



# Levelling the mental health gradient among young people:

How Universal Basic Income can address the crisis in anxiety and depression

INTERIM 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. This publication serves as an interim report summarising findings to date in advance of the end of project RSA report, which will be launched in September 2022.

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 Executive summary

**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 from 0.6 percent to 5.9 percent.<sup>1</sup> 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.<sup>2</sup>**

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,<sup>3</sup> a 54 percent increase since the same month in 2020.<sup>4</sup> The trends are similar in Wales and Scotland and there is no sign of the crisis abating.

While reactive policy has often focused on improving coping strategies and increasing the efficiency of services, interest is growing in addressing the social causes of anxiety and depression. A large body of evidence indicates that those 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 (see 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.

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 Income'.<sup>5</sup> Initiated on 1 July 2022, 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 best left in place at least 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).<sup>6</sup> Further, a third (32 percent) did not have enough money for hobbies and leisure activities.

1 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).

2 Clarke, A, Pote, I and Sorgenfrei, M (2020) Adolescent mental health evidence brief 1: Prevalence of disorders, London: Early Intervention Foundation, [bit.ly/3MlYoj](https://bit.ly/3MlYoj).

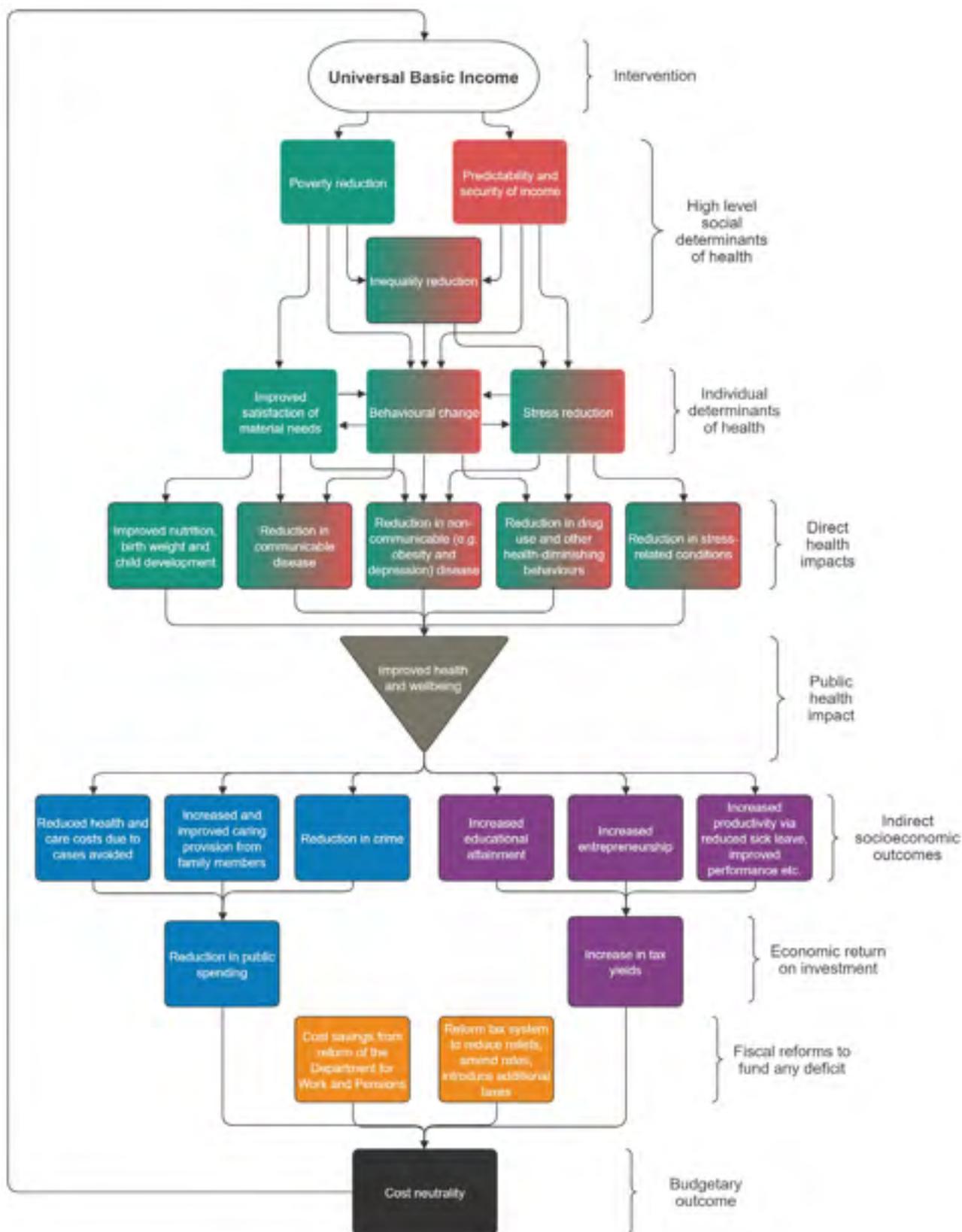
3 NHS Digital (2022) MHSDS Monthly: Performance February 2022 MHSDS Data File, Mental Health Services Monthly Statistics, Performance February, Provisional March 2022, [bit.ly/3PdUgh](https://bit.ly/3PdUgh).

