

HudsonUP

Basic Income Pilot: Year One Report

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Acknowledgements: We are grateful to the Humanity Forward Foundation, Eutopia Holdings, and the Jain Family Institute for their continued support of this pilot and the evaluation. The Principal Investigator is especially grateful for research assistance provided by Nicole Fallon, Allison Wright, Emily Pitman, and Laura Jovignot.

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Executive Summary

The HudsonUP basic income pilot launched in fall 2020 with 25 low-income residents of the city of Hudson, NY, who will receive an unconditional \$500 per month for five years. While many basic income pilots are currently launching across the United States, HudsonUP is unique in that very few others are located in a small city and most current pilots are designed to last twelve to twenty-four months. This gives researchers a unique opportunity to study the longer-term effects of basic income on the trajectory of recipient lives. The following report represents preliminary qualitative and quantitative outcomes for the 25 recipients in the pilot's first year. Interviews were conducted in two "waves," and will continue on a biannual basis; recipients participated in interviews at wave one (n=15) by phone due to the COVID-19 pandemic and at wave two (n=13) in person. In addition to interviews, 14 recipients participated in wave one online quantitative surveys in January and February 2021, and eight participated in wave two surveys in July 2021. Future annual reports will continue to follow outcomes for this cohort as well as the second cohort of 50 individuals, which launched in fall 2021.

Key Findings:

- Employment (full-time and part-time) grew from 29% to 63%.
- Participants experienced improved physical and mental health.
- Participants experienced decreased symptoms of psychological distress.
- Emergent qualitative themes:
 - Greater stability and security in participant lives
 - Improved ability to make plans for the future
 - Improved physical and mental health
 - Improved family and community relationships
 - Increased feelings of individual agency

Background

A small but diverse community of approximately 6,000 residents, Hudson, NY, is, in some ways, an archetype of small-town America. Globalization and outsourced manufacturing left many residents unemployed in the 1970s and 1980s. In recent years, however, Hudson has become something of a tourist destination due to its historical architecture and proximity to New York City, bringing growth in tourism-related service sector employment, which now represents nearly [one in four](#) local jobs. The service industry has provided Hudson with a lower unemployment rate than the national average but also brings lower wages, fewer benefits, and greater job insecurity, especially in the midst of a global pandemic. As a result, Hudson's [median](#) annual household income between 2015 and 2019 was \$39,346 with a 23% poverty rate (twice the national rate of 11%).

Today, Hudson boasts a thriving antique and artistic community, but the city's economic growth has not been equal across social groups. Living at or below the [federal poverty level](#) are 14% of white households, 20% of Black households, 35% of Asian households, and nearly 25% of Latinx [Hudson households](#). A quarter of local children live in poverty. [Hudson also has](#) twice the national rate of persons with disabilities (18% vs. 9%) and only 65% of households have access to broadband internet, compared to 80% nationally. Gentrification has also created a housing affordability crisis, with [one-third of households](#) in Hudson's larger Columbia County classified as [rent-burdened](#), spending 30% or more of their income on housing each month, compared to one-quarter of households nationally.

In a bold move to address the economic realities of an unstable employment sector and growing inequality, local government and nonprofit leaders launched HudsonUP, a five-year basic income (BI) pilot project with 25 recipients in fall 2020. In fall 2021, an additional 50 participants were added. Decades of research [consistently associate](#) basic income or regular cash-support policy with decreased poverty, little to no change in employment, increased school enrollment and attendance among the children of recipients, more positive family interactions, and improved mental and physical health. It also comes without the [disincentives](#) for income and asset development that plague modern American safety net programs that are heavily means-tested to phase out rapidly with increased income.

From the perspective of HudsonUP leadership, the aim of the pilot is twofold:

1. To empower participants to craft their own financial futures, without the interference of paternalistic policy and cumbersome bureaucracy;
2. To demonstrate the transformational potential of basic income programs in the long term as few pilots have taken such a longitudinal approach.

These goals informed a pilot design that emphasized agency and unconditionality for pilot recipients, forming a unique case study to contrast with some existing safety net programs. The results from the pilot can shed light on how a similarly-structured basic income program would function in other localities across the US. Please see the [appendices](#) for more details on our selection methodology and research design.

