for unconditional cash transfers more strongly than the efficiency arguments, but that uncertainties remain regarding unconditional cash's long-term effects.

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Introduction

Unconditional cash transfers (UCTs) are among the simplest policy interventions: They involve giving people money with no behavioral requirements attached.¹ Cash transfers that are conditional on the recipient working, like the Earned Income Tax Credit, or limited to certain categories of spending, like food stamps, are generally not considered to be UCTs, whereas cash transfers that require only that the recipient have children, be below a certain income threshold, or have disabilities generally are considered UCTs.² UCTs appeal to a wide range of ideologies. A libertarian might see a UCT as removing paternalism from government benefits,³ while a progressive might see a UCT as wealth redistribution in its purest form.⁴

The last decade has taken the reputation of UCTs on a roller coaster ride. Experiments in low-income countries like Kenya found that giving people cash yields numerous benefits, including improvements in health, education, savings, and investments.⁵ Excitement over universal basic income (UBI)—a UCT received by every member of a society—spiked around 2015, leading to endorsements from conservatives like Charles Murray and labor leaders like Andy Stern.⁶ Grant money poured out for experiments giving people in the United States and other high-income countries up to \$12,000 in cash for multiple years.⁷

The excitement was not confined to the world of policy research. Democratic primary presidential candidate Andrew Yang rose to fame in 2020 by suggesting UBI could help Americans weather job losses caused by artificial

¹ *The State of Social Safety Nets 2015*, WORLD BANK GROUP (2015), <https://documents1.worldbank.org/curated/en/415491467994645020/pdf/97882-PUB-REVISED-Box393232B-PUBLIC-DOCDATE-6-29-2015-DOI-10-1596978-1-4648-0543-1-EPI-1464805431.pdf> [https://perma.cc/ZSH5-JAR2].

² See, e.g., *id.*; Nicole Kovski, Natasha V. Pilkauskas, Katherine Michelmores & H. Luke Shaefer, *Unconditional Cash Transfers and Mental Health Symptoms Among Parents with Low Incomes: Evidence from the 2021 Child Tax Credit*, 22 SSM - POPULATION HEALTH, 2023, at 1.

³ Miranda Perry Fleischer & Daniel J. Hemel, *Atlas Nods: The Libertarian Case for a Basic Income*, 2017 WIS. L. REV. 1189, 1234 (2017).

⁴ MATT ZWOLINSKI & MIRANDA PERRY FLEISCHER, UNIVERSAL BASIC INCOME: WHAT EVERYONE NEEDS TO KNOW 192 (2023); e.g., Matt Bruenig, *UBI Already Exists, We Just Need to Redistribute It*, JACOBIN (2019), <https://jacobin.com/2019/09/universal-basic-income-passive-capital> [https://perma.cc/A9VE-978Y].

⁵ E.g., Abhijit Banerjee, Michael Faye, Alan Krueger, Paul Niehaus & Tavneet Suri, *Effects of a Universal Basic Income During the Pandemic* 25–28 (Innovations for Poverty Action Working Paper, 2020). See generally, Francesca Bastagli, Jessica Hagen-Zanker, Luke Harman, Valentina Barca, Georgina Sturge & Tanja Schmidt, *The Impact of Cash Transfers: A Review of the Evidence from Low- and Middle-Income Countries*, 48 J. SOC. POL'Y 569 (2019).

⁶ Hilary Hoynes & Jesse Rothstein, *Universal Basic Income in the United States and Advanced Countries*, 11 ANN. REV. ECON. 929, 930–31 (2019).

⁷ *Id.* at 953–54.

intelligence.⁸ In response to the COVID-19 pandemic, the Child Tax Credit became fully refundable for the 2021 tax year, effectively providing a UCT between \$3,000 and \$4,000 per child to many families.⁹

Then the results of the UCT experiments in high-income countries began to trickle in. Their findings on metrics like physical and mental health underperformed the expectations of many economists.¹⁰ Critics felt the experiments demonstrated UCTs decreased work and made their recipients worse off.¹¹ Even those in favor of UCTs began to doubt that cash was a strong tool for policy goals other than poverty reduction.¹²

This essay surveys the recent explosion of research on UCTs to determine whether such pessimism is warranted. While my essay is not the first to review this literature,¹³ it is, to my knowledge, the most up-to-date and comprehensive. I also believe it to be the only essay that (1) synthesizes the recent studies to predict broad policy-relevant outcomes, and (2) reexamines popular policy rationales for UCTs based on the new evidence.

The essay concludes that while the empirical evidence does not strongly support efficiency-based arguments for UCTs, it is not fatal to them either. Moreover, the essay concludes that the evidence *does* tend to support popular moral arguments for UCTs. These conclusions are limited to the types of UCTs studied empirically—that is, UCTs of \$12,000 per year or (usually significantly) less, given to low-income individuals for under four years.¹⁴

The essay proceeds in four parts. Part I describes popular efficiency-based and morality-based rationales for UCTs. Part II describes what sort of high-quality research on UCTs exists. Part III synthesizes this research to predict the general effect of a UCT on productivity, physical health, household finances and consumption, mental health and subjective well-being, and harmful behaviors like crime and alcohol consumption. Part IV looks at whether the effects of UCTs predicted by Part III support the policy rationales for UCTs described by Part I.

⁸ Lakshmi Varanasi, *Will AI Replace Human Jobs and Make Universal Basic Income Necessary? Here's What AI Leaders Have Said about UBI*, BUS. INSIDER (2025), <https://www.businessinsider.com/universal-basic-income-ai> [<https://perma.cc/UUH5-Z4U3>].

⁹ American Rescue Plan Act of 2021, Pub. L. No. 117–2, § 9611, 135 Stat. 4, 144–45 (2021); Kovski et al., *supra* note 2, at 1.

¹⁰ Ania Jaroszewicz, Jon Jachimowicz, Oliver Hauser & Julian Jamison, *How Effective Is (More) Money? Randomizing Unconditional Cash Transfer Amounts in the US* (2024), <https://papers.ssrn.com/abstract=4154000> [<https://perma.cc/3GND-V93C>].

¹¹ Chris Giles, *Universal Basic Income: The Bad Idea That Never Quite Dies*, FIN. TIMES (July 26, 2024), <https://www.ft.com/content/27057ff2-e9b6-4630-a6ea-201e0f6d72d9> [<https://perma.cc/783F-CFEN>]; Allysia Finley, *The High Cost of Free Money*, WALL ST. J. (2022), <https://www.wsj.com/articles/the-high-cost-of-free-money-harvard-exeter-study-stimulus-handout-low-income-well-being-health-personal-agency-poverty-covid-11658166372> [<https://perma.cc/R73M-G9PW>].

¹² Dylan Matthews, *What a Big Experiment Giving Money to Parents Reveals*, VOX (July 15, 2024), <https://www.vox.com/future-perfect/359737/researchers-parenting-mom-stress> [<https://perma.cc/JVC8-7HTC>].

¹³ See, e.g., Hema Shah & Lisa A. Gennetian, *Unconditional Cash Transfers for Families with Children in the U.S.: A Scoping Review*, 22 REV. ECON. HOUSEHOLD 415 (2023).

¹⁴ *Infra* Part II(A).

I. Rationales for Unconditional Cash Transfers

This Part covers popular policy rationales for UCTs and describes the empirical evidence that might support each. It separates these rationales into two buckets: efficiency-based rationales and morality-based rationales. This is only a rough distinction. For example, we might believe that efficiency helps us realize a more moral society by, e.g., setting a higher cap on the amount of wealth that can be redistributed to those in need.

A. Efficiency-Based Rationales

The policy rationales discussed in this subpart are pareto efficiency, Kaldor-Hicks efficiency, and tax revenue generation. The first two are core concepts of economic and policy research; the last is more popular with politicians and laypeople.

1. Pareto Efficiency

A policy creates a pareto improvement if it makes at least one person economically better off without making anybody economically worse off.¹⁵ In a strict sense, a pareto improving UCT is probably unattainable. Even if most UCT recipients were made better off, at least some would probably come to harm (famously, even lottery winners sometimes wind up worse off as a result of their winnings).¹⁶ But a UCT could at least satisfy the spirit of a pareto improvement if it were to make its average recipient better off without hurting the average person whose taxes paid for the UCT.

Is this possible? Not if the baseline is no taxation. Most people would agree that taxing Peter to pay Paul makes Peter worse off.¹⁷ But if the baseline is instead the current level of taxation, then a UCT could be a pareto improvement so long as it does not raise taxes. Imagine: Instead of spending tax revenue on in-kind benefits like Medicaid and Supplemental Nutrition Assistance Program (SNAP, or food stamps), the United States could disburse that tax revenue to the former beneficiaries of these programs in the form of cash. Libertarian proponents of UCTs often argue that this would be better for recipients, who could spend the cash to meet their unique needs rather than accept non-cash benefits like healthcare that they

¹⁵ Daniel M. Hausman, *Philosophy of Economics*, STANFORD ENCYCLOPEDIA PHIL. (Sept. 4, 2018), <https://plato.stanford.edu/archives/fall2024/entries/economics/#Effi> [https://perma.cc/MBL9-3Y3M].

¹⁶ Joe Nocera, *The Bad Luck of Winning*, N.Y. TIMES (Nov. 30, 2012) <https://www.nytimes.com/2012/12/01/opinion/nocera-the-bad-luck-of-winning.html> [https://perma.cc/956M-K9HJ].

