

Unconditional Cash Study

Executive Summary

July 2024

As the concept of unconditional cash transfers has gained prominence across the United States in recent years, it has generated both significant interest and significant skepticism. The federal government's stimulus checks during the Covid-19 pandemic were groundbreaking, as was the subsequent expansion of child tax credits. At a local level, several cities and states have launched pilots and demonstration programs to evaluate the potential of unconditional cash transfers. These efforts often elicit debate: when are such programs effective, and under what conditions? Are there areas where additional supports are needed? These questions underscore the value of comprehensive data to provide insight into the impacts of unconditional cash transfers in people's lives.

OpenResearch's Unconditional Cash Transfer Study, the country's most comprehensive study on unconditional cash, allows us to explore its diverse impacts. Our findings suggest that cash provides flexibility. It can be used to address recipients' specific needs, is responsive to changing demands, and creates the possibility for increased agency. For the 3,000 participants in our study, we found 3,000 stories, each the unique product of their circumstances, goals and experiences. The large number of participants, comprehensive mixed-methodological approach, and long time horizon enable us to capture the wide variation of effects across multiple outcomes.

While no two people's lives are the same, certain themes did emerge as we analyzed findings across study participants. The cash led to increased spending on basic needs and financial support to others. On average, recipients worked less but remained engaged in the workforce and were more deliberate with job searches and employment choices. The modest reduction in employment translated to a reduction in pre-transfer income. Including the transfer, income was higher for the recipient groups indicating, as our qualitative data suggests, that recipients used the cash transfers as replacement or supplemental income. Recipients had greater agency to make decisions that worked best for their lives and to prepare for the future, from moving neighborhoods to expressing interest in new business ventures. At the same time,

\$1,000 per month could only do so much; cash alone cannot address challenges such as chronic health conditions, lack of childcare, or the high cost of housing. It is one piece of the puzzle, and the impact of the cash varied based on recipients' circumstances. Understanding the limitations of the cash transfers is just as important as understanding the benefits.

These findings represent an important milestone in OpenResearch's overarching mission: to ask open-ended questions and conduct impact-oriented research to fill significant knowledge gaps. The initial results of our study provide valuable insights into the impacts of unconditional cash across a wide range of outcomes, but this is just the beginning. We will continue to publish findings of the study in coming months, including detailed analyses of how the cash transfers affected housing outcomes, political attitudes and behaviors, as well as their effects on children. OpenResearch's aim is to generate data, findings and insights that can increase public knowledge, inspire informed discussions, and offer a foundation to address society's most complex issues.

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