

## The potential of basic income schemes to promote and protect young people's mental health

A briefing from the Healthy Livelihoods Theme of the ActEarly Collaboration

### Action is needed on the drivers of poor mental health

There is a mental health crisis for young people in England. Local and national policy often focus on improving young people's coping strategies and service efficiency. However, to prevent poor mental health and reduce cost pressures on government and NHS budgets, we must also ensure that we address underlying drivers of young people's poor mental health: poverty and inequalities in income, wealth, and financial security.



**Over 440,000**

open referrals to child and adolescent mental health services in England  
February 2022

**54%**  
since  
February  
2020

Decreases in household income during childhood and adolescence are associated with symptoms of anxiety and depression in 16-24-year-olds.

Higher levels of financial strain – how well parents or individuals feel they are managing – also increase the risk of anxiety and depression.

*I have been anxious quite a bit about money. Like in the future, am I going to be able to, like, buy a house or have a comfortable lifestyle? If stuff goes downhill majorly it's a big thing to be anxious about...*

Lena, 14-16 years old

### Key points



Reliable and frequent cash transfers that give young people an unconditional, regular and secure universal basic income (UBI) could address financial insecurity and improve mental health



Recent policy innovation and research suggest that basic income schemes for young people are **possible, popular, affordable, and impactful** in improving mental health: increasing financial security, reducing stress, increasing agency, and enabling access to other health-promoting resources

### Opportunities for policy action

1

Local and combined authorities, with health partners, to urge central government to pilot basic income schemes, especially for young people

2

Local and combined authorities, with health partners, to consider developing local basic income pilots to improve young people's mental health

3

Local basic income pilots to be evaluated comprehensively and consistently

4

Health and economic security benefits of universal basic income to be explained to the public using narratives tailored to people's circumstances

# RESEARCH IN BRIEF

## UNIVERSAL BASIC INCOME IS POSSIBLE

The Welsh Government has started a 3-year basic income pilot for young care leavers - one of the most generous basic income trials anywhere in the world. This shows that it is feasible to introduce unconditional, regular cash payments for disadvantaged young people as they navigate an important transitional period in their lives.

Basic income pilots for care leavers could be introduced by national government or local authorities in other places in the UK, providing valuable comparative data to the Welsh pilot.



500

young people leaving care to receive unconditional payment (pre-tax) under Welsh basic income trial

**£1,600 per month for 2 years**

as they turn 18 and leave care

## UNIVERSAL BASIC INCOME IS AFFORDABLE AND COST EFFECTIVE

Economic modelling demonstrates that Universal Basic Income (UBI) can be affordable and effective in reducing poverty among children and young people, without taking into account additional returns on investment provided by improvements in health, economic growth and reduction in crime.

A cost-neutral starter scheme (of £41 per child/wk, £63 per adult over 18 and under 65/wk, £190 per adult aged 65+/wk) could reduce child poverty to the lowest level since comparable records began in 1961.



## UNIVERSAL BASIC INCOME IS POPULAR, BUT FRAMING MATTERS

A key objection to UBI by politicians and policymakers is that it is 'a good idea, but likely unpopular', but experiences during the COVID-19 pandemic, including of government effectively nationalising 11.7m jobs via the furlough scheme at a cost of £70bn, has showed people that radical solutions to problems are possible.

Young people particularly support UBI: they are aware of the risk of hardship and destitution, and persuaded by narratives focused on increasing economic security.

Surveys in Wales, the Midlands and north of England highlight that it is also popular among a wider public, with more generous schemes favoured. Yet older voters may be more supportive when narratives focus on its role in improving health.

*UBIs 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, responsible members of society*

Professor Matthew Johnson,  
University of Northumbria

*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*

Professor Daniel Nettle, University of Newcastle & Ecole Normale Supérieure-PSL, Paris

# UNIVERSAL BASIC INCOME CAN BE IMPACTFUL IN PREVENTING POOR MENTAL HEALTH

Microsimulation modelling shows that UBI could lead to significant reductions in anxiety and depression among young people aged 14-24, and save health and other services money.