¹⁷ Of course, if Peter and Paul both receive some benefit from taxation worth more to them than their tax dollars—say, a publicly-run wastewater treatment plant—then they would both be better off. But this essay does not deal with such possibilities because it is mathematically impossible to provide a UCT larger than its cost in tax dollars. That being said, a UCT could yield benefits beyond its dollar amount if, for example, it caused recipients to become more productive. In such a scenario, all members of society could wind up better off, especially if returns to the newly created productivity were partially redistributed back to taxpayers. Part I(A)(2) considers these sorts of scenarios.

might not need.¹⁸ Moreover, even if the recipients were indifferent between cash and in-kind benefits, cash benefits could still be a pareto improvement if they reduce administrative costs.¹⁹ As evidence for this point, the Social Security Administration provides cash benefits at a fraction of the cost of government agencies that provide in-kind benefits.²⁰

What sort of evidence should we look for to see whether replacing existing government benefits with UCTs could be a pareto improvement? It is difficult to say, because the main logic of this policy rationale is that recipients would benefit in different ways given their differing needs and preferences. General improvements in well-being would be one important indicator. We might also want to see improvements in the types of metrics that in-kind benefits support, such as health and food security. Such measures could reassure non-libertarians that people will spend UCTs in ways that actually benefit them, rather than on goods that may be self-destructive, like drugs and alcohol.²¹

2. Kaldor-Hicks Efficiency

A UCT that fails to be pareto improving—for example, one that raises the taxes paid by high earners—might still be Kaldor-Hicks improving.²² A policy is Kaldor-Hicks improving when it creates greater economic benefits than economic costs.²³ Raising taxes to fund a UCT would likely have at least a small economic cost; for example, it might involve administrative costs,²⁴ and it might also reduce

¹⁸ See ROBERT FRANK, MICROECONOMICS AND BEHAVIOR 75 (9th ed. 2014); Fleischer & Hemel, *supra* note 3, at 1234; See generally CHARLES MURRAY, IN OUR HANDS: A PLAN TO REPLACE THE WELFARE STATE (2006).

¹⁹ Fleischer & Hemel, *supra* note 3, at 1235.

²⁰ *Id.*

²¹ Cf. Zwolinski & Fleischer, *supra* note 4, at 162–66.

²² Note that the baseline for assessing pareto efficiency in this sentence is different from the baseline used in the previous subpart. Generally, when this essay discusses whether a UCT can be a pareto improvement, its baseline is in-kind benefits funded by the same level of taxation as the UCT would require. However, when this essay discusses whether a UCT can be a Kaldor-Hick improvement, the baseline is no taxation. I believe this correctly tracks the popular policy arguments for UCTs, wherein some proponents (often libertarians) believe UCTs to be a superior alternative to the existing welfare state, and other proponents (often progressives) believe UCTs would generate net positive economic benefits. Compare Fleischer & Hemel, *supra* note 3 with Irwin Garfinkel, Laurel Sariscsany, Elizabeth Ananat, Sophie Collyer, Robert P. Hartley, Buyi Wang & Christopher Wimer, *The Benefits and Costs of a Child Allowance*, 13 J. BENEFIT-COST ANALYSIS 335 (2022). But this may be confusing to readers literate in economic theory who expect that a policy that is not a Kaldor-Hicks improvement also cannot be a pareto improvement. That would be true if the Kaldor-Hicks and pareto improvements in question were assessed using the same baseline. But given that this essay uses different baselines when assessing pareto versus Kaldor-Hicks criteria, its assessment of one has no bearing on the other.

²³ The economic benefits of a Kaldor-Hicks improving policy can sometimes be redistributed to create a pareto improvement. ANTHONY E. BOARDMAN, DAVID H. GREENBERG, AIDEN VINING & DAVID L. WEIMER, COST-BENEFIT ANALYSIS: CONCEPTS AND PRACTICE 32–33 (4th ed. 2017). See generally Nicholas Kaldor, *Welfare Propositions of Economics and Interpersonal Comparisons of Utility*, 49 ECON. J. 549 (1939); J. R. Hicks, *The Foundations of Welfare Economics*, 49 ECON. J. 696 (1939).

²⁴ Garfinkel et al., *supra* note 22, at 352 (estimating administrative cost for an expanded Child Tax Credit).

the productivity of taxpayers.²⁵ Yet a UCT might have even greater economic benefits: for example, it might increase recipients' productivity and health, or it might decrease crime.²⁶

At first, the idea that a UCT could raise its recipients' productivity may seem implausible. Economists generally model income receipt as causing people to work fewer hours.²⁷ But other forces push in the opposite direction. People with more money may invest more in their own or their children's human capital (education, job training, etc.), which may lead to greater productivity in the long run.²⁸ They may also consume more, which boosts demand for goods and services, raises wages, and lures additional labor into the market (this essay will refer to this effect as the "labor demand" effect).²⁹

That a UCT could yield economic benefits in the form of improved health and reduced crime is more intuitive. In the United States, men aged 40 in the top 1% of the income distribution can expect to live 15 years longer than their counterparts in the bottom 1%. Researchers frequently assume this relationship to be at least partially causal and speak of income as a "social determinant of health."³⁰ If they are correct, UCTs could provide enormous economic value both in the form of improved health for recipients and reduced burden for society.³¹ Crime tends to be similarly correlated with income,³² and is often modeled as enticing criminals whose legal earnings prospects are low.³³ Given the large costs crime imposes on both victims and taxpayers (who must fund the criminal justice system),³⁴ a UCT that reduced crime could generate large economic benefits.

²⁵ The amount of money taxpayers paid in taxes due to the UCT would not be considered a net economic cost in the Kaldor-Hicks analysis because UCT recipients would receive this exact amount as a benefit, perfectly canceling out taxpayers' loss. For a policy rationale that counts taxation as a cost, see *infra* Part I(A)(3).

²⁶ Garfinkel et al., *supra* note 22, at 352 (suggesting that an expanded Child Tax Credit would be Kaldor-Hicks improving due largely to its effects on improve productivity, health, and crime).

²⁷ Frank, *supra* note 18, at 464–65.

²⁸ Hoynes & Rothstein, *supra* note 6, at 948.

²⁹ Hoynes & Rothstein, *supra* note 6, at 949.

³⁰ See generally Gopal K. Singh, Gem P. Daus, Michelle Allender, Christine T. Ramey, Elijah K. Martin, Chris Perry, Andrew A. De Los Reyes & Ivy P. Vedamuthu, *Social Determinants of Health in the United States: Addressing Major Health Inequality Trends for the Nation, 1935-2016*, 6 INT'L J. MCH AIDS 139 (2017).

³¹ See Haru Iino, Masayuki Hashiguchi & Satoko Hori, *Estimating the Range of Incremental Cost-Effectiveness Thresholds for Healthcare Based on Willingness to Pay and GDP per Capita: A Systematic Review*, 17 PLOS ONE, 1, 5–9 (2022) (finding that willingness to pay for a quality adjusted life year is generally between 0.5 and 1.5 times GDP per capita).

³² E.g., Anders Nilsson, Felipe Estrada & Olof Bäckman, *The Unequal Crime Drop: Changes over Time in the Distribution of Crime among Individuals from Different Socioeconomic Backgrounds*, 14 EUR. J. CRIMINOLOGY 586, 595–97 (2017).

³³ See Gary S. Becker, *Crime and Punishment: An Economic Approach*, 76 J. POL. ECON. 169, 176–79 (1968).

³⁴ Kathryn E. McCollister, Michael T. French & Hai Fang, *The Cost of Crime to Society: New Crime-Specific Estimates for Policy and Program Evaluation*, 108 DRUG & ALCOHOL DEPENDENCE 98, 104–05 (2010) (finding, for example, that the average robbery costs the victim and society a total of \$42,310 in 2008 dollars).

For the above reasons, evidence of improvements in productivity, human capital formation, consumption, health, and crime would all weigh in favor of a UCT being Kaldor-Hicks improving. Admittedly, this only represents the economic benefit side of the Kaldor-Hicks calculation. To determine whether benefits exceeded costs, we would also need to consider the deadweight loss caused by the taxes that funded the UCT (e.g., whether taxpayers became less productive). But the economic cost side of the Kaldor-Hicks analysis is beyond the scope of this essay, given that it was not (and could not have been) tested by the randomized controlled trials on which this essay draws.³⁵

3. Tax Revenue Generation

If a UCT increases productivity on net, it may also generate more tax revenue than it costs. Research on the Earned Income Tax Credit suggests it might “pay for itself” in this way.³⁶ This sort of rationale could be influential for politicians hoping to sell the public on increased government spending. For reasons described in the last subpart, evidence that a UCT improves productivity, human capital formation, and consumption would all weigh in favor of that UCT generating tax revenue on net.

B. Morality-Based Rationales

The policy rationales discussed in this subpart are beneficence, poverty alleviation, and egalitarianism. While it is clarifying to separate these concepts from one another, many people support some form of all three. Moreover, even a person who does not *intrinsically* value poverty alleviation or equality may still believe that reducing poverty or promoting equality are *instrumentally* valuable insofar as they make people better off. What it means for a person to be better off is a question for the first morality-based rationale: Beneficence.

1. Beneficence

Perhaps you believe that you usually ought to act in ways that improve other people’s well-being. If so, you believe in *beneficence*.³⁷ If you believe not only in improving well-being but in maximizing the amount of well-being that exists in the world, you are a *utilitarian*.³⁸ Utilitarianism is the more famous and more controversial moral theory, but beneficence probably plays a role in most moral reasoning.³⁹

Beneficent moral theories like utilitarianism tend to support UCTs so long as one believes in the diminishing marginal utility of income—that is, the idea that the amount of well-being provided by a unit of income decreases as a person’s income increases.⁴⁰ If the marginal utility of income diminishes, then we should

³⁵ Cf. *infra* Part II(A).

