

Does Frequency or Amount Matter? Testing the Perceptions of Four Universal Basic

Income Proposals

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Abstract

The concept of universal basic income (UBI) first gained traction in the United States in the 1960s Civil Rights Movement and again recently due to the 2008 recession and COVID-19 pandemic. Still, the idea lags in popularity in comparison to existing cash transfer policies like the Earned Income Tax Credit and COVID relief packages. We hypothesize that this disparity is related to predicted uses of a UBI in comparison annual or lump sum cash programs. In this survey of 837 American Amazon MTurk workers, we explore whether predicted behavioral responses to four randomly assigned hypothetical cash transfer scenarios vary across the domains of amount and frequency. We find that respondents are more likely to associate monthly payments with work disincentives and lump-sum transfers with debt repayment. Implications for UBI advocates include the need to continue educating the public on the empirical associations between UBI, employment, and expenditures.

Does Frequency or Amount Matter? Testing the Perceptions of Four Universal Basic Income Proposals

Economic volatility since the 2008 Great Recession and more recently, the COVID-19 pandemic has brought renewed public interest to an old idea: universal basic income (UBI). Andrew Yang, a technology entrepreneur who ran for the Democratic Party's nomination for presidential candidate in 2020, is credited with raising awareness of UBI as a current policy option, proposing that all Americans receive \$1,000 monthly. Several cities and some states have recently proposed or enacted basic income pilots. Most modern UBI proposals include three conditions: the payment should be distributed directly to individuals (rather than households), should not be means-tested, and hold no mandatory conditions (i.e. workforce or educational participation) to receive the payment (Johnson & Roberto, 2020). Put simply, UBI is "a periodic cash payment unconditionally delivered to all on an individual basis, without means-test or work requirement" (Basic Income Earth Network, 2020). However, basic income programs currently being piloted in cities such as Stockton, CA and St. Paul, MN are sometimes referred to as "guaranteed income" rather than basic income because they are means-tested to target low-income households. Whether universal or means-tested, basic income programs have no requirements for how the money is spent. That is, they may be conditional on income or not (universal), yet are unrestricted concerning benefit usage.

Advocates argue that the implementation of a basic income would provide every citizen with a basic level of financial security, boost the economy, alleviate poverty, encourage entrepreneurship, reduce crime, and help compensate for jobs lost due to technological advances. A Stanford University "review of reviews," a meta-analysis of 16 other systematic reviews of

worldwide UBI pilot test data with thousands of participants dating from the early 1970s to today, reveals several consistent themes. UBIs, a type of unconditional cash transfer (UCT), decrease poverty, increase consumption, have minimal effects on labor force participation, improve school attendance and achievement for the children of recipients, and improve physical and mental health (Hasdell, 2020).

Meanwhile, critics of the existent American welfare state that comprises a patchwork of conditional and/or means-tested fungible and non-fungible benefits argue that it disincentivizes work and savings through restrictive income and asset limits and stigmatizes poor and minority women (Hamilton, 2020). Further, welfare “sanctions” and lost benefits are associated with poorer school performance, increased child abuse, and decreased family preservation (Kortenkamp et al., 2004; Larson et al., 2011; Slack et al., 2007). Therefore, supplementing or replacing means-tested assistance with UCTs has the potential to better support low-income families and improve the wellbeing of their children. A UBI also has potential policy advantages over more traditional means-tested assistance as it minimizes administrative costs and increases efficiency when there is no need to determine eligibility (Fouksman & Klein, 2019). Finally, advocates argue that UBI would be less vulnerable to future budget cuts as other universal programs like Social Security enjoy broad political support (Kasy, 2018).

Though basic income proposals are gaining more consideration and attention at the local and state levels, recent polls indicate that support for a UBI among the American public is split with roughly half in support and half opposed (Reinhart, 2018; Freeland, 2019; Gilberstadt, 2020). Meanwhile, other existent cash transfer policies in the United States like the Earned Income Tax Credit (EITC) and the more recent 2021 COVID relief package enjoy much higher

approval ratings (Pew Research Center, 2021; Rendleman & Yoder, 2019). A factor underlying these differing positions may be expectations concerning how Americans would use a UBI benefit and the meaning ascribed to these uses. A UBI may be perceived as frivolous if Americans use their benefit on non-essential goods and services while annual or one-off benefits may be perceived as addressing important financial challenges and goals. In addition, these expectations may depend on the generosity of the benefit and the way in which it is delivered; larger payments may be perceived differently than smaller payments, and perceptions may differ for lump-sum payments versus regular payments as well.

This supposition is consistent with behavioral economics research, which has found that individuals tend to treat money viewed as windfalls differently than money viewed as regular income, and are more likely to consume income distributed through regular payments than an equivalent amount of income distributed in a single lump sum (e.g., Shefrin & Thaler, 2004). Similarly, Friedman's (1957) permanent income hypothesis argues that consumer behavior is more influenced by permanent changes in income than one-time infusions.