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

5 Welsh Government (2021) Programme for Government – Update, Gov.wales, [bit.ly/3yohwUN](https://bit.ly/3yohwUN), p6.

6 Ofsted (2022) Ready or not: care leavers' views of preparing to leave care, Gov.uk, [bit.ly/3uyacVj](https://bit.ly/3uyacVj).

**Figure 1: UBI model of impact<sup>7</sup>**



7 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).

At the very least, the scheme in Wales will provide care leavers with a stable financial basis from which they can start to address other issues in their lives. We believe that the same benefits of this trial – financial security offering a safety net that reduces one element of uncertainty in life – would also apply in a whole population trial. Our research suggests that young people transitioning to independence would particularly benefit from this. For this reason, we hope that if the Wales trial produces the positive results we expect, the government not only continues the scheme for care leavers, but also introduces a population-level, town or region-based pilot to assess UBI impacts more generally.

The pilot is a groundbreaking piece of policymaking that offers potential for the clearest reform to the welfare system since the period following the Second World War. The trial coincides with our Wellcome Trust project: Assessing the prospective impacts of Universal Basic Income on anxiety and depression among 14-24-year-olds. This interim report sets out key findings that support the Welsh government's decision to trial the policy and identifies specific areas in which the trial is likely to be impactful.

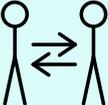
Detailed key findings and recommendations are available at the end of this report.

## 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.

## 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, and a UCD (user centred design) approach should, where possible, be embedded into UBI policy design and service provision.
	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.

# 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 that this fiscally neutral starter scheme would bring:

- 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 [here](#) and our report [here](#).

We used the Landman Economics tax-transfer model (TTM) to micro-simulate the impacts of three schemes, which were broadly designed to provide pathways towards attainment of the Minimum Income Standard (MIS).<sup>8</sup> 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.

### 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+

Scheme 3 ensures that all families reach the MIS level. It has a significant up-front cost, but can be funded by a range of means.

The costs associated with each scheme are shown in Table 1.

**“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

**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

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 the Gini coefficient.<sup>9</sup>

<sup>9</sup> World Bank (2022) Gini index [WWW Document], data.worldbank.org. Available at: [data.worldbank.org/indicator/SI.POV.GINI](https://data.worldbank.org/indicator/SI.POV.GINI) [Accessed: 21 May 2022].

**Table 2: 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	Current %	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	71.3	86.4
	Losing more than 5%	---	18.1	9.5	1.8
Impact on poverty compared with 2022-23 levels	Child poverty	27.3	12.5	8.1	3.8
	Working-age adult poverty	19.4	14.9	10.3	5.7
	Pensioner poverty	16.7 <sup>10</sup>	7.7	9.8	4
Inequality (Gini coefficient)		0.346	0.303	0.253	0.186
Proportion of households claiming means-tested benefits		19.9	19.7	15.4	9.5

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.

<sup>10</sup> Poverty among pensioners rises between schemes 1 and 2 because this is *relative* poverty and while the UBI payments 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.