³⁶ Andrew C. Barr, Jonathan Eggleston & Alexander A. Smith, *Investing in Infants: The Lasting Effects of Cash Transfers to New Families* 28 (Nat’l Bureau of Econ. Rsch., Working Paper No. 30373, 2022); Jacob E. Bastian & Maggie R. Jones, *Do EITC Expansions Pay for Themselves? Effects on Tax Revenue and Government Transfers*, 196 J. PUB. ECON. 1, 1 (2021).

³⁷ Cf. SHELLY KAGAN, *NORMATIVE ETHICS* 133 (1st ed. 1997).

³⁸ *Id.* at 61.

³⁹ Cf. Tom Beauchamp, *The Principle of Beneficence in Applied Ethics*, STANFORD ENCYCLOPEDIA PHIL. (Feb. 11, 2019), <https://plato.stanford.edu/archives/spr2019/entries/principle-beneficence/> [<https://perma.cc/2KDR-CPQN>].

⁴⁰ Frank, *supra* note 18, at 181.

expect redistributing income from a high-income taxpayer to a low-income recipient to increase the recipient's well-being by more than it decreases the taxpayer's well-being.⁴¹

What type of evidence supports beneficent rationales for UCTs? It depends on what definition of well-being one adopts. Popular definitions include that well-being is (1) positive mental states like happiness⁴², (2) desire-satisfaction⁴³, or (3) some objective list of good things like loving relationships, aesthetic appreciation, and knowledge.⁴⁴ If we adopt the positive mental state definition, we might look for improvements in mental health or happiness, as well as decreases in stress. Increased consumption or the ability to meet one's goals would support desire-satisfaction theory. The type of evidence that would support objective list theory is dependent on what sort of things one considers objective goods, but improvements in relationships or education would likely suffice.

2. Poverty Alleviation

Many moral theories embrace a special concern for the least well-off members of society. For example, Rawlsians believe that the state ought to maximize the primary goods available to those at the bottom of the resource distribution.⁴⁵ Even those who do not believe in state-sponsored beneficence—like some libertarians—may believe people living in particularly destitute conditions create negative externalities (harms experienced by people not in poverty) like crime and aesthetic displeasure, which justify government intervention.⁴⁶

Such views tend to support raising everybody's income above a certain threshold. The federal poverty line is an obvious candidate for such a threshold, given that it is, in theory, a measurement of the financial resources necessary for a family to meet its basic needs.⁴⁷

Poverty alleviation is among the easiest rationales to evaluate empirically. The degree to which a UCT reduces poverty is a function of (1) how large the UCT is, (2) how family size changes due to the UCT (given the poverty line is higher for larger families), and (3) how non-UCT earnings change due to a UCT.

⁴¹ Such a statement is usually impossible within an economic efficiency analysis, given such analyses tend to look only at economic value, not well-being. Ethicists tend to be far more comfortable making interpersonal comparisons of well-being than economists. Compare Kagan, *supra* note 37, at 44–45 with LIONEL ROBBINS, AN ESSAY ON THE NATURE AND SIGNIFICANCE OF ECONOMIC SCIENCE 124 (1932).

⁴² Kagan, *supra* note 37, at 30–31.

⁴³ R.Y. Chappell & D. Meissner, *Theories of Well-Being*, UTILITARIANISM.NET (2023), <https://utilitarianism.net/theories-of-well-being/> [<https://perma.cc/QG67-BFKF>].

⁴⁴ *Id.*

⁴⁵ See Leif Wenar, *John Rawls*, STANFORD ENCYCLOPEDIA PHIL. (2021), <https://plato.stanford.edu/archives/sum2021/entries/rawls/> [<https://perma.cc/LE8B-WKQU>].

⁴⁶ Fleischer & Hemel, *supra* note 3, at 1224–25.

⁴⁷ Joseph Dalaker, CONG. RSCH. SERV., R44780, AN INTRODUCTION TO POVERTY MEASUREMENT (2024).

3. Egalitarianism

If a person values equality, what exactly is it they want to be equal? Some ethicists might say “well-being.”⁴⁸ Others might say “resources”⁴⁹ or even “luck,”⁵⁰ given that equalizing well-being might seem wrong under certain conditions (e.g., should a person who has expensive tastes or who has squandered their resources receive additional resources?).⁵¹ But we cannot redistribute well-being or luck directly.⁵² So, redistributing resources in an effort to effectuate a more equal distribution of luck or well-being is likely what the egalitarian is stuck with.⁵³

Evaluating a UCT’s effect on the distribution of resources is similar to evaluating its effect on poverty. If a UCT causes recipients’ incomes to go up—for example, because recipients do not reduce their earnings enough to cancel out the UCT—then we can likely implement the UCT in a way that reduces inequality.

II. Overview of Existing Research

The recent uptick in empirical work on unconditional cash involved randomized controlled trials (RCTs). RCTs are the “gold standard” of policy research because they allow researchers to test whether a policy *causes* outcomes of interest—as opposed to merely being *correlated with* such outcomes—more reliably than any other method.⁵⁴

I supplement the RCT findings with findings from quasi-experimental research to compensate for the RCTs’ limitations. For example, the RCTs were conducted too recently to provide data on long-term effects. Additionally, RCTs cannot—both for practical and research design reasons—test the effects of

⁴⁸ Kagan, *supra* note 37, at 48–50.

⁴⁹ See generally Ronald Dworkin, *What Is Equality? Part 2: Equality of Resources*, 10 PHIL. & PUB. AFF. 283 (1981).

⁵⁰ See generally Kasper Lippert-Rasmussen, *Justice and Bad Luck*, STANFORD ENCYCLOPEDIA PHIL. (2023), <https://plato.stanford.edu/archives/spr2023/entries/justice-bad-luck/> [https://perma.cc/6C79-EX6R].

⁵¹ See Ronald Dworkin, *What Is Equality? Part 1: Equality of Welfare*, 10 PHIL. & PUB. AFF. 185, 189 (1981).

⁵² Kagan, *supra* note 37, at 50.

⁵³ The tax policy literature distinguishes vertical and horizontal equity. See, e.g., Paul R. McDaniel & James R. Repetti, *Horizontal and Vertical Equity: The Musgrave/Kaplow Exchange Commentary*, 1 FLA. TAX REV. 607 (1992). Vertical equity roughly maps onto the resource distributional concerns described in the above paragraph. Compare *id.* with Kagan, *supra* note 37. Horizontal equity refers to equal treatment of similarly situated individuals. McDaniel & Repetti, *supra*, at 607. This essay does not address horizontal equity because it depends in large part on how a UCT would be implemented (for example, whether it would be given only to parents of young kids), which is largely beyond the scope of this essay. An argument may also exist that UCTs could be a horizontally equitable replacement for the current social safety net because they would equally benefit people who, e.g., need healthcare versus do not need healthcare. The evidence supporting that argument will resemble the evidence supporting the argument that UCTs are a pareto improvement over in-kind benefits. See Part I(A)(1).

⁵⁴ Sophie Webber & Carolyn Prouse, *The New Gold Standard: The Rise of Randomized Control Trials and Experimental Development*, 94 ECON. GEOGRAPHY 166, 166–68 (2018).

universality for any policy, which makes their findings less indicative of the effects of a UBI.⁵⁵

A. Randomized Controlled Trials

In an RCT, a researcher randomly separates a group of people into a control group and a treatment group.⁵⁶ The researcher then exposes the treatment group to the policy being tested⁵⁷ (for our purposes, the treatment group members get the UCT). The random selection process allows the researcher to assume that any differences between the two groups are due to the policy tested on the treatment group.⁵⁸

Table 1 provides basic information on each RCT I cite throughout the remainder of the essay. All RCTs in Table 1 took place in the United States, except for the Finnish experiment.⁵⁹

The remainder of the essay will treat the results of these RCTs as generalizable to unconditional cash given out for longer periods of time and to greater numbers of people. But there are multiple reasons to remain cautious about such a generalization. One is that most of these studies coincided with the COVID-19 pandemic. During this time, the U.S. government disbursed multiple thousands of dollars to most U.S. households.⁶⁰ If we believe in the declining marginal utility of income, then we should believe that the cash given out by the RCTs during this time was worth less to its recipients than it would have otherwise been.

Another complication with generalization is that UCT recipients may behave differently in different contexts, like when there are greater versus fewer opportunities for investment. For example, a person might invest more in their education when jobs requiring education are plentiful than when they are not.⁶¹

⁵⁵ Hoynes & Rothstein, *supra* note 6, at 954.

⁵⁶ RICHARD J. MURNANE & JOHN B. WILLETT, *METHODS MATTER: IMPROVING CAUSAL INFERENCE IN EDUCATIONAL AND SOCIAL SCIENCE RESEARCH* 43 (1st ed. 2010).

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *See infra*, note 62 (all RCTs cited).

⁶⁰ *E.g.*, 26 U.S.C. § 6428(a) (providing \$1,200 per individual plus \$500 per child); American Rescue Plan Act of 2021, Pub. L. No. 117–2, § 9611, 135 Stat. 4, 144–45 (2021) (providing \$3,000 or more per child).