While there is extensive research on how individuals themselves respond to different payment structures and amounts in the context of public benefits such as tax credits (Mendenhall et al., 2012; Smeeding et al., 2000) and social welfare programs like unemployment insurance (Ganong & Noel, 2015), little research exists concerning how individuals perceive that other people will use their payments and, to our knowledge, there is no research concerning the perceived uses of a UBI. To that end, in this study, we surveyed American Amazon Mturk workers to better understand their expectations concerning how recipients would respond to various models of unconditional cash transfers (including various work and spending behaviors)

and the degree to which these expectations vary based on the generosity and allocation schedule. We also examined whether respondent demographics influenced their perceptions of recipient behavior.

Background

While versions of the concept first appeared in the 16th century, UBI did not truly gain traction in the United States until the 1960s Civil Rights and Welfare Rights Movements. With proponents ranging from Martin Luther King Jr. to conservative economist Milton Friedman, federally funded Negative Income Tax (NIT) pilots launched at multiple sites throughout the United States with thousands of participants (Hamilton, 2020). NIT carries several similarities to a UBI (no work requirements or expectations on how the money is spent), but instead of being dispersed universally, it is a means-tested refundable tax credit that brings low-income households up to a designated income floor. However, because most UBI proposals include a “taxing back” of the benefit for higher-income individuals, the distributional effects of a UBI and NIT are functionally similar (Groot, 2004). In 1972, President Nixon proposed the Family Assistance Plan with similarities to an NIT, except that it did not cover unemployed households. The plan was ultimately defeated in Congress by welfare rights organizers who saw it as insufficient (Withorn, 2006). While the political momentum behind this movement launched the Earned Income Tax Credit (EITC) and transformed the former Aid to the Blind into the modern-day Supplemental Security Income (SSI) program (Social Security Administration, 2018), interest in UBI and NIT fizzled as national politics moved to the right.

Another blow to the American basic income movement in the 1970s was the media and public’s misunderstanding of an NIT’s effects on labor force participation (Widerquist, 2005).

While overall work did *slightly* decline among recipients of the four NIT pilots, there are several important nuances that were not captured in the public discussion. First, there was no measurement of whether external workforce demand also went down during the period under observation. In other words, recipients could have worked less after the pilot began because of declining job availability. Further, the pilots only included participants with low incomes. Moffitt (1979) estimates that NIT would reduce work among low-income recipients by 4.5%, but only 1.6% for mid and high-income earners (presumably because NIT makes low-wage jobs less attractive), an overall effect which might be offset by the other benefits and efficiencies described above. Additionally, the fact that unconditional cash transfers give workers greater bargaining power against poverty-level wages is now seen as a benefit among many basic income proponents (Lowrey, 2018b).

The NIT effects on workforce participation were also different for men and women. While men worked 20-130 hours less per year, women (mostly mothers) worked zero to 166 hours less per year (Widerquist, 2005). One might argue that an NIT giving mothers more choice in whether to stay home with young children or work outside the home is positive. Further, the gendered dynamics of work and childcare are very different today than they were 50 years ago. This lack of a nuanced conversation around a UBI or NIT's effects on the workforce soured early supporters to the idea like Senator Daniel Patrick Moynihan, who wrote "But were we wrong about a guaranteed income! Seemingly it is calamitous" (Widerquist, 2005, p. 24).

Instead of adopting principles of universality and equity, the American social safety net over the ensuing decades was deeply altered by national political rhetoric of "welfare queens" and intergenerational dependence (Hamilton, 2020). Conservative and neoliberal skepticism of

the welfare state reached its zenith in 1996 when the 60-year-old Aid to Families with Dependent Children program was replaced by Temporary Assistance to Needy Families (TANF), ushering in new work requirements and lifetime limits on assistance. Control of the newly created program was also devolved to states, creating a patchwork of welfare policy with interstate variation now greater than between many European countries (Bruch et al., 2018). As a result, African Americans are now more likely to live in states with harsher eligibility criteria and lower benefits than White Americans (Soss et al., 2008).

However, growing inequality and economic instability since the Great Recession of 2008 and the COVID-19 pandemic have brought renewed attention to UBI as a legitimate policy alternative, with at least 11 pilots launching in cities across the country in 2021 (Holder, 2021). Public opinion surveys conducted within the past four years find that roughly half of Americans are in favor of the idea (Reinhart, 2018; Freeland, 2019; Gilberstadt, 2020). However, demographics seem to play an important role in UBI support. Two-thirds (67%) of young people under 30 support a UBI (Gilberstadt, 2020). Race also seems to play a factor in UBI favorability, as 45% and 35% of Black and Hispanic respondents strongly favor a UBI, compared to only 16% of White respondents in a survey by the Pew Research Center (Gilberstadt, 2020). Further, only 5% of self-described Conservatives strongly support a UBI compared to 38% of Liberals (Gilberstadt, 2020).