# 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 data,<sup>11</sup> increases in household income<sup>12</sup> 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 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 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.<sup>13</sup>
  - Alternative analysis of 14 and 17-year-olds in the Millennium Cohort Study (MCS)<sup>14</sup> and 25-year-olds in Next Steps<sup>15</sup> indicates that the shape of the gradient may differ at the top and bottom ends of the income distribution compared to Understanding Society data, 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,<sup>16</sup> 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 overcommit in general are also likely to be affected. This may be supported by analysis from Understanding Society by benefit unit,<sup>17</sup> 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 preprints on the relationship between income and mental health [here](#) and [here](#).

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

12 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.

13 We explain how we control for 'reverse causation bias' on pages 17-18 of this working paper: [osf.io/vpjue](https://osf.io/vpjue).

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

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

16 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.

17 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.

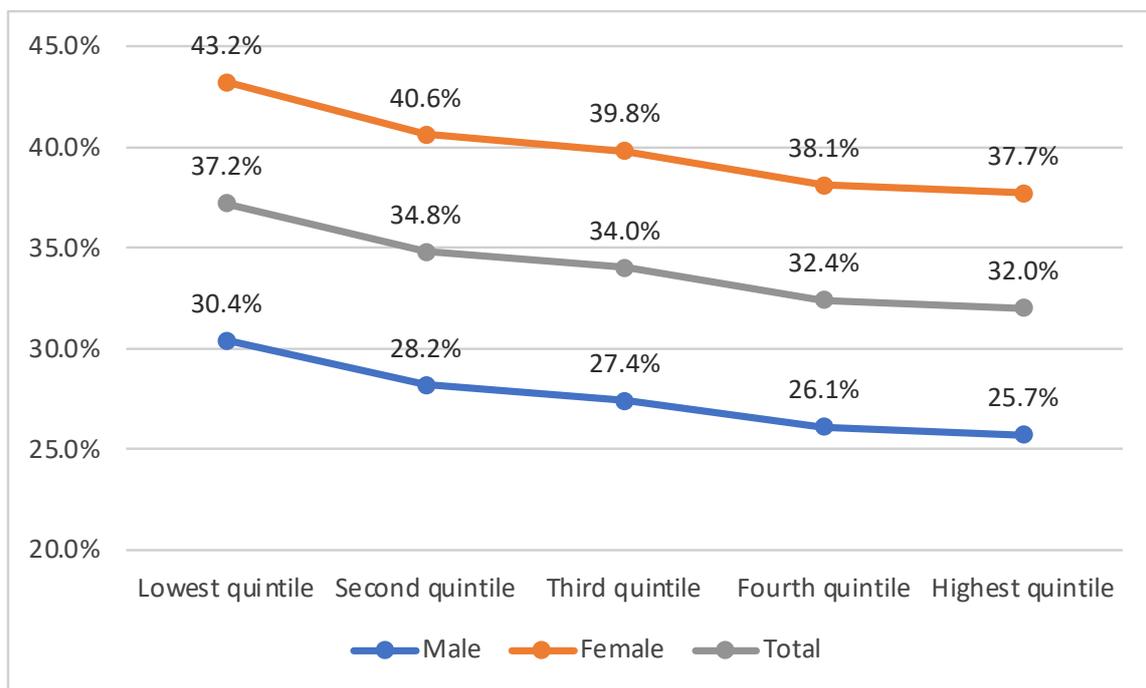
In our primary analysis of Understanding Society data, we examined how differences in household income were associated with symptoms of anxiety and depression using the SF-12 measure both within individuals (where their average income had increased or decreased during the course of their life) and between 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 compared with the quintile below it.

“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

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



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

We are now bringing together data on the economic and mental health effects of the three UBI schemes outlined above. This will provide an estimate of the impact on anxiety and depression among young people aged 14-24 from increases in income alone.

Although further detailed analysis is required in order to create a dynamic, microsimulation of the population of 14-24-year-olds and the impact over time, we are able to present some initial static findings relating to 16-24s.

**Table 3:** Preliminary modelling results indicating cases of anxiety and depression among 16-24s avoided and costs saved per year as a result of each UBI scheme.<sup>18</sup>

Schemes	Cases of anxiety and depression prevented or postponed per year in ages 16-24 (95% uncertainty interval)	Total NHS and personal social services per year assuming 50% of cases diagnosed and treated	Total NHS and patients' related costs per year assuming 50% of cases diagnosed and treated <sup>18, 20</sup>
Scheme 1	29,000 (15,000, 44,000)	£22m (£12m, £34m)	£99m (£53m, £150m)
Scheme 2	39,000 (23,000, 56,000)	£29m (£18m, £43m)	£130m (£79m, £190m)
Scheme 3	46,000 (27,000, 66,000)	£35m (£21m, £50m)	£160m (£92m, £220m)

<sup>18</sup> 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: [osf.io/vpjue](https://osf.io/vpjue). Perfect risk reversibility is also assumed.