⁶¹ *Cf.* ABHIJIT V. BANERJEE & ESTHER DUFLO, *POOR ECONOMICS: A RADICAL RETHINKING OF THE WAY TO FIGHT GLOBAL POVERTY* 35–38, 76–78 (2012) (describing how the global poor may prioritize buying entertainment over nutrition in small villages with few entertainment options, and may not invest in education when the returns are not perceived as high enough).

Table 1. Randomized controlled trials of unconditional cash transfers in high-income countries⁶²

<i>Study</i> Years conducted	Yearly amount disbursed	Disbursal schedule	Length of disbursal schedule	Number of participants	Participant characteristics
ORUS¹ 2020–23	\$12,000	Monthly	3 years	3,000	Ages 21–40 HH income ⁸ < 300% FPL ⁹
BFY² 2018–25	\$4,000	Monthly	4 years ¹⁰	1,000	Mothers of newborn babies HH income ⁸ < FPL ⁹
SEED³ 2019–21	\$6,000	Monthly	2 years	331	Residents of census tracts with average income below \$46,033
Finnish Experiment 2017–18	€560 ⁴	Monthly	2 years	175,000 ⁷	Ages 25–58 Unemployment benefits recipients
Chelsea Eats 2020–21	\$200–\$400 ⁵	Monthly	8 months	2,880	HH income ⁸ < 30% area median income
COVID-19 Study 2020–21	\$500–\$2000 ⁶	One time	–	5,244	Applicants for COVID-19 relief funds
GiveDirectly Study 2020	\$1,000	One time	–	14,000	SNAP recipients

¹ Open Research Unconditional Income Study.
² Baby's First Years.
³ Stockton Economic Empowerment Demonstration.
⁴ About \$600 in 2017 dollars.
⁵ Households of one, two, or three or more people received \$200, \$300, or \$400, respectively.
⁶ This study involved two treatment groups; the larger (1,375) received \$500 and the smaller (699) received \$2,000.
⁷ The control group contained 2,000 participants.
⁸ Household income.
⁹ Federal Poverty Line.
¹⁰ BFY is now disbursing cash for its sixth year, but only four years of data are currently available.

⁶² The information in this table came from the following sources: For ORUS, Eva Vivalt, Elizabeth Rhodes, Alexander W. Bartik, David E. Broockman, Patrick Krause & Sarah Miller, *The Employment Effects of a Guaranteed Income: Experimental Evidence from Two U.S. States* 1, 2, 7, 10–11 (Nat'l Bureau of Econ. Rsch., Working Paper No. 32719, 2024); for BFY, Kimberly G. Noble, Katherine Magnuson, Lisa A. Gennetian, Greg J. Duncan, Hirokazu Yoshikawa, Nathan A. Fox & Sarah Halpern-Meehin, *Baby's First Years: Design of a Randomized Controlled Trial of Poverty Reduction in the United States*, 148 PEDIATRICS, 2021, at 1–6; for SEED, Stacia West & Amy Castro, *Impact of Guaranteed Income on Health, Finances, and Agency: Findings from the Stockton Randomized Controlled Trial*, 100 J. URB. HEALTH 227, 227–28 (2023); for the Finnish Experiment, OLLI KANGAS, SIGNE JAUHAINEN, MISKA SIMANAINEN & MINNA YLIKÄNNÖ, THE

B. Quasi-Experimental Research

Quasi-experimental research looks at the effects of existing policies rather than those tested in an experiment.⁶³ This sort of research is much less reliable than RCTs, because policies implemented outside of experiments involve confounding variables. For example, imagine a study comparing the health of people who live in a city that gives out a UCT to the health of people who live in a city that does not. Any health differences between the cities might have been caused by other differences between the cities—such as demographics or culture—rather than the UCT. Quasi-experimental researchers use various statistical methods to attempt to avoid these issues. For example, they might look at the effect of random policy changes that are plausibly unrelated to confounding variables.⁶⁴ Such methods allow the researchers to argue that they are measuring the effect of an “exogenous” shock that was related *only* to the policy of interest, which is why this body of research is referred to as *quasi*-experimental.⁶⁵

This essay draws on quasi-experimental research on three cash transfers: the Alaska Permanent Fund Dividend (PFD), the casino payments to members of the Eastern Cherokee Tribe in Western North Carolina, and the Earned Income Tax Credit (EITC). The Alaska PFD has disbursed \$300 to \$2,100 to Alaska residents on a yearly basis since 1982.⁶⁶ The Eastern Cherokee payments come from casino profits and average around \$3,500; they have been disbursed every six months since 1996.⁶⁷ The EITC involves yearly payments ranging from \$2 to nearly \$8,000, depending on the taxpayer’s number of children.⁶⁸ While the EITC is conditional on the recipient working, the quasi-experimental literature generally measures the effects of EITC increases unrelated to work—for example, those that come from

BASIC INCOME EXPERIMENT 2017–2018 IN FINLAND: PRELIMINARY RESULTS 8–9 (2019); for Chelsea Eats, Sumit D. Agarwal, Benjamin Lê Cook & Jeffrey B. Liebman, *Effect of Cash Benefits on Health Care Utilization and Health: A Randomized Study*, 332 JAMA 1455, 1456 (2024); for the COVID-19 study, Jaroszewicz et al., *supra* note 10, at 7–8; for the GiveDirectly Study, Brian Jacob, Natasha Pilkauskas, Elizabeth Rhodes, Katherine Richard & H. Luke Shaefer, *The COVID-19 Cash Transfer Study II: The Hardship and Mental Health Impacts of an Unconditional Cash Transfer to Low-Income Individuals*, 75 NAT’L TAX J. 597, 600–01 (2022). Euros to dollars conversion information came from: *CPI Inflation Calculator*, BUREAU OF LAB. STAT., https://www.bls.gov/data/inflation_calculator.htm [<https://perma.cc/LSN3-ELZY>]; *1 EUR to USD - Euros to US Dollars Exchange Rate*, XE.COM, <https://www.xe.com/currencyconverter/convert/?Amount=1&From=EUR&To=USD> [<https://perma.cc/MYD9-GJXN>].

⁶³ Mumane & Willett, *supra* note 56, at 135–37.

⁶⁴ *See id.*

⁶⁵ *Id.* at 29–36.

⁶⁶ Mouhcine Guettabi, *What Do We Know about the Effects of the Alaska Permanent Fund Dividend?*, INST. SOC. ECON. RSCH., UNIV. ALASKA, ANCHORAGE, May 20, 2019, at 1, 5.

⁶⁷ Randall Akee, William Copeland, E. Jane Costello & Emilia Simeonova, *How Does Household Income Affect Child Personality Traits and Behaviors?*, 108 AM. ECON. REV. 775, 781–82, 814 (2018).

⁶⁸ *EITC fast facts*, IRS (2025), <https://www.eitc.irs.gov/partner-toolkit/basic-marketing-communication-materials/eitc-fast-facts/eitc-fast-facts> [<https://perma.cc/9R6R-U9SW>].

variation in state EITCs.⁶⁹ For this reason, it is plausible that these effects are similar to those we would see from unconditional cash.

III. Findings from Existing Research

Below, I synthesize findings from the research described above to predict the effect of UCTs on productivity and human capital development, physical health, household finances and consumption, mental health and subjective well-being, and harmful behaviors. All effects discussed below are statistically significant—that is, if there were actually no effect, the probability of the given finding would be at most 10%, and usually much less. Additionally, all effects described below are the average effect experienced by cash recipients; they do not represent the exact effect experienced by any one individual.

A. Productivity & Human Capital Development

This Subpart divides UCTs' effects on productivity into two categories: labor supply (i.e., whether people decide to work less because they received a UCT) and labor demand (i.e., whether UCTs increase consumption and thereby induce greater productivity). It concludes that large cash transfers probably result in small productivity losses, while small to moderate cash transfers probably have little effect. UCTs may still boost productivity via their long-term effect on the human capital of recipients' children, but this effect is probably too small to outweigh any negative short-term effects. A UCT's labor demand effect could also boost productivity overall, but the research on this point remains thin.

1. Effects on Labor Supply

The randomized controlled trials suggest that large UCTs mildly decrease productivity, while small UCTs have no effect. Cash recipients in ORUS—the randomized controlled trial that disbursed the largest UCTs—had individual earnings about \$2,000 lower than those in the control group, and household earnings roughly \$3,000 lower.⁷⁰ Similarly, the ORUS recipients worked about 1.3 fewer hours per week, while their households worked about 2.3 fewer hours per week.⁷¹ Surveys of the cash recipients showed they had greater interest in entrepreneurial ideas and willingness to take risks, but this did not translate into more concrete entrepreneurial activity.⁷² BFY, Finland, and Chelsea Eats—all of which disbursed less cash than ORUS—found no effect on earnings or employment.⁷³

⁶⁹ See, e.g., Breno Braga, Fredric Blavin & Anuj Gangopadhyaya, *The Long-Term Effects of Childhood Exposure to the Earned Income Tax Credit on Health Outcomes*, 190 J. PUB. ECON. 1, 1 (2020).

⁷⁰ See Vivaldi et al., *supra* note 62, at 19.

⁷¹ *Id.* at 46.

⁷² *Id.* at 26.

⁷³ Maria Sauval, Greg J. Duncan, Lisa A. Gennetian, Katherine A. Magnuson, Nathan A. Fox, Kimberly G. Noble & Hirokazu Yoshikawa, *Unconditional Cash Transfers and Maternal Employment: Evidence from the Baby's First Years Study*, 236 J. PUB. ECON. 1, 8 (2024); Kangas et al., *supra* note 62, at 11–14; Jeffrey Liebman, Kathryn Carlson, Eliza Novick & Pamela Portocarrero, *The Chelsea Eats Program: Experimental Impacts 52* (Rappaport Inst. for Greater Boston Working Paper, 2022).