Meanwhile, existing cash transfer programs like the EITC and Covid relief payments enjoy much broader public support. The EITC began as a small tax credit to help offset payroll taxes of low-income parents (Hotz & Scholz, 2003), and program eligibility and generosity have expanded under both Democratic and Republican administrations (Mendenhall, 2006). For the

2020 tax year, the EITC is a refundable credit worth up to a maximum of \$6,660 for a family with three children. Governors who implement state-level EITCs have higher approval ratings and vote shares (Rendleman & Yoder, 2019).

Similarly, President Biden's 2021 \$1.9 trillion COVID-19 relief package enjoyed a 70% approval rating, although Republicans are still less likely to support it than Democrats (41% vs 94%) (Pew Research Center, 2021). Within this package, most Americans received a \$1,400 one-time cash payment, phasing out after the first \$75,000 in income for individuals and \$150,000 for married households. The child tax credit (CTC) was also temporarily expanded to \$3,000 for school-age children and \$3,600 for children under 6, removing previous earnings requirements and making the credit fully refundable so that even those who are unemployed can receive the full benefit. The child credit is slated to be issued monthly between July and December 2021 (Taylor, 2021).

The COVID-19 CTC is argued by some to be a form of guaranteed income for families with children (DeParle, 2021). It contains no work requirements and phases out at \$150,000 in annual income for two-parent families. While the EITC does include a work requirement, it and the 2021 CTC both lack other more intrusive eligibility requirements present in traditional welfare programs like TANF such as asset limits, drug testing, paternity establishment rules, and extremely low income limits. They also lack restrictions on how the money is spent, arguably making them more akin to an unconditional cash transfer than in-kind benefits like food stamps and housing assistance.

Disparities in support for UBI and existent cash transfer programs like the EITC and CTC may partially stem from entrenched welfare narratives that generous social policy breeds

dependence. When asked what *they* might do with a basic income, Americans state that they would use the money to pay down debt or save for education and homeownership, but when asked what they think *others* would do, respondents fall back on debunked stereotypes of work disincentives and negative consumption (Evans & Popova, 2016; Hamilton, Yorgun, & Wright, forthcoming). When asked to explain these reactions, qualitative responses include statements such as “people nowadays [sic] will take everything they can get and then some like they are owed” and “Americans can be lazy so they'll do anything to reduce time at work” (Hamilton, Yorgun, & Wright, forthcoming).

Little public opinion polling thus far has examined whether the design and expected use of unconditional cash transfers might influence these differing public perceptions. For example, is the amount or frequency influential? Though it is means-tested and conditioned on work, research on the EITC may provide insight into how a UBI might be used and perceived by Americans, and as well as the benefits and drawbacks of lump-sum versus monthly payments. Similar to surveys of prospective use of the UBI, families use their EITC to catch up on bills, save for emergencies, and reduce debt (Halpern-Meeke et al., 2014; Mendenhall et al., 2012; Shaefer, Song, & Shanks 2013). Furthermore, there is evidence that some families may allocate a portion of their EITC towards upward mobility goals, including saving for a down-payment on a home (Mendenhall et al., 2018; Sykes et al., 2015). Should households be expected to use a UBI in similar ways, a UBI may be favorably perceived because it would help households address financial challenges that nationally representative surveys indicate affect many Americans. For example, over a third (37%) of Americans could not cover an unexpected \$400 expense with cash or a cash equivalent (Board of Governors of the Federal Reserve System [Board of

Governors], 2020). Also, 53% of Americans say thinking about their finances makes them anxious while only about half have saved the commonly recommended amount for emergencies (FINRA Investor Education Foundation, 2019).

Though the lump-sum delivery of the refundable credit gives households a sizable income boost, waiting until tax filing to receive it may induce families to accumulate unsecured debt in the months prior to tax season (Michelmore & Jones, 2015; Weber, 2016). Therefore, several scholars, advocates, and members of Congress have proposed alternative forms of EITC delivery, including one-time advances, quarterly periodic payments, and monthly payments (Holt, 2020; Halpern-Meekin et al., 2018; Vallas et al., 2014).

Despite broad interest in recurring monthly or quarterly payments of the EITC, there has been limited empirical testing of recipients' interest and use of recurring payments versus the lump sum EITC. One exception is a research pilot in Chicago, which provided EITC recipients up to 50 percent of their expected EITC, up to a maximum of \$2,000, in four payments during the year (Bellisle & Marzahl, 2015; Mendenhall et al., 2015). At the completion of the pilot, 90 percent of those who received the payments stated they preferred the periodic payments over the lump-sum delivery, and half of those in a control group who did not receive payments reported that they would prefer an alternative to the annual lump sum EITC payment (Bellisle & Marzahl, 2015). Results from the pilot demonstrate that participants spent the majority of the periodic payments similar to how they spent their lump-sum payments - on bills, debt, and savings - suggesting that periodic payments may address liquidity constraints (Mendenhall et al., 2015). However, periodic payments had additional advantages as pilot participants reported lower levels of perceived financial stress, borrowed less money from friends and family, had fewer unpaid

bills, and experienced less food insecurity (Andrade et al., 2019; Greenlee et al., 2020; Kramer et al., 2019). UBI could have similar interest and comparable impact, given its similarities as a recurring payment.