<sup>19</sup> 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).

<sup>20</sup> McCrone, P, Dhanasiri, S, Patel, A, Knapp, M et al (2008) Paying the Price: The cost of mental health care in England to 2026, London: King's Fund. Available at: [bit.ly/3NYGWOD](https://bit.ly/3NYGWOD).

The savings from NHS and patients' related costs could pay for between 1,530 (under scheme 1) and 2,472 (under scheme 3) additional hospital-based mental health nurses each year.<sup>21</sup>

Our preliminary findings are indicative of the kind of scale of mental health impact that UBI could have on a specific age group through a pathway of increased incomes. 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. We also need large, representative trials of UBI that capture comprehensive and comparable data in the real world. However, it is clear that the potential is substantial and significant.

**“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 Kyridemos  
Senior lecturer  
University of Liverpool

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<sup>21</sup> 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.

# 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 will be released in a forthcoming report by Compass entitled *Winning the vote with a universal basic income: Evidence from the 'red wall'*. 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 on public assessment of Universal Basic Income as a public health measure [here](#).

Our findings refute one of the key objections raised by progressive politicians; that a Universal Basic Income is a 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 11.7 million jobs and paying up to 80 percent of their wages at a cost of £70bn through the furlough scheme.<sup>22</sup> 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. The Work and Pensions secretary overturned decades of Conservative ideological orthodoxy by claiming that there is no evidence of the increase in benefit payments

**“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

leading to reduced willingness to work<sup>23</sup> and the Chancellor has recently 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.<sup>24</sup>

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 full, embargoed findings will be released in the coming weeks, but 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

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

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

24 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/3Axk1a8](https://bit.ly/3Axk1a8) [Accessed: 13 June 2022].

significant, especially in comparison to other welfare or health policies.<sup>25,26</sup> 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. This is particularly

relevant to current progressive strategy focused on identity politics, while the Westminster government focuses on the Levelling Up agenda. Our findings suggest that Universal Basic Income gives policymakers the ability to demonstrate relevance and impact to those left behind in ways that appealing only to values cannot.

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.

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

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

# 6 Co-production with young people

The RSA's previous engagement with young people has reinforced the evidence regarding the heightened financial pressure many face during their transition into adulthood. Almost half (47 percent) of the 1,178 UK young people surveyed last year by the RSA reported being in a precarious financial situation.<sup>27</sup> The figure was highest for renters (58 percent) and homeowners (62 percent) and lowest for those living rent-free with family or others (35 percent). The inequalities here are clear and they have particular relevance for care leavers.

In December 2021, we convened a series of citizen engagement workshops to investigate whether and how a transitional UBI could potentially ease the mounting pressures faced by young people. Eight workshops were held 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 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 discussions 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.

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.

This co-production was essential to addressing 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.

We will release full findings later in the final project report, but based on our discussions with these young people, initial key findings include:

- The current system does not work for young people and they face a trade-off between work, study and leisure.
- Young people realise how important education is to their future, but their efforts are being undermined by a lack of necessary financial security.
- Current mental wellbeing is being harmed by a need to pursue both work and study simultaneously to achieve future socioeconomic wellbeing.
- Young people support UBI.
- Young people appear to support retaining some benefits.

The message from the workshops was unequivocal: the current system does not work for young people. This held true across a range of participant circumstances: from people living at home to those living independently; from those at the sharp end of the UK's benefits system to young people supported by affluent families; and from those optimistic about their future career and earning prospects to those experiencing profound uncertainty about what path in life to take. At the centre of these challenges is a three-way trade-off between work, study and leisure in which, for many, only two can be prioritised.

This trade-off includes a tension between work and study. Almost all participants identified success in education as the surest route to future financial security but found their efforts to achieve this hampered by present financial insecurity. University students reported work interfering with their learning, both in terms of time and energy. A common complaint among students was that they had to work when they should be studying and when they got round to studying, they were too tired to do so most effectively.