Do UCT recipients invest in their human capital, such that their long-term productivity might increase? Probably not. For example, ORUS found no significant effect on cash recipients' educational achievement.⁷⁴

But UCT recipients may invest more in the human capital of their children. BFY cash recipients spent an average of 11 more minutes per week with their kids doing things like playing or reading to them.⁷⁵ These children showed signs of neural activity associated with greater educational achievement later in life.⁷⁶ ORUS found that cash recipients' child-related spending (on books, toys, childcare, etc.) increased by \$22 per month, a disproportionately large amount compared to other spending categories.⁷⁷ BFY found an even larger increase⁷⁸ in child-related spending, at an additional \$67 per month.⁷⁹

Still, BFY failed to find any effect on children's language development, socioemotional skills, or probability of facing developmental issues.⁸⁰ Children of

⁷⁴ Vivalt et al., *supra* note 62, at 42.

⁷⁵ Lisa A. Gennetian, Greg J. Duncan, Nathan A. Fox, Sarah Halpern-Meekin, Katherine Magnuson, Kimberly G. Noble & Hirokazu Yoshikawa, *Effects of a Monthly Unconditional Cash Transfer Starting at Birth on Family Investments among US Families with Low Income*, 8 NATURE HUM. BEHAV. 1514, 1517, 1519 (2024).

⁷⁶ Sonya V. Troller-Renfree, Molly A. Costanzo, Greg J. Duncan, Katherine Magnuson, Lisa A. Gennetian, Hirokazu Yoshikawa, Sarah R. Black, Debra S. Karhson, Michael K. Georgieff, Jennifer Mize Nelson, Timothy D. Nelson, Nathan A. Fox & Kimberly G. Noble, *The Impact of a Monthly Unconditional Cash Transfer on Child Brain Activity: A 4-Year Follow-Up*, PSYARXIV (2024), https://osf.io/dw2em_v1 [<https://perma.cc/6J55-JF5Z>]; Sonya V. Troller-Renfree, Molly A. Costanzo, Greg J. Duncan, Katherine Magnuson, Lisa A. Gennetian, Hirokazu Yoshikawa, Sarah Halpern-Meekin, Nathan A. Fox & Kimberly Noble, *The Impact of a Poverty Reduction Intervention on Infant Brain Activity*, 119 PROC. NAT'L ACAD. SCI. 1, 1 (2022).

⁷⁷ Alexander W. Bartik, Elizabeth Rhodes, David E. Broockman, Patrick K. Krause, Sarah Miller & Eva Vivalt, *The Impact of Unconditional Cash Transfers on Consumption and Household Balance Sheets: Experimental Evidence from Two US States* 51 (Nat'l Bureau of Econ. Rsch., Working Paper No. 32784, 2024).

⁷⁸ BFY's larger increase in child-related spending than ORUS despite its smaller UCT, was likely due to two differences in study design. First, all BFY participants were mothers of newborns, *supra*, Part II(A)(2), whereas ORUS participants included both parents and nonparents, *supra*, Part II(A)(1). Second, BFY used behavioral cues to indicate that its UCT was related to the child. For example, BFY labeled the debit card on which mothers received their UCT "4 My Baby." Lisa A. Gennetian, Sarah Halpern-Meekin, Lauren Meyer, Nathan Fox, Katherine Magnuson, Kimberly G. Noble & Hirokazu Yoshikawa, *Implementing Cash Transfers to U.S. Families: Insights from the Baby's First Years Study* 28 (Nat'l Bureau of Econ. Rsch., Working Paper No. 30379, 2022).

⁷⁹ Gennetian et al., *supra* note 75, at 1517, 1519.

⁸⁰ Emma R. Hart, Lisa A. Gennetian, Jessica F. Sperber, Renata Penalva, Katherine Magnuson, Greg J. Duncan, Sarah Halpern-Meekin, Hirokazu Yoshikawa, Nathan A. Fox & Kimberly G. Noble, *The Effect of Unconditional Cash Transfers on Maternal Assessments of Children's Early Language and Socioemotional Development: Experimental Evidence from U.S. Families Residing in Poverty*, 60 DEV. PSYCH. 2290, 2300–03 (2024); Kimberly Noble, Katherine Magnuson, Greg J. Duncan, Lisa A. Gennetian, Hirokazu Yoshikawa, Nathan A. Fox, Sarah Halpern-Meekin, Sonya Troller-Renfree, Sangdo Han, Shannon Egan-Dailey, Timothy D. Nelson, Jennifer Mize Nelson, Sarah Black, Michael Georgieff & Debra Karhson, *The Effect of a Monthly Unconditional Cash Transfer on Children's Development at Four Years of Age: A Randomized Controlled Trial in the U.S.* 41–42, 46 (Nat'l Bureau of Econ. Rsch., Working Paper No. 33844, 2024).

UCT recipients in the Chelsea Eats experiment were no more likely to attend school.⁸¹

Could the subtle forms of parental investment suggested by BFY and ORUS generate long-term productivity gains? The quasi-experimental literature suggests so. Eastern Cherokee children whose parents received casino payments averaged an additional year of education by age 21.⁸² A parent's EITC receipt when their child is an infant may lead that child to earn between \$300 and \$500 more in their twenties (a roughly 1.5% earnings increase).⁸³ Similarly, a parent's EITC receipt when their child is a teen could lead to a 1% increase in the probability of that child being employed in their twenties and a \$560 (or 2.2%) increase in that child's yearly earnings as an adult.⁸⁴

Hopefully, the quasi-experimental results will replicate when the children of RCT cash recipients become older. But even if they do, they may remain insufficient to give UCTs a net positive effect on productivity. Imagine a household that decreases its yearly productivity by \$3,000 after receiving a cash transfer, as found by ORUS.⁸⁵ If this household has two children, the quasi-experimental research says they may both grow up to make an additional \$500 per year as a result of the UCT. But this adds up to only an additional \$1,000 per year—not enough to offset the earlier \$3,000 yearly loss.⁸⁶

2. Effects on Labor Demand

The RCTs clearly demonstrate that cash recipients consume more,⁸⁷ which could lead to higher demand for labor, raising wages and incentivizing people to work more. Evidence for this comes from research on the Alaska Permanent Dividend Fund, which appears to have increased employment overall, an effect the authors attribute to an increase in labor demand.⁸⁸ But this result should be interpreted with caution. It is the only study I found that contains such an effect. And unfortunately, RCTs are ill-equipped to study cash transfers' effect on labor demand. Even if an RCT could disburse cash to enough people to affect labor demand, the control group would experience this effect as well.

B. Physical Health

The randomized controlled trials—including ORUS, BFY, SEED, and Chelsea Eats—consistently found that UCTs have no short-term effect on the

⁸¹ Liebman et al., *supra* note 73, at 46.

⁸² This effect seems driven by mothers who received payments, not fathers, perhaps due to greater mother investment in children. Randall K. Q. Akee, William E. Copeland, Gordon Keeler, Adrian Angold & E. Jane Costello, *Parents' Incomes and Children's Outcomes: A Quasi-Experiment Using Transfer Payments from Casino Profits*, 2 AM. ECON. J.: APPLIED ECON. 86, 103–05 (2010).

⁸³ Barr, Eggleston, and Smith, *supra* note 36, at 18.

⁸⁴ Jacob Bastian & Katherine Michelmore, *The Long-Term Impact of the Earned Income Tax Credit on Children's Education and Employment Outcomes*, 36 J. LAB. ECON. 1127, 1158 (2018).

⁸⁵ See Vivalt et al., *supra* note 62, at 17, 19.

⁸⁶ This example ignores the time value of money and the possibility of the children receiving the UCT as adults, both of which would make the productivity loss even more difficult to offset.

⁸⁷ See *infra* Part III(D).

⁸⁸ Damon Jones & Ioana Marinescu, *The Labor Market Impacts of Universal and Permanent Cash Transfers: Evidence from the Alaska Permanent Fund*, 14 AM. ECON. J.: ECON. POL'Y 315, 315 (2022).

physical health of recipients.⁸⁹ However, long-term effects remain possible. ORUS found that UCT recipients consumed more healthcare, including more visits to a primary care doctor (by 8%), dentist (by 10%), ER (by 19%), and hospital (by 23%);⁹⁰ Chelsea Eats also found a consumption increase, though only for specialist care (by 25%).⁹¹ ORUS found a very slight increase in healthy eating (1%),⁹² Chelsea Eats found an increase in consumption of vegetables,⁹³ and BFY found an increase in consumption of fruit.⁹⁴ That being said, ORUS also found a decrease in sleep, averaging 5 minutes per week, and a slight decrease in physical activity.⁹⁵

Could the increase in healthcare consumption (and possible increase in healthy eating) lead to long-term health benefits? The quasi-experimental literature suggests it is possible, but the evidence is mixed. Analysis of the EITC suggests that children whose parents receive an extra \$100 annually are 2.6% more likely to report excellent or very good health in their twenties.⁹⁶ Additionally, both the research on the Alaska PFD and the EITC suggest that cash can lead to a roughly 4% drop in obesity.⁹⁷ However, the Alaska PFD research finds that this effect was largely driven by middle-income households.⁹⁸ And that result is corroborated by research on obesity in Eastern Cherokee UCT recipients, where cash *increased* obesity, especially for households with the lowest incomes.⁹⁹

⁸⁹ Sarah Miller, Elizabeth Rhodes, Alexander W. Bartik, David E. Broockman, Patrick K. Krause & Eva Vivalt, *Does Income Affect Health? Evidence from a Randomized Controlled Trial of a Guaranteed Income 26–27* (Nat'l Bureau of Econ. Rsch., Working Paper No. 32711, 2024); Jessica F. Sperber, Lisa A. Gennetian, Emma R. Hart, Alicia Kunin-Batson, Katherine Magnuson, Greg J. Duncan, Hirokazu Yoshikawa, Nathan A. Fox, Sarah Halpern-Meehin & Kimberly G. Noble, *Unconditional Cash Transfers and Maternal Assessments of Children's Health, Nutrition, and Sleep: A Randomized Clinical Trial*, 6 JAMA NETWORK OPEN 1, 6 (2023); West & Castro, *supra* note 62, at 233; Agarwal et. al., *supra* note 62, at 1455.