While UBI is potentially a more effective and efficient method of remediating economic insecurity, public support continues to lag behind other annual or one-time cash transfer programs. The following analysis examines whether the perceived uses of unconditional cash transfers differ across various frequencies and amounts and therefore help to explain uneven public support. Based on previous research described above, it was hypothesized that (1) UBI-like proposals might elicit more concerns over work disincentives and negative consumption and (2) these differences might vary across demographic groups.

Methods

Study Design

Amazon's Mechanical Turk (MTurk) platform – a crowdsourced human labor market – is an increasingly popular recruitment tool in psychological and social science research (Levay et al., 2016). MTurk Workers (MTurkers) were paid to complete a survey wherein they were randomly assigned to one of four hypothetical UBI scenarios. The four scenarios reflected iterations along two dimensions of an unconditional cash transfer: amount (a \$3,000 or \$6,000 total benefit) and allocation frequency (monthly vs. lump sum) of unconditional cash transfer schemes to assess differences in what participants think others might do with a UBI benefit based on these two dimensions. These amounts were chosen as they are similar to existing cash transfer programs and modern UBI pilots. For example, the 2021 CTC provides \$250 per month for children over age 5 and the EITC includes a maximum credit of \$6,660 for 2020. Meanwhile,

UBI pilots like those in Stockton, CA and Hudson, NY provide recipients with \$500 per month. A university Institutional Review Board approved the study in August 2018 as it involved minimal risk to participants.

Sample

Initially, 877 MTurker participants were recruited; however, 41 cases were excluded because participants either did not either a) provide consent ($n = 5$), b) report US citizenship ($n = 35$), or c) respond to the full survey ($n = 1$). The final sample of 836 participants was limited to adults (18+) who were also US citizens. As a randomization check, Chi-squared tests of independence were conducted to ensure that demographic variables did not differ significantly based on UBI plan condition. As expected, group assignment was not significantly associated with participant age ($p = .696$), gender ($p = .563$), race/ethnicity ($p = .716$), Hispanic/Latino status ($p = .681$), marriage status ($p = .212$), education ($p = .609$), employment status ($p = .729$), or annual household income ($p = .643$). In addition, minimum detectable effect size (MDES) calculations indicated that we were able to detect effect sizes of .097, .146, and .181 with the final sample of $N=836$ for chi square tests with 1, 13, and 39 degrees of freedom, respectively, setting alpha at .05 and power at .80.

Table 1 reports sample demographic characteristics. Survey participants represented a broad age range, with 17.0% college-age (18-24 years), nearly three quarters of working age (16.7% 25-29, 30.0% 30-39, 18.4% 40-49, and 12.2% 50-64) and 5.6% of retirement age (65+). Approximately 60.6% of participants were female, 38.5% were male, and 0.7% were non-binary or third gender; one participant elected not to disclose their gender. Compared to the U.S. population, participants were younger and more likely to be female (US Census Bureau, 2019a).

Respondents also represented a range of familial and living arrangements, with 39.5% married, 45.7% never married, 2.6% widowed, and 12.2% either divorced or separated. Of those reporting that they were not married, 29.5% lived with a partner.

The sample was racially and ethnically comparable to the total US population (US Census Bureau, 2019b), with 74.0% reporting that they were White, 12.9% Black, 0.6% American Indian or Alaska Native, 5.4% Asian, 0.4% Native Hawaiian or Pacific Islander, and 6.7% either multiracial or some other race. Additionally, 14.6% of participants identified as either Hispanic or Latino. The sample also varied in terms of education, employment, and income. Only 1.7% of the sample had less than a high school diploma, 23.0% had a high school diploma or GED, 24.8% had some college, 14.8% had an Associate's degree, 25.4% had a Bachelor's degree, and 10.4% held a graduate degree. Educational attainment was similar to that for the U.S. population in which 32.1% have a Bachelor's degree or higher compared to 35.8% in the study sample (US Census Bureau, 2019a).

Just under a third (31.2%) of the sample worked part-time, 31.6% worked 40+ hours per week, 13.2% were unemployed and looking for work, 12.3% were unemployed and not seeking work, 6.1% were retired, and 5.6% were unable to work due to a disability. By comparison, in 2019, 70.2% of Americans aged 16+ worked full time (Bureau of Labor Statistics, 2019). Finally, 16.4% of respondents had an annual household income (in 2019) of less than \$20,000, 32.4% earned \$20,000-\$49,999, 34.7% earned \$50,000-\$99,000, and 16.5% earned \$100,000 or more. In 2019, the median US household income was \$65,712 (Guzman, 2020).