Another key determinant for wellbeing is leisure. Many young people identified the ability to afford hobbies and social activities as a key motivator for seeking work. The pressure to succeed academically and, in turn, improve their future financial security means that the choice is between sacrificing their present financial stability or their leisure time. This negatively impacts mental health.

Our workshop conversations illustrated how a UBI could make young people feel more economically secure and consequently less anxious and improve their mental health. Across workshops it was felt that a UBI would create more freedom and autonomy around work, improving both education and leisure.

Participants reported that they would generally feel more secure, have fewer financial worries and have more time to relax. All of these contribute to positive mental health. Many participants indicated that they would not have to take on as much work that was negatively affecting their wellbeing and life chances. For some participants, the resulting better work/life balance would be achieved through socialising, but for others it included studying, volunteering or starting their own business, as well as art, music and sport.

These benefits were reinforced by suggestions that UBI would help young people to find meaningful and fulfilling work. Many

**“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

felt that the additional income would help prevent them from rushing into a job they don't enjoy or from needing to work a second job to supplement work they find meaningful but poorly paid. One participant in secondary school said that if they were in receipt of a UBI, they would love to train as a speech and language therapist. Instead, they are planning on training in the more lucrative field of clinical psychology. Amid a shortage of speech and language therapists, recent research by the National Autistic Society revealed that a majority of parents of autistic children want speech and language therapy but do not get it.

The result, here, is that while some young people might scale back economic activity to more manageable and sustainable levels, others would take on activity that is potentially much more valuable for both them and society in the longer term. Rather than discouraging work, as some critics of UBI contend, the young people we spoke to saw it as a way of ensuring they had good and meaningful work and a healthy, varied and balanced life outside of it. They felt that a well designed UBI has the potential to reorientate the relationship people have with work into a happier and more fulfilling one.

Our snap poll at the end of the second session reinforced the young people's support for UBI. Though they supported different schemes, all participants supported a UBI of some form. The result is supported by a poll carried out by Survation and commissioned by the Future Generations Commissioner in Wales in March 2021 that found that 69 percent of people in Wales would support the Welsh government piloting a basic income scheme given the financial impact of the Covid-19 pandemic.<sup>28</sup> Our polling work with people in red wall constituencies, including in Wales, found similar levels of support. UBI has the potential to not only be deeply transformative to recipients' lives, but also to be a genuinely popular policy. It is likely to positively impact young people's current mental wellbeing and their future life chances.

28 Howe, S (2021) Majority in Wales support a basic income trial – new findings by the Future Generations Commissioner for Wales. [futuregenerations.wales](https://futuregenerations.wales). Available at: [bit.ly/3c2rji4](https://bit.ly/3c2rji4) [Accessed: 5 June 2022].

Our research suggests young people tend to believe UBI should be paid on top of, not instead of, some benefits. Money received from the Welsh trial, due to opposition from the UK government, will be recognised as income, meaning those taking part will be taxed and will not be able to claim all benefits they would otherwise be entitled to. Our proposals suggest that, at least initially, benefits designed to support additional needs, such as disability or housing, should be reformed and retained, even when the UBI payment is at a relatively high level. This is because such costs vary substantially, because disabled people should not lose out in relative terms, and because including an amount to cover such needs for all would increase the overall costs dramatically. Future trials may need to consider these issues further and ensure, through agreement with the Department for Work and Pensions, that trial payments reflect the policy, or policy options, that is intended to be introduced.

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 policymaking and lacks a natural home within progressive parties as they currently stand in Westminster.

# 7 Addressing means- and needs-testing

There is substantial and increasing evidence of the harm that the current system of conditional needs and means tested benefits has on the health and wellbeing of recipients. We have examined these issues in some detail<sup>29, 30, 31</sup> but for this project, we settled on UBI schemes that would complement benefits designed for varying circumstances

For example, including a payment in UBI to cover housing for everyone would increase the cost too substantially compared with the numbers of people who currently receive the relevant benefits. Required costs would also vary substantially depending on location. This was also felt to be the case for sickness and disability benefits. In addition, there are concerns about 'relative gains' among disabled people if UBI were to replace all benefits. As existing non-means tested sickness and disability benefits are designed to cover additional costs related to disability, if everyone were to receive them, disabled people would gain relatively less than non-disabled people. However, there are still advantages to be gained from UBI for people currently receiving benefits:

- 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 stigma attached to receiving payments from the state would likely be substantially reduced. 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.