UBI could support young people's mental health and transitions to independence in a number of ways:

- improving financial security,
- reducing stress,
- improving independence, and
- enabling access to other 'active ingredients' for good mental health (e.g. opportunities to be physically active, access the arts and relaxation techniques).

Between 2010 to 2030:

**Up to 550,000**

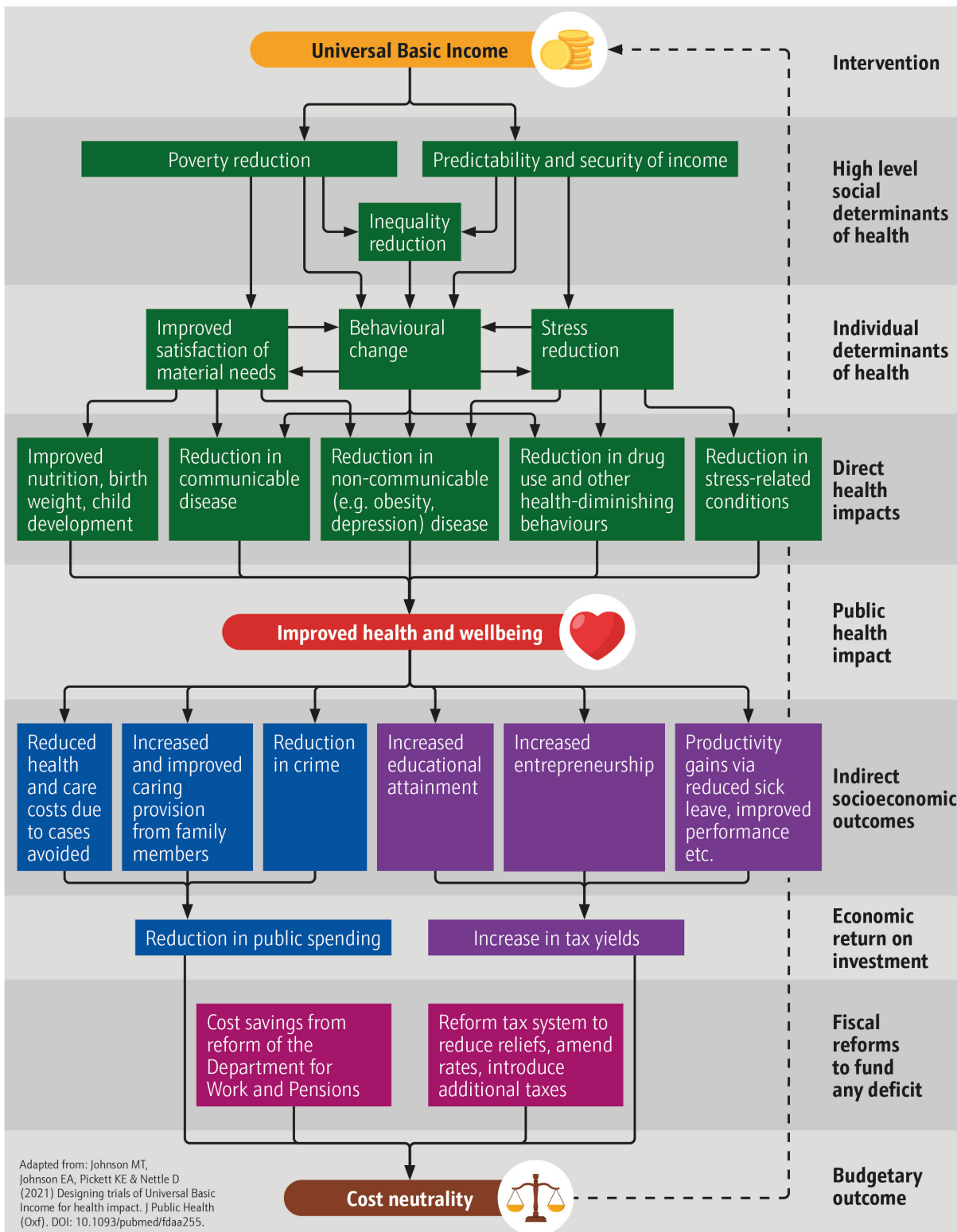
anxiety and depression cases could be prevented