Data Collection

In addition to several demographic questions, participants were randomly assigned to receive one of four questions related to cash transfer benefit usage. The average response time was 2.8 minutes and participants were reimbursed approximately \$1 for their time.

The four randomized questions were as follows:

1. If every American received a payment from the federal government of *\$500 per month* with no strings attached and no matter their situation, how do you think most people would spend this money?
2. If every American received a payment from the federal government of *\$250 per month* with no strings attached and no matter their situation, how do you think most people would spend this money?
3. If every American received a *one-time payment of \$6000* with no strings attached and no matter their situation, how do you think most people would spend this money?
4. If every American received a *one-time payment of \$3000* with no strings attached and no matter their situation, how do you think most people would spend this money?

Use of the phrases “no strings attached” and “no matter their situation” were meant to characterize the benefit as unrestricted and unconditional, respectively. These questions were designed to assess variation in opinions concerning how participants thought recipients might use the benefit relative to amount and allocation frequency. After a random assignment in Qualtrics, 227 participants responded to Q1 (\$500 per month), 198 to Q2 (\$250 per month), 200 to Q3 (one-time payment of \$6000), and 211 to Q4 (one-time payment of \$3000). For each of the

questions, respondents were allowed to choose one of the following responses: A) Quit working or seeking work, B) Reduce working hours, C) Continue working as they do now, D) Put the money in savings, E) Pay down debt, F) Apply the money towards education or student loans, G) Apply the money towards homeownership, H) Apply the money towards small business development, I) Apply the money towards regular expenses (housing, groceries, utilities, etc.), J) Apply the money towards childcare, K) Apply the money towards healthcare expenses, L) Apply the money towards a major consumer purchase, such as a vehicle, television, or appliance, M) Spend it on small luxuries or non-essentials (e.g., eating out, travel, gifts, alcohol, clothes), and N) Other (please explain). While these categories are not necessarily mutually exclusive, we asked respondents to choose only one in order to gauge their first reaction to the questions.

Data Analysis

Chi-squared tests were used to examine whether differences in the amount and allocation frequency of hypothetical UCTs might influence perceptions of how the general public might use those benefits. Associations between hypothetical benefit and expected uses were tested across all four benefit configurations and between amount (\$3,000 vs. \$6,000) and allocation frequency (monthly vs. lump-sum allocation) groups. Finally, z-tests were used to directly compare the proportions of expected benefit uses by hypothetical scenario groups using Bonferroni corrected p-value to adjust for the large number of comparisons that were made across analyses.

Results

These results indicate that random assignment resulted in sample balance based on observed participant characteristics. Across all hypothetical conditions, the majority of respondents believed that the average person receiving unconditional benefits of any amount or

allocation frequency would most likely use benefits on regular expenses (27.5%), paying down debt (22.5%), and purchasing small luxuries or non-essentials (14.7%). Nearly twice as many respondents believed that the average benefit recipient would continue to work as they do now (10.2%) than reduce their working hours (5.1%), and even fewer believed that the average recipient would quit working or seeking work (2.5%).

Chi-squared tests comparing perceived uses of the four types of benefits are reported in Table 2. A statistically significant association between plan type and the outcome was observed, $X^2(39, 836) = 69.4, p = .002$, though the effect size for this association was small (Cramer's $V = .166$). Individual comparisons of plan types by outcome revealed statistically significant differences in perceptions that UBI benefits would lead to a reduction in working hours, $X^2(3, 836) = 14.0, p = .003$, debt repayment, $X^2(3, 836) = 15.4, p = .002$, and major consumer purchases, $X^2(3, 836) = 12.2, p = .007$. Specifically, respondents believed that the average person would reduce their working hours more when provided with a \$500/month (8.8%) than when provided with a one-time payment of \$6000 (1.5%), pay down their debts more when given \$3000 (28.4%) or \$6000 (27.5%) one-time payments than when given \$500/month (15.0%) and spend more on major purchases with \$500/month (5.7%) or \$6000 (7.5%) one-time payments than the \$250/month plan (0.5%). No other statistically significant differences in outcomes by plan types emerged (p 's < .05).

Another set of Chi-squared tests were conducted between outcome and plan type, collapsed by frequency of benefits (i.e., monthly vs. one-time payments). These tests are reported in Table 3, and responses to each outcome by benefit frequency are displayed in Figure 1. The association between benefit frequency (monthly vs. one-time) and outcomes was statistically

significant, $X^2(13, 836) = 40.6, p < .001$, with a small effect size (Cramer's $V = .220$). Consistent with previous analyses, respondents believed that most people would reduce their working hours more on monthly plans (7.8%) than one-time plans (2.4%), $X^2(1, 836) = 12.2, p < .001$, and pay down debt more on one-time plans (28.0%) than on monthly plans (17.2%), $X^2(1, 836) = 14.0, p < .001$. Additionally, a statistically significant difference in smaller purchases (e.g., luxury items, non-essentials) emerged, $X^2(1, 836) = 7.99, p = .005$, such that respondents thought that people would use monthly benefits (18.1%) more than one-time benefits (11.2%) to make these purchases.