⁹⁰ Miller et al., *supra* note 89, at 28, 45.

⁹¹ Agarwal et al., *supra* note 62, at 1459

⁹² Miller et al., *supra* note 89, at 29, 47.

⁹³ Liebman et al., *supra* note 73, at 48.

⁹⁴ Sperber et al., *supra* note 89, at 7.

⁹⁵ Miller et al., *supra* note 89, at 29–30, 48.

⁹⁶ Braga et al., *supra* note 69, at 1.

⁹⁷ Brett Watson, Mouhcine Guettabi & Matthew Reimer, *Universal Cash Transfers Reduce Childhood Obesity Rates*, SSRN (2019), <https://papers.ssrn.com/abstract=3380033> [<https://perma.cc/MR5Z-YWN8>]; Braga et al., *supra* note 69, at 1.

⁹⁸ Watson et al., *supra* note 97, at 8–9.

⁹⁹ Randall Akee, Emilia Simeonova, William Copeland, Adrian Angold & E. Jane Costello, *Young Adult Obesity and Household Income: Effects of Unconditional Cash Transfers*, 5 AM. ECON. J.: APPLIED ECON. 1, 2 (2013).

C. Household Finances and Consumption

This Subpart finds that UCTs have a positive effect on household income and consumption, but no effect on savings and investments.

1. Effect on Income and Financial Security

Given that UCTs did not cause recipients to reduce work by much, they consistently increased recipients' total household income.¹⁰⁰ As a result, BFY found that recipients' probability of living above the poverty line rose.¹⁰¹ Chelsea Eats saw food insecurity levels fall.¹⁰²

2. Effect on Savings and Investments

UCTs in the range studied do not appear to have large effects on financial savings and investments. ORUS did find that UCT recipients saved more, but only slightly.¹⁰³ ORUS's UCT had no effect on homeownership or financial anxiety,¹⁰⁴ and it caused a slight increase in debt related to car ownership.¹⁰⁵

3. Effect on Consumption

That UCTs cause recipients to consume more is among the clearest findings in the recent literature. As previously described, UCTs increase health-related consumption and, disproportionately, child-related consumption.¹⁰⁶ ORUS additionally found that UCT recipients spend more across the board, including on food (7% increase), rent (9%), cars (8%), and—disproportionately—gifts or loans to family members or charities (26%).¹⁰⁷ BFY, with its lesser cash disbursement, found no increase in food consumption, though it did find a 10% increase in food purchased at restaurants.¹⁰⁸ Chelsea Eats found a 13% increase in food consumption.¹⁰⁹

¹⁰⁰ Vivalt et al., *supra* note 62, at 17–20; Gennetian et al., *supra* note 75, at 1518; Katherine A. Magnuson, Greg J. Duncan, Hirokazu Yoshikawa, Paul Y. Yoo, Sangdo Han, Lisa A. Gennetian, Sarah Halpern-Meehin, Nathan A. Fox & Kimberly G. Noble, *Can Cash Transfers Improve Maternal Well-Being and Family Processes among Families with Young Children? An Experimental Analysis*, SSRN (2024), <https://papers.ssrn.com/abstract=4955765> [<https://perma.cc/URG2-N2Q9>].

¹⁰¹ Magnuson et al., *supra* note 100, at 13; Gennetian et al., *supra* note 75, at 1517.

¹⁰² Liebman et al., *supra* note 73, at 49.

¹⁰³ Bartik et al., *supra* note 77, at 25.

¹⁰⁴ *Id.* at 25, 56.

¹⁰⁵ *Id.* at 58.

¹⁰⁶ *Supra* Part III(A)(1), (B).

¹⁰⁷ Bartik et al., *supra* note 77, at 22, 51.

¹⁰⁸ Lisa A. Gennetian, Matthew Maury, Laura Stilwell, Hemah Shah, Katherine A. Magnuson, Kimberly G. Noble, Greg J. Duncan, Nathan A. Fox, Sarah Halpern-Meehin & Hirokazu Yoshikawa, *The Impact of Monthly Unconditional Cash on Food Security, Spending, and Consumption: Three Year Follow-Up Findings from the Baby's First Years Study*, SSRN (2024), <https://papers.ssrn.com/abstract=4781670> [<https://perma.cc/YEF5-YFKS>].

¹⁰⁹ Liebman et al., *supra* note 73, at 48. The larger effect on food consumption found by Chelsea Eats than BFY—despite Chelsea Eats smaller UCT amount—may be related to the fact that Chelsea Eats's name suggested its UCT was intended to combat food insecurity. This would align with BFY's finding that its framing of its UCT as intended to help children appeared to affect how the cash was spent, *see* note 78.

D. Mental Health & Subjective Well-being

ORUS,¹¹⁰ BFY,¹¹¹ and the GiveDirectly study¹¹² all found that their UCTs had no significant effect on general mental health, feelings of distress, depression, anxiety, cortisol level (a stress hormone), or mental bandwidth (ability to handle complex psychological tasks due to lack of stress). Similarly, BFY found no difference in parents' perception of their relationship quality with co-parents or their child.¹¹³ The COVID-19 study—which involved a one-time cash transfer—found a slight decrease in mental health, which the authors suggested might have resulted from the UCT prompting the recipient to think more about their financial situation without doing much to help it.¹¹⁴ But given that no other study found a decrease in mental health—including the GiveDirectly study, which involved a similar disbursement amount and schedule to the COVID-19 study, and a larger sample size—this result appears unlikely to represent most cash transfers.

The null results are not the end of the story. Cash transfers had positive effects on mental health and life satisfaction in at least three RCTs. Chelsea Eats found a decrease in mental health-related hospitalizations.¹¹⁵ SEED found a small improvement in mental health, a 6% decrease in bodily pain, an increase in energy levels, and an increase in emotional well-being.¹¹⁶ The Finnish experiment found elevated levels of subjective well-being, including an increase in self-reported satisfaction with life by 0.5 on a 10-point scale, and an increased sense of financial confidence and confidence in the future.¹¹⁷

It is unclear why these results differ from those of the other RCTs. They are unrelated to larger cash transfers or longer disbursement schedules.¹¹⁸ However, their measurements of well-being did differ from the others: SEED was the only RCT to use Kessler 10 scores¹¹⁹ (a measure of psychological distress), and the Finnish Experiment was the only RCT to use the 1–10 subjective well-being scale.¹²⁰ The measurements used by the other RCTs may simply not have captured the same things.

Finally, although the evidence is tentative, UCTs may aid recipients in feeling able to meet their goals or make life changes. BFY found that mothers

¹¹⁰ Miller et al., *supra* note 89, at 40.

¹¹¹ Shannon Egan-Dailey, Lisa A. Gennetian, Greg Duncan, Nathan A. Fox, Katherine Magnuson, Kimberly G. Noble & Hirokazu Yoshikawa, *Effects on Maternal Bandwidth of Monthly Unconditional Cash Starting at Birth Among U.S. Families with Low Income*, SSRN (2024), <https://papers.ssrn.com/abstract=4940902> [<https://perma.cc/V5H3-8MYH>]; Magnuson et al., *supra* note 100, at 16, 30.

¹¹² Jacob et al., *supra* note 62, at 608–09.

¹¹³ Magnuson et al., *supra* note 100, at 31.

¹¹⁴ Jaroszewicz et al., *supra* note 10, at 24.

¹¹⁵ Agarwal et al., *supra* note 62, at 1457–58.

¹¹⁶ West & Castro, *supra* note 62, at 232.

¹¹⁷ Kangas et al., *supra* note 62, at 18, 20.

¹¹⁸ *Supra* Table 1.

¹¹⁹ West & Castro, *supra* note 62, at 232.

