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The Impact of Basic Income Initiatives on Mental Health

Income and mental health are integrally tied. Severe mental health disorders are [4.5 times more prevalent](#) among children who grew up in poverty and folks who face housing insecurity are twice as likely to have a “common mental health problem,” according to the Mental Health Foundation.

Despite this, most universal income initiatives have been limited in scope and have been focused on economic productivity, rather than well-being. Countries that have [trialed UBI schemes](#) — like the U.S. and Canada — found that UBI improved wellbeing but had little impact on economic growth.

Clearly, more must be done to ensure that everyone has access to resources like education, healthcare, and housing. An investment in UBI can reduce citizens' stress, increase economic freedom, and give young people a legitimate chance to pursue their interests.

Financial Stress

Financial stress is a serious issue for people around the globe. Even in countries like the U.S. — which enjoys the [12th highest GDP per capita](#) — people still feel extreme financial strain. Today, [70% of Americans](#) say they experience financial stress, while fewer than 50% say they have an emergency fund.

Universal basic income can't erase the stress that high-income earners feel, but it can alleviate some of the pressure that low-income households face. This is particularly important for the 55% of U.S. workers who do not have an emergency fund and are at real risk of taking on debt should they fall ill or be involved in an accident.

Now is the perfect time to install UBI systems. Recent [improvements to fintech](#) have changed the way that people manage their money and may help folks build better budgets. Even simple fintech apps, like those offered by Mint and Simplifi, can help people visualize their spending and make strategic changes. This can increase financial literacy, decrease money worries, and help folks save for big-ticket items like homes.

UBI can [protect people against bank failures](#), too. Turbulent global markets have disrupted traditional financial institutions and may undermine trust in banks. UBI schemes can increase macroeconomic demand and ensure that banks have enough capital to work with. This protects against rapid inflation without causing mass unemployment.

Home Ownership

Homeownership resembles a major achievement in most people's lives. However, the ever-rising cost of living means that many people no longer have the means to own their own homes. This is a serious issue, as [homeownership has a positive impact on mental health](#). Folks who own their homes experience:

- Increased stability
- Improved financial health
- Creative control over the property

UBI won't necessarily help folks save for a mortgage, but it can help people avoid debt while they seek more gainful employment. This is particularly important for people who rent, as rising rents can detract from people's ability to save. UBI can reduce the financial stress associated with homeownership, help people save for their own place, and give everyone the capital they need to secure a safe home for themselves.

Food Insecurity

Food insecurity has a profound impact on people's mental health and well-being. Recent research published in the journal [Current Nutrition Report](#) shows that folks who experience "a lack of food quality/quantity" are more likely to experience mental health conditions like anxiety and depression.

Researchers also found that folks who utilized food support systems (like the U.S. Supplemental Nutrition Assistance Program) showed improved mental health and well-being. This lends support to the idea that assistance can have a net positive effect on mental health and food security.

Providing UBI can improve the quality of people's diets, too. Folks can make better dietary decisions when they aren't forced to choose between nutritious foods and paying rent on time. This can improve citizens' well-being and give them access to the foods they need to be successful. This sentiment is echoed by a recent study that found [high-carb, low-fiber diets](#) (typically cheap, processed goods) are associated with poor educational attainment.

Healthcare

Access to reliable, high-quality [healthcare is a human right](#). However, many states fail to provide basic healthcare to citizens based on their income. This can create a cyclical poverty cycle, wherein folks cannot improve their lives due to the burden of healthcare debt and ongoing ailments.

UBI can ease the strain on current healthcare providers by reducing healthcare inequality. UBI can even [improve early childhood development](#) while boosting "cognitive, behavioral and physical domains in children which, in turn, impact health results later in life," according to the Journal of Public Health. UBI can also reduce the prevalence of common illnesses and increase uptake in routine check-ups.

Alleviating monetary barriers to healthcare can decrease stress and help folks take a preemptive approach to well-being. This may improve mental health amongst citizens who receive UBI, as folks may be less likely to put off important treatment and check-ups if they know they can afford the service.

Conclusion

Universal basic income can have a profound impact on people's mental health. UBI improves financial well-being, decreases home insecurity, and ensures that everyone has access to high-quality healthcare. Basic income initiatives can help folks gain access to nutritious foods that support educational attainment and mental focus, too. This can reduce societal inequities and give everyone a fair chance to secure their health and happiness.