Exploratory Analyses

Since some response options were selected less frequently than others regardless of cash transfer plan, outcomes were collapsed into theoretically similar categories and compared once more with benefit frequency. Specifically, new categories were created for quitting or reducing work hours (outcomes A and B), saving or investing the money (outcomes D, F, G, and H), paying off debt (outcome E), spending on necessities (outcomes I, J, and K), and spending on major or minor consumer purchases (outcomes L and M). If participants had responded in the affirmative to any of these outcomes, they were added to the associated response class.

Once more, significant differences emerged in comparisons of outcome frequency by benefit frequency, $X^2(4, 713) = 24.6, p < .001$. Compared to one-time plans, monthly plans were significantly associated with perceptions that the average person would use benefits to quit or reduce work (10.4% vs. 4.9%; $p = .003$) and spend on major or minor consumer purchases (18.6% vs. 12.7%; $p = .018$); conversely, one-time plans were significantly associated ($p < .001$)

with perceptions that the average person would pay off debt with their benefits (28.0%) relative to monthly plans (17.2%). No statistically significant differences were observed by benefit frequency in perceptions that people would save/invest benefits ($p = .338$) or spend benefits on regular/necessary expenses ($p = .943$).

Chi-squared tests were also used to compare these collapsed outcome groups with dichotomized age (under 30 vs. 30 or older), gender (male vs. female), and employment (working part-/full-time vs. not working) variables, regardless of plan assignment. While outcomes did not statistically significantly differ by gender ($p = .273$) or employment ($p = .083$), significant differences in outcomes were observed between participants over/under 30 years of age, $X^2(4, 713) = 30.6, p < .001$. Compared to respondents older than 30, younger respondents more frequently believed that the average person would use benefits for quitting or reducing work (13.9% vs. 6.4%) and saving or investing (18.0% vs. 9.2%), but not for necessary/regular expenditures (25.0% vs. 38.8%; p 's $< .05$). No other statistically significant differences appeared between these demographic variables and outcomes (p 's $> .05$)

Discussion

Overall, we did not discover a great deal of variation in how respondents projected that the money would be spent. Across all four questions, 25-30% of respondents assumed that recipients would apply the money towards regular expenses (housing, groceries, utilities, etc). Two areas that did create significant variations were the reduction of work hours and repayment of debt. While 8.8% and 6.6% of those predicting the effects of \$500 and \$250 per month (respectively) believed that recipients would reduce working hours, this was only the case for

1.5% and 3.3% of those responding to questions regarding lump sum payments (\$6000 and \$3000, respectively).

Those considering the effects of lump-sum payments thought that the repayment of debt would be a likely outcome more often than those considering a monthly benefit. A lump-sum allocation could make it easier for individuals to pay down if not eliminate debt - an important consideration given record levels of student debt, that 17% of student loan borrowers are having trouble repaying their loans, and that over a quarter of U.S. households carry credit card balances most or all of the time (Board of Governors, 2020). Conversely, expectations concerning using the benefit to put money in savings did not differ with respect to benefit amount or allocation method. Because so many Americans struggle to save - less than half have the recommended amount of emergency savings and only 58% have retirement accounts (FINRA Investor Education Foundation, 2019) - any additional income in any form may be expected to make a positive difference in household balance sheets.

While informative, the research design includes several important limitations. First, because we asked about perceived uses of an unconditional cash transfer rather than strict favorability of the various proposals, inferences regarding favorability must be taken with caution and likely requires follow-up research. However, because previous research has linked UBI proposals with welfare narratives of work disincentives and dependence (Hamilton, Yorgun, & Wright, forthcoming), one could reasonably hypothesize that expectations of reduced work hours in the context of monthly benefit proposals were seen as a negative outcome by participants. However, because those under 30 were more likely to predict reduced work hours and previous research has found young people more supportive of UBI proposals (Gilberstadt,

2020), the conception of work and UBI among young people requires further study. For example, could Generation Z be less likely to intertwine the concepts of work and deservedness than Baby Boomers? The fact that our sample was younger and more heavily female than the general population both complicates this dynamic and provides fodder for further study.

Further, in our questions regarding lump-sum transfers, we did not explicitly mention that the payments would be provided by the federal government as we did with the monthly proposals. This potentially complicates comparisons as one could hypothesize that the introduction of the government would create either negative or positive associations in some respondents. Could the association with the federal government for questions regarding monthly disbursement have evoked more polarizing associations than would have been present otherwise? This question, too, requires further research.