¹²⁰ Kangas et al., *supra* note 62, at 18.

receiving a UCT were more likely to meet their breastfeeding goals.¹²¹ The UCT recipients in Chelsea Eats were more likely to be pregnant.¹²² ORUS found that UCT recipients were more likely to have moved to a new location.¹²³

E. Harmful Behaviors

One of the most common worries about UCTs is that they will allow recipients to indulge in self-destructive or antisocial habits.¹²⁴ The RCTs do not bear that conclusion out. Chelsea Eats found a decrease in hospitalizations related to substance use.¹²⁵ BFY found no increase in the use of alcohol, opioids, or cigarettes.¹²⁶ While ORUS did find an increase in spending on alcohol, drugs, and gambling, that increase was proportionate to spending increases in all other consumption categories.¹²⁷ ORUS also found that the degree to which drinking caused problems—such as interference with relationships or work—decreased.¹²⁸ Finally, ORUS's UCT recipients were less likely to use unprescribed painkillers than members of the control group.¹²⁹

The quasi-experimental research also suggests that UCTs reduce antisocial behavior. The number of arrests an Eastern Cherokee child faced by age 16 or 17 decreased by 22 percentage points as a result of their parent's UCT receipt.¹³⁰

IV. Which Rationales Does the Research Support?

This Part considers whether the evidence on the effects of UCTs described by Part III supports the policy rationales described by Part I. It concludes that the recent evidence should reduce our confidence in efficiency-based arguments for UCTs, but not by enough to rule out the possibility of an efficient UCT. On the other hand, the evidence tends to affirmatively support morality-based arguments for UCTs, though not always as strongly as advocates previously hoped it would. This Part's conclusions are limited to UCTs in the range tested—that is, somewhere

¹²¹ Laura Stilwell, Maritza Morales-Gracia, Katherine Magnuson, Lisa A. Gennetian, Maria Sauval, Nathan A. Fox, Sarah Halpern-Meekin, Hirokazu Yoshikawa & Kimberly G. Noble, *Unconditional Cash and Breastfeeding, Child Care, and Maternal Employment Among Families with Young Children Residing in Poverty*, 98 SOC. SERV. REV. 260, 279 (2024).

¹²² Liebman et al., *supra* note 73, at 53. *But see* Molly A. Costanzo, Katherine A. Magnuson, Lisa A. Gennetian, Sarah Halpern-Meekin, Kimberly G. Noble & Hirokazu Yoshikawa, *Contraception Use and Satisfaction Among Mothers with Low Income: Evidence from the Baby's First Years Study*, 129 CONTRACEPTION 1, 3 (2024) (finding cash recipients were no more likely to be pregnant).

¹²³ Vivalt et al., *supra* note 62, at 30. *But see* Liebman et al., *supra* note 73, at 53 (fewer cash recipients moved than control group members).

¹²⁴ *Cf.* Zwolinski & Fleischer, *supra* note 4, at 162–66.

¹²⁵ Agarwal et al., *supra* note 62, at 1457–58.

¹²⁶ Paul Y. Yoo, Greg. J. Duncan, Katherine Magnuson, Nathan A. Fox, Hirokazu Yoshikawa, Sarah Halpern-Meekin & Kimberly G. Noble, *Unconditional Cash Transfers and Maternal Substance Use: Findings from a Randomized Control Trial of Low-Income Mothers with Infants in the U.S.*, 22 BMC PUB. HEALTH, 1, 8 (2022).

¹²⁷ Bartik et al., *supra* note 77, at 51.

¹²⁸ Miller et al., *supra* note 89, at 49.

¹²⁹ *Id.*

¹³⁰ Akee et al., *supra* note 82, at 107.

between a one-time disbursement of \$1,000 and an ongoing monthly disbursement of \$1,000 for several years.¹³¹

A. Efficiency-Based Rationales

The argument for UCTs from pareto efficiency, while not strongly supported by the recent research, emerges mostly unscathed. However, the arguments from Kaldor-Hicks efficiency and tax revenue generation now face greater headwinds, given evidence that UCTs may negatively affect labor supply and may not improve short-term health.¹³²

1. Pareto Efficiency

As discussed in Part I(A)(1), the argument for UCTs from pareto efficiency is that the beneficiaries of government programs would be better off if they received the funds allotted to these programs directly rather than in-kind. Unfortunately, the empirical evidence does not speak to this argument well. The RCTs tested the effect of cash given in addition to existing government benefits,¹³³ making it difficult to know what the effect of cash that replaced such benefits would be. It is possible that the positive effects found by the RCTs would not have appeared had the cash replaced existing government benefits.

Moreover, the positive effects of cash in the RCTs often differed from the goals of government benefits. For example, while the RCTs found that cash recipients consumed more healthcare, their health did not improve.¹³⁴ Thus, unconditional cash does not appear to satisfy the goals of a program like Medicaid, one of the largest in-kind benefits that the federal government provides.¹³⁵

But—as argued later in Part IV(B)(1)—UCT recipients’ general well-being does seem to have improved, particularly as measured by consumption. For example, the RCTs reliably found evidence of increased food consumption and reduced food insecurity,¹³⁶ and some weak evidence of mildly healthier food consumption.¹³⁷ This is consistent with the idea that UCTs could replace programs like SNAP with positive effects.

2. Kaldor-Hicks Efficiency

Would the net economic benefits of UCTs outweigh their economic costs? As described in Part I(A)(2), this could happen if UCTs improve productivity and health and decrease crime.

¹³¹ *Supra* Table 1.

¹³² It is possible for UCTs to be pareto improving but not Kaldor-Hicks improving here because the analyses use different baselines. *See* note 22 for further discussion.

¹³³ *E.g.*, Noble et al., *supra* note 62, at 3.

¹³⁴ *See supra* Part III(B).

¹³⁵ *Policy Basics: Where Do Our Federal Tax Dollars Go?*, CTR. ON BUDGET & POL’Y PRIORITIES (Jan. 28, 2025), <https://www.cbpp.org/research/federal-budget/where-do-our-federal-tax-dollars-go> [<https://perma.cc/S8LC-9SKU>].

¹³⁶ *Supra* Part III(C)(1),(3).

¹³⁷ *See supra* Part III(B).

Unfortunately, the recent round of RCTs provides evidence against such effects. The picture is the bleakest for productivity. Cash recipients did not work more—if anything, they worked less.¹³⁸ They did not invest in their own human capital to any degree that would suggest increased future earnings, and they invested only slightly more in their children's human capital.¹³⁹ Though future data might still reveal these investments to have positive effects, the quasi-experimental literature suggests such effects would be small—probably too small to outweigh the negative short-term productivity effects from larger UCTs.¹⁴⁰

Positive effects on health are similarly lacking. Though UCT recipients consumed more healthcare, their health outcomes did not improve.¹⁴¹ However, it is worth noting that long-term health effects for children are by far the largest economic benefit predicted by those who argue that UCTs can be Kaldor-Hicks improving.¹⁴² And unlike productivity, UCT recipients' health did not *decrease*.¹⁴³ Therefore, if future data reveals positive long-term health effects—particularly for cash recipients' children—UCTs could still generate net economic benefits.

The recent RCTs did not measure cash transfers' effects on crime,¹⁴⁴ but the quasi-experimental literature suggests a meaningful decrease.¹⁴⁵ Notably, crime reduction is the second largest economic benefit predicted by those who argue for Kaldor-Hicks improving UCTs.¹⁴⁶

In sum: The randomized control trials cast significant doubt on claims that UCTs will enhance productivity, moderate doubt on claims that UCTs will improve health, and no doubt (though no support either) on claims that UCTs will reduce crime. As a result, the ways a UCT could generate net economic benefits appear more limited than they did before the randomized controlled trials were conducted. Nevertheless, a Kaldor-Hicks improving UCT remains possible, especially given that the largest economic benefits from UCTs might come from long-term improvements to children's health and reductions in crime.

3. Tax Revenue Generation

Given ORUS found evidence that UCTs decrease productivity, the case for a tax revenue-generating UCT has become much more difficult to make. Policymakers hoping to see a productivity-enhancing UCT probably face limited options. They could consider providing less cash than the ORUS's yearly \$12,000; something like BFY's yearly \$4,000 should have fewer negative effects on labor

¹³⁸ *Supra* Part III(A)(1).

¹³⁹ *Supra* Part III(A)(1).

¹⁴⁰ *Supra* Part III(A)(1).

¹⁴¹ *Supra* Part III(B).

¹⁴² Garfinkel et al., *supra* note 22, at 352.

¹⁴³ Compare *supra* Part III(A)(1) with *supra* Part III(B).

¹⁴⁴ An analysis of the Finnish Experiment's effects on crime has been planned, but the results have not yet been released. Martti Kaila, *Basic Income and Crime*, OSF (Apr. 14, 2025), <https://osf.io/37ps6/> [<https://perma.cc/N8FX-AHJC>].

¹⁴⁵ See *supra* Part III(E).

¹⁴⁶ Garfinkel et al., *supra* note 22, at 352.

supply.¹⁴⁷ They might also favor means-tested¹⁴⁸ UCTs over universal ones. Under means-testing, if the children of UCT recipients become more productive, they also become less likely to receive the UCT and experience its work-disincentivizing effect.

It also remains possible that the positive labor demand effects of a UCT could outweigh any direct negative effects on productivity. As a point in favor of this argument, all of the RCTs found a substantial increase in consumption.¹⁴⁹ But the evidence that such an increase would be large enough to increase productivity overall comes from a single quasi-experimental study, which looked at a *universal* UCT.¹⁵⁰ UCTs that go to fewer people—such as stringently means-tested UCTs—may not be large enough to generate such an effect.¹⁵¹

B. Morality-Based Rationales

The empirical evidence supports all three morality-based rationales for UCTs. The evidence is strongest for poverty alleviation and egalitarianism, but evidence also exists for beneficent rationales.

1. Beneficence

Do UCTs increase recipients' well-being? Probably, but the strength of the RCT evidence depends on the definition of well-being one adopts.

If one defines well-being as positive mental states, the RCT evidence is mixed. Three of the RCTs found indicators of improved mental health or subjective well-being; the rest did not.¹⁵² But all of the RCTs found that the cash changed recipients' lives in ways that we might reasonably expect to generate positive feelings, even if such feelings were not transformative enough to show up on mental health assessments. For example, recipients spent more on food and housing;¹⁵³ they took more time away from work;¹⁵⁴ they provided more aid to family members

¹⁴⁷ See *supra* Part III(A)(1).