**Up to £930m savings**

in NHS and personal social services costs

**£1.5bn to £4.2bn savings**

in total costs (assuming 50% of cases diagnosed and treated)

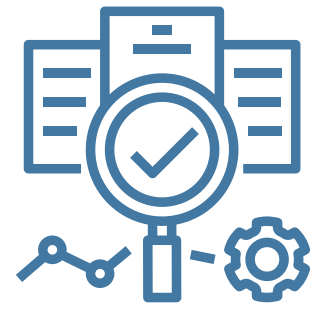


Adapted from: Johnson MT, Johnson EA, Pickett KE & Nettle D (2021) Designing trials of Universal Basic Income for health impact. J Public Health (Oxf). DOI: 10.1093/pubmed/fdaa255.

## UNIVERSAL BASIC INCOME CAN BE ROBUSTLY EVALUATED

Evaluations of cash transfer trials from across the world indicate a range of impacts, but they have not always captured evidence comprehensively and consistently.

Our collaborative research has created [a generic, adaptive protocol resource](#), for use in any cash transfer trial, to capture comprehensive evidence of health impacts.



## UNIVERSAL BASIC INCOME SCHEMES MUST TAKE ACCOUNT OF VARYING NEEDS

UBI schemes must account for people's differing needs, particularly with regard to people who are disabled. UBI can take account of varying needs through reformed additional payments (UBI+).

UBI+ has promise but there is an urgent need for disabled people and disability organisations to be involved in UBI policy development processes, to ensure that fairness is designed into and evaluated in basic income schemes.

*The impact on people with additional needs, particularly disabled people, has too often been overlooked... 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

## OPPORTUNITIES FOR POLICY ACTION



1

Local and Combined Authorities and their partners (including the NHS) can use their collective influence to urge central government to fund basic income trials and pilots, especially for young people, including people leaving care, and other groups with additional needs

2

Local and Combined Authorities, with their partners (including the NHS), to consider developing and funding their own local pilot trials of basic income to prevent and improve poor mental health among young people

3

Local trials and pilots of basic income should be evaluated comprehensively and consistently, especially their mental health effects; with comparative, comprehensive, and validated collection of health data

4

Policymakers to explain the health and economic security benefits of Universal Basic Income to the public, using narratives that are specifically tailored to people's circumstances

## Underlying research



Elliott Johnson, Aase Villadsen, Fiorella Parra Mujica, Hannah Webster, Riley Thorold, James Morrison, Jamie Cooke, Al Mathers, Howard Reed, Stewart Lansley, Tao Chen, Chris Kypridemos, Martin O'Flaherty, Daniel Nettle, Richard Cookson, Kate Pickett, Matthew Johnson (2022) [Challenging the Mental Health Crisis - How Universal Basic Income can address youth anxiety and depression](#). Report. November 2022. RSA.

**About the study:** Multi-disciplinary assessment of the prospective impacts of Universal Basic Income (UBI) on anxiety and depression among 14-24-year-olds, involving: literature review to create a 'risk' factor for anxiety and depression among 14- to 24-year-olds; citizen engagement workshops, and focus groups with disabled people, to advance designs for a 'transitional UBI' for 14- to 18-year-olds, and an overall scheme aimed specifically at mental health impact (measured by anxiety and depression); modelling of UBI impacts for 14- to 24-year-olds on anxiety and depression; and research protocol design.

This briefing was led by Professor Kate Pickett OBE, co-lead for the Healthy Livelihoods theme in ActEarly. Research underpinning the report 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' (led by Professor Matthew Johnson, University of Northumbria). The project has led to a number of articles and reports; information about the team and all publications can be found at: <https://hosting.northumbria.ac.uk/healthcaseforubi/publications/>

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