Despite these limitations, our results provide insights into the continued disparities in the popularity of UBI proposals and existent cash transfer programs like the EITC and CTC. Monthly payments (rather than a lump sum) seem to evoke decades-old imagery of work disincentives and dependence. While we did not ask exactly to what degree work might decrease (for example, a conservative estimate of 1-2% might be in line with some NIT pilot research), most UBI pilots find this notion to be inaccurate. Indeed, the recent Stockton, CA UBI pilot found a 40% *increase* in full-time employment among participants, compared to only 5% in the control group (Baker et al., 2021). Interestingly, the Stockton pilot does indicate that respondents in the current survey were correct about predicted expenditures on regular expenses as 80% of participant funds were spent on food (37% alone), merchandise, utilities, and auto expenses. Less than 1% was spent on alcohol and tobacco (Baker et al., 2021).

Conclusion

What is interesting about our findings here in the context of existent cash transfer policies such as the EITC and 2021 COVID-19 CTC is that the split in favorability carries deep similarities to that experienced by UBI advocates of the 1960s and 70s. While full UBI advocates were unsuccessful in the 1970s, the resulting programs were those that required work (EITC) or a documented inability to work (SSI). Similarly, in our study, the more basic income like proposals (monthly benefits) were significantly more likely to evoke expected work disincentives than lump-sum payments even when the amounts were equivalent. Popular modern-day national programs either require work (EITC, again) or the inability to work (children in the case of the CTC).

These results might be useful for basic income advocates in a few ways. First, there is a hypothetical argument that building a UBI into the tax code rather than as a stand-alone program could increase its favorability since progressive tax policies like the EITC garner relatively bipartisan support (Lowrey, 2018a). Indeed, this appears to be the logic behind President Biden's expansion of the existing Child Tax Credit rather than other less popular programs such as TANF.

Secondly, an incrementalist policy advocate might acknowledge that the notions of work and deservedness date to the Elizabethan Poor Laws of 1601 (Jansson, 2014) and are unlikely to be unraveled in the short policy window created by the COVID-19 pandemic and Democratically controlled Executive and Congressional branches. The more pragmatic approach might be to advance basic income for children and persons with disabilities as an incomplete, but definitive step forward. In addition, as Widerquist (2005) argues that a "failure to communicate"

the 1970s NIT pilots' effects on labor was a primary actor in the movement's failure, there appears significant potential for a similar scenario today. Advocates hoping to advance a basic income agenda will need to aggressively educate the general public about the true relationship between work and UBI.

Finally, our findings that individuals expect that a UBI would be used in a variety of ways (e.g., to help cover basic expenses, reduce debt, save) suggests that a UBI ought to be framed in terms of what it could do to help U.S. households address their financial challenges and goals. That is, rather than present ideological or philosophical arguments, advocates should stress what a UBI could do for Americans to make their lives better. This basic idea could resonate with individuals and families who have seen the value of their stagnant wages erode against rising housing and health care costs, leaving them more financially vulnerable.

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Tables

Table 1. Sample demographic characteristics

	<i>n</i>	%
Age		
18-24	142	17.0
25-29	140	16.7
30-39	251	30.0
40-49	154	18.4
50-64	102	12.2
65+	47	5.6
Gender		
Male	322	38.5
Female	507	60.6
Non-binary / third gender	6	0.7
Prefer not to say	1	0.1
Race / Ethnicity		
White	619	74.0
Black or African American	108	12.9
American Indian or Alaska Native	5	0.6
Asian	45	5.4
Native Hawaiian or Pacific Islander	3	0.4
Other	27	3.2
Multiracial	29	3.5
Hispanic or Latino		
Yes	122	14.6
No	714	85.4
Marriage Status		
Married	330	39.5

Widowed	22	2.6
Divorced	80	9.6
Separated	22	2.6
Never married	382	45.7
Education		
Less than a high school degree	14	1.7
High school degree or equivalent	192	23.0
Some college but no degree	207	24.8
Associate degree	124	14.8
Bachelor's degree	212	25.4
Graduate degree	87	10.4
Employment		
Employed, 1–39hrs/week	261	31.2
Employed, 40hrs/week or more	264	31.6
Not employed, looking for work	110	13.2
Not employed, not looking for work	103	12.3
Retired	51	6.1
Disabled, not able to work	47	5.6
Annual Household Income		
\$0 – \$9,999	61	7.3
\$10,000 – \$19,999	76	9.1
\$20,000 – \$29,999	104	12.4
\$30,000 – \$39,999	87	10.4
\$40,000 – \$49,999	80	9.6
\$50,000 – \$59,999	108	12.9
\$60,000 – \$69,999	54	6.5
\$70,000 – \$79,999	57	6.8
\$80,000 – \$89,999	34	4.1