¹⁴⁸ Means-tested benefits are those only given to people below a certain income threshold. In practice, means-tested benefits are often “phased out” gradually to avoid “cliffs” that discourage a benefit recipient from increasing their income lest they lose the benefit. See generally THERESA ANDERSON, AMELIA COFFEY, HANNAH DALY, HEATHER HAHN, ELAINE MAAG & KEVIN WERNER, *BALANCING AT THE EDGE OF THE CLIFF: EXPERIENCES AND CALCULATIONS OF BENEFIT CLIFFS, PLATEAUS, AND TRADE-OFFS* (2022).

¹⁴⁹ *Supra* Part III(C)(3).

¹⁵⁰ *Supra* Part III(A)(2).

¹⁵¹ That being said, a modestly means-tested UCT might actually boost consumption more than a universal UCT if the means testing allows it to become more redistributionary (e.g., by allowing the UCT to disburse more money). This is because those at the lower end of the wealth distribution spend income more quickly than those at the higher end of the wealth distribution. Jonathan D. Fisher, David Johnson, Timothy Smeeding & Jeffrey P. Thomson, *Estimating the Marginal Propensity to Consume Using the Distributions of Income, Consumption, and Wealth*, 65 J. MACROECONOMICS 1, 1 (2020).

¹⁵² *Supra* Part III(D).

¹⁵³ *Supra* Part III(C)(3).

¹⁵⁴ *Supra* Part III(A)(1).

and charities;¹⁵⁵ mothers spent more time with their children;¹⁵⁶ and problematic behavior related to drug and alcohol use dropped.¹⁵⁷

If one instead defines well-being as desire-satisfaction, the evidence becomes stronger. The broad increase in consumption across all categories indicates that recipients were better able to satisfy desires, as do the increases the RCTs found in moving residences, buying vehicles, risk taking, entrepreneurial spirit, breastfeeding goals met, and pregnancies.¹⁵⁸

Objective list definitions of well-being are the least well-supported by the RCT evidence. Some positive indicators do exist, like reductions in drug and alcohol problems, increased time spent with children, and increased financial supports to family and charity.¹⁵⁹ But the RCTs found no direct evidence of improvements in relationships or education,¹⁶⁰ though the quasi-experimental literature suggests long-term data on recipients' children might eventually provide evidence of the latter.¹⁶¹

2. Poverty Alleviation

Of all the rationales for UCTs considered by this essay, poverty alleviation is most uncontroversially supported by the empirical evidence. No study found that UCT recipients reduced their non-UCT earnings by anywhere near enough to offset the UCT.¹⁶² While UCTs may increase pregnancy, this effect does not appear large enough to cancel out the UCT on average (and could be further accounted for by any policy that gave more money to people with more children).¹⁶³ It is therefore unsurprising that UCTs reduced the number of people living below the poverty line¹⁶⁴ and increased recipients' ability to meet basic needs.¹⁶⁵

3. Egalitarianism

The evidence that UCTs can increase income equality is the same evidence that supports UCTs' poverty reduction effects: UCT recipients' income went up.¹⁶⁶ However, for this effect to translate into a more equal distribution of income, the UCT must also be non-universal or supported by progressive taxation (i.e., higher tax rates on the wealthy than on the poor).

A point in favor of non-universality comes from the effect of UCTs on savings and investment. The randomized controlled trials studied low-income populations and found that UCTs had only a small positive effect, if any, on their savings.¹⁶⁷ Most UCT income was instead consumed.¹⁶⁸ But it is possible that middle to high-income individuals would invest their UCTs and grow their wealth,

¹⁵⁵ *Supra* Part III(A)(1), (C)(3).

¹⁵⁶ Gennetian et al., *supra* note 75, at 1517, 1519.

¹⁵⁷ *Supra* Part III(E).

¹⁵⁸ *Supra* Part III(A), (D).

¹⁵⁹ *Supra* Part III(A)(1), (C)(3), (E).

¹⁶⁰ *Supra* Part III(A)(1), (D).

¹⁶¹ *Supra* Part III(A)(1).

¹⁶² *See supra* Part III(A)(1).

¹⁶³ Liebman et al., *supra* note 73, at 53.

¹⁶⁴ Gennetian et al., *supra* note 75, at 1517.

¹⁶⁵ Magnuson et al., *supra* note 100, at 13, 26.

¹⁶⁶ *See supra* Part III(A)(1).

¹⁶⁷ *Supra* Part III(C)(2).

¹⁶⁸ *Supra* Part III(C)(3).

which could later be converted into a greater amount of income than the UCT originally provided.¹⁶⁹ And in fact, this is exactly what one observational¹⁷⁰ study found when looking at the Alaska PFD.¹⁷¹ Thus, a means-tested UCT may be sound egalitarian policy, but the case is less clear for UBI.

For such a redistributive scheme to meaningfully improve income equality, broadly progressive tax rates would also be necessary—including higher taxes on the “upper middle class.”¹⁷² Simulations of tax increases for only the top marginal rate reveal that even a rate as high as 50% would have little effect on income inequality.¹⁷³

Conclusion

We should not downplay the fact that the recent round of RCTs has injected some sobriety into the case for unconditional cash transfers in high-income countries. Contrary to the prior beliefs of advocates—including many economists inspired by the successes of UCTs in low-income countries¹⁷⁴—UCTs of \$12,000 a year or less do not appear to have large positive effects on recipients’ short-term productivity, physical health, or mental health.¹⁷⁵

But perhaps this is not surprising. If we believe that income increases well-being at a diminishing rate, surely the well-being gains seen by the average rural Kenyan will be greater than those seen by the average low-income American. It therefore makes sense that the effects of providing cash to the latter would be more subtle than the former.

Moreover, we should remember that some of the most influential arguments for UCTs in high-income countries—that they are pareto improvements on in-kind transfers, or that they increase the well-being of recipients by more than they decrease the well-being of taxpayers—are not easily captured by a single

¹⁶⁹ Cf. Fisher et al., *supra* note 151, at 1 (finding that marginal propensity to consume to decreases as one moves up the wealth distribution).

¹⁷⁰ While the authors of this essay argue that “income and population tend to behave exogenously,” they use no research design to achieve exogeneity. See Kate Kozminski & Jungho Baek, *Can an Oil-Rich Economy Reduce Its Income Inequality? Empirical Evidence from Alaska’s Permanent Fund Dividend*, 65 ENERGY ECON. 98, 99 n.3 (2017).

¹⁷¹ *Id.* at 101.

¹⁷² Class labels are fraught. Less than 2% of Americans consider themselves “upper class.” Megan Brenan, *Steady 54% of Americans Identify as Middle Class*, GALLUP (May 23, 2024) <https://news.gallup.com/poll/645281/steady-americans-identify-middle-class.aspx> [<https://perma.cc/DFE7-JBMW>]. But meaningful redistribution may require higher taxes on those in the 20% of income, who hold over 50% of the wealth in the United States. See RICHARD REEVES, *DREAM HOARDERS: HOW THE AMERICAN UPPER MIDDLE CLASS IS LEAVING EVERYONE ELSE IN THE DUST, WHY THAT IS A PROBLEM, AND WHAT TO DO ABOUT IT* 22–27 (2017).

¹⁷³ William G. Gale, Melissa S. Kearney & Peter R. Orszag, *Would a Significant Increase in the Top Income Tax Rate Substantially Alter Income Inequality?*, BROOKINGS (Sep. 2015), <https://www.brookings.edu/wp-content/uploads/2016/06/would-top-income-tax-alter-income-inequality.pdf> [<https://perma.cc/Z9G5-CMDT>].

¹⁷⁴ Compare Jaroszewicz et al., *supra* note 10, at 21 with Banerjee et al., *supra* note 5.

¹⁷⁵ *Supra*, Part III.

metric. These rationales rest on the idea that UCTs make recipients better off than they otherwise would be *despite heterogeneity in what makes each recipient better off*. The ORUS research team wrestled with this idea after finding their UCT had no health effects, saying:

The appeal of cash transfers lies in the freedom that they give beneficiaries to make their own choices about what type of consumption to prioritize. However, the nature of that freedom means that cash transfers are a blunt instrument for improving health and reducing health disparities specifically. Program participants have a variety of needs that they may prioritize over health inputs when making consumption decisions [O]ur study participants consumed more leisure, food, housing, transportation, and goods and services as a result of being randomly assigned to the high cash transfer arm. While these choices did not appear to directly affect their health, they did allow participants to increase consumption in ways that the participants valued most, as revealed by their own choices.¹⁷⁶

Accordingly, this essay made the case for qualified optimism. On many metrics, UCTs have no effect. But on others, UCTs continue to show promise. UCTs demonstrably reduce poverty and enable households to better meet their needs.¹⁷⁷ Recipients spend more time and money on their children and, in some studies, show signs of improved mental health and life satisfaction.¹⁷⁸ Large UCTs may negatively affect productivity, but small UCTs may not, and it remains possible that UCTs' labor demand effects will drive up productivity overall.¹⁷⁹ Moreover, the recent RCTs have not yet been able to collect data on UCT recipients' children's long-term health and criminality, where the quasi-experimental literature predicts large benefits.

For these reasons, the moral arguments for UCTs remain strong, and the efficiency arguments for UCTs remain viable, if more complicated than before. The death of unconditional cash as sound policy in the United States has been greatly exaggerated.

¹⁷⁶ Miller et al., *supra* note 89, at 36.

¹⁷⁷ *Supra* Part III(C).

¹⁷⁸ *Supra* Part III(A), (D).

¹⁷⁹ *Supra* Part III(A).