**“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

There is a trade-off in continuing to have conditional benefits, though, as UBI is often promoted on the basis of its simplicity. If we continue to have some conditional benefits, then this simplicity is only partially achieved. However, the machine required to administer remaining conditional benefits is likely to be substantially reduced compared with the current arrangement. For example, pensions would no longer rely on contributions records and unemployment benefits would no longer exist, with the latter meaning that there would be no need 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.

29 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).

30 Johnson, MT, Johnson, EA, Nettle, D and Pickett, KE (2021) Op cit.

31 Johnson, MT, Johnson, EA, Webber, L, Friebel, R, Reed, HR, Lansley, S and Wildman, J (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).

However, UBI alone cannot be expected to address the issues that people with additional needs face and it is essential to acknowledge concerns among some disabled people and disabled people's organisation regarding UBI.<sup>32</sup> To address some of these issues, Duffy and Elder-Woodward propose a system of UBI+, in which "extra income supplements would be introduced in accordance with the spirit of UBI",<sup>33</sup> 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.<sup>34,35</sup> 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."<sup>19</sup>

To guarantee that their needs are not left out of the process, we have ensured that disabled young people were included in our Citizen Engagement Workshops and consultation with disability organisations is ongoing. In our final report, we will include findings from both.

It should be restated that 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 depot, 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

32 Disabled People Against Cuts (2019) UBI: Solution or Illusion? Disabled People Against Cuts. See: [bit.ly/3yuEudb](https://bit.ly/3yuEudb).

33 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. See: [bit.ly/3akQXYU](https://bit.ly/3akQXYU).

34 Johnson, E and Spring, E (2018) *The Activity Trap*. Manchester: Activity Alliance. See: [bit.ly/2A0SkXK](https://bit.ly/2A0SkXK).

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

# 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.<sup>36</sup> This will provide the basis for much more precise modelling.

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

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-SES 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.

**“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

<sup>36</sup> Johnson, EA, Johnson, MT, Kyridemos, C, Villadsen, A and Pickett, KE (2022) Designing a generic, adaptive protocol resource for the measurement of health impact in cash transfer trials. Research Square. DOI: [10.21203/rs.3.rs-1561814/v1](https://doi.org/10.21203/rs.3.rs-1561814/v1).

# 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. 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, when explained effectively, they 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



### Universal Basic Income is affordable.

- 9.1.1. Impactful starter schemes can be introduced with little reform to taxation.
- 9.1.2. 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.



### Money affects mental health.

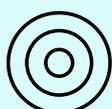
- 9.1.3. Apart from in those with the very highest incomes, increases in household income over the course of childhood and adolescence are associated with reduced symptoms of anxiety and depression as measured by a higher score on the SF-12 Mental Component Summary. The reverse is true when average income drops.
- 9.1.4. 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.

## 9.1 Key findings continued



### Money affects mental health continued.

- 9.1.5 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.
- 9.1.6 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.



### Universal Basic Income is impactful as a preventive public health strategy.

- 9.1.7 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.
- 9.1.8 More effective financial regulation to ensure that people do not overcommit leading to high financial strain may enhance any effect of a UBI.



### Universal Basic Income is popular.

- 9.1.9 Support for UBI is high in left-behind and red wall constituencies, including in Wales.
- 9.1.10 Policies like UBI can help progressive politicians win elections.
- 9.1.11 Young people we spoke to support overwhelmingly support UBI as a means of addressing the challenges they face.



### Additional needs for disabled people need to be recognised via 'UBI+'.

- 9.1.12 There are ways to account for differing needs within a UBI scheme, particularly with regard to disabled people, through reformed additional payments. UBI+ has promise but further consultation with disabled people and disability organisations is needed.



### Trials can be evaluated much more effectively to understand health impact.

- 9.1.13 Comprehensive, comparable and generalisable data has often been lacking in previous trials but can, and must, be produced.

## 9.2 Recommendations

	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.
	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, including through generic, adaptive protocol resources designed specifically for the purpose.
	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, and a user centred design approach should, where possible, be embedded into UBI policy design and service provision.
	Copyrighted measures should be brought into the public domain in order to support comparative, comprehensive, validated collection of health data.

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