UBI PERCEPTIONS

35

\$90,000 – \$99,999	37	4.4
\$100,000 or more	138	16.5
Total	836	100

Table 2. Crosstabulation of perceived outcomes of the adoption of UBI plans by plan type

Outcome	Basic Income Plan										χ^2	<i>p</i>	<i>V</i>
	\$250/mth		\$500/mth		\$3000 once		\$6000 once		Total				
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%			
Quit working or seeking work	6	3.0	5	2.2	4	1.9	6	3.0	21	2.5	0.83	.843	.031
Reduce working hours	13	6.6	20	8.8_a	7	3.3	3	1.5_b	43	5.1	14.0	.003	.129
Continue working as they do now	29	14.6	22	9.7	20	9.5	14	7.0	85	10.2	6.71	.082	.090
Put the money in savings	15	7.6	16	7.0	17	8.1	16	8.0	64	7.7	0.20	.977	.016
Pay down debt	39	19.7	34	15.0_b	60	28.4_a	55	27.5_a	188	22.5	15.4	.002	.136
Apply the money towards education or student loans	2	1.0	2	0.9	3	1.4	3	1.5	10	1.2	0.50	.920	.024
Apply the money towards homeownership	1	0.5	2	0.9	1	0.5	3	1.5	7	0.8	1.66	.645	.045
Apply the money towards small business development	0	0.0	2	0.9	1	0.5	3	1.5	6	0.7	3.41	.333	.064
Apply the money towards regular expenses	53	26.8	63	27.8	63	29.9	51	25.5	230	27.5	1.05	.789	.035
Apply the money towards childcare	1	0.5	0	0.0	1	0.5	1	0.5	3	0.4	1.13	.771	.037
Apply the money towards healthcare expenses	2	1.0	5	2.2	0	0.0	3	1.5	10	1.2	4.71	.194	.075
Apply the money towards a major consumer purchase	1	0.5_b	13	5.7_a	9	4.3	15	7.5_a	38	4.5	12.2	.007	.121
Spend it on small luxuries or non-essentials	35	17.7	42	18.5	24	11.4	22	11.0	123	14.7	8.10	.045	.098
Other (please explain)	1	0.5	1	0.4	1	0.5	5	2.5	8	1.0	6.61	.085	.089
Total	198	100	227	100	211	100	200	100	836	100	69.4	.002	.166

Note. Percentages are reported by column. Significant ($p < .05$) differences in outcomes by plan type are bolded and denoted by subscripted letters “a” (higher values) and “b” (lower values). Chi-squared tests of independence are reported for each outcome as χ^2 (3, 836) at the end of each Outcome row and for the total table of 2x4 comparisons as χ^2 (39, 836) at the end of the “Total” row.

Table 3. Crosstabulation of perceived outcomes of the adoption of UBI plans by benefit frequency

Outcome	Benefit Frequency						χ^2	<i>p</i>	<i>V</i>
	Monthly		One-time		Total				
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%			
Quit working or seeking work	11	2.6	10	2.4	21	2.5	0.02	.886	.005
Reduce working hours	33	7.8_a	10	2.4_b	43	5.1	12.2	< . 001	.121
Continue working as they do now	51	12.0	34	8.3	85	1.2	3.18	.075	.062
Put the money in savings	31	7.3	33	8.0	64	7.7	0.16	.689	.014
Pay down debt	73	17.2_b	115	28.0_a	188	22.5	14.0	< . 001	.129
Apply the money towards education or student loans	4	0.9	6	1.5	10	1.2	0.48	.490	.024
Apply the money towards homeownership	3	0.7	4	1.0	7	0.8	0.18	.671	.015
Apply the money towards small business development	2	0.5	4	1.0	6	0.7	0.74	.389	.030
Apply the money towards regular expenses	116	27.3	114	27.7	230	27.5	0.02	.886	.005
Apply the money towards childcare	1	0.2	2	0.5	3	0.4	0.37	.543	.021
Apply the money towards healthcare expenses	7	1.6	3	0.7	10	1.2	1.49	.223	.042
Apply the money towards a major consumer purchase	14	3.3	24	5.8	38	4.5	3.12	.077	.061
Spend it on small luxuries or non-essentials	77	18.1_a	46	11.2_b	123	14.7	7.99	.005	.098
Other (please explain)	2	0.5	6	1.5	8	1.0	2.16	.142	.051
Total	425	100	411	100	836	100	40.6	< . 001	.220

Note. Percentages are reported by column. Significant ($p < .05$) differences in outcomes by benefit frequency are bolded and denoted by subscripted letters “a” (higher values) and “b” (lower values). Chi-squared tests of independence are reported for each outcome as χ^2 (1, 836) at the end of each outcome row and for the total table of 2x2 comparisons as χ^2 (13, 836) at the end of the “Total” row.

Figures

Figure 1. Perceived outcomes of receiving basic income benefits by payment frequency (monthly vs. one-time)