Year One Findings

Demographics

The participants in the HudsonUP pilot represent a wide breadth and depth of human experience. From college students to retirees, the participants offer a snapshot of life in Hudson and the country as a whole. Demographically, they represent an array of racial, gender, and educational backgrounds. Of the 14 participants who completed the online survey at wave one, six identify as White (including one Latinx), six as Black, and one as Asian (one respondent declined to report their race). The majority of participants (11) are female, two are male, and one person is non-binary. In terms of education, one person has not completed high school, four hold a high school diploma or GED, three attended some college, five hold either an Associates or Bachelor's degree, and one holds a postgraduate degree. Five were currently pursuing further education.

Income and Assets

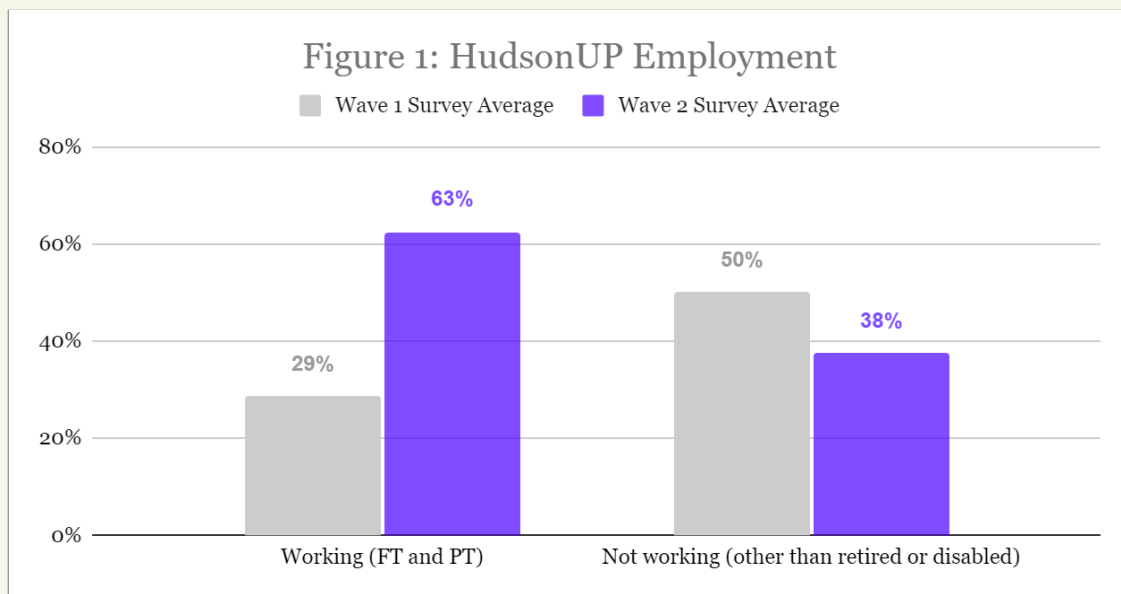
At wave one, in January-February, 2021, most participants (77%) had a household income below \$20,000 in 2019, another 15% between \$20,000 and \$29,999, and the final 8% earning \$60,000-\$69,999. In wave one qualitative interviews, participants overwhelmingly described how the pilot was providing additional stability and security above the income they already received from employment or other sources. At wave two, collected in July 2021, various participants explained that “it definitely helps. It definitely helps every month.” Many used the money to pay for basic expenses like rent, commenting, “I just take the money from the HudsonUP and pay my bills and it comes right up to over \$500. So I just don't leave that alone in my bank and I just pay the bills with it and it's helping me out a lot,” “[HudsonUP] really has affected me in a positive way. Very positive way. It's like I just forget about it's there and it just takes care of my bills and to just keep me straight, you know what I'm saying? So, I don't be behind the payments anymore, you know, so it's helped me a lot,” “It's aiding me with providing for my son, assisted paying my rent, where I live. It has been a positive impact on my financial situation.” One participant spoke to the life-changing effects of the added income, “HudsonUP definitely

revolutionized my financial situation now. With the guaranteed income of \$500 a month, I don't have to worry as much as how I can pay my rent, with my landlord.”

When asked about their total liquid assets at wave one (including cash, checking, savings, investments, and retirement accounts), participants reported a mean of \$1,854. At wave two several participants explained how they were using the pilot funds to grow their assets and save for long-term goals such as homeownership and retirement. For example, one participant explained that “[my goal is] of course to become debt-free, because you can't buy a house if you're in debt. Save for the house, and just make smart choices.” Another participant who was using the funds for emergency and retirement savings explained that “I'm trying not to touch it because I really want to use it to set myself up for the future, but I don't want to just burn through it all now.” We will continue to track participant assets and income over the course of the pilot.

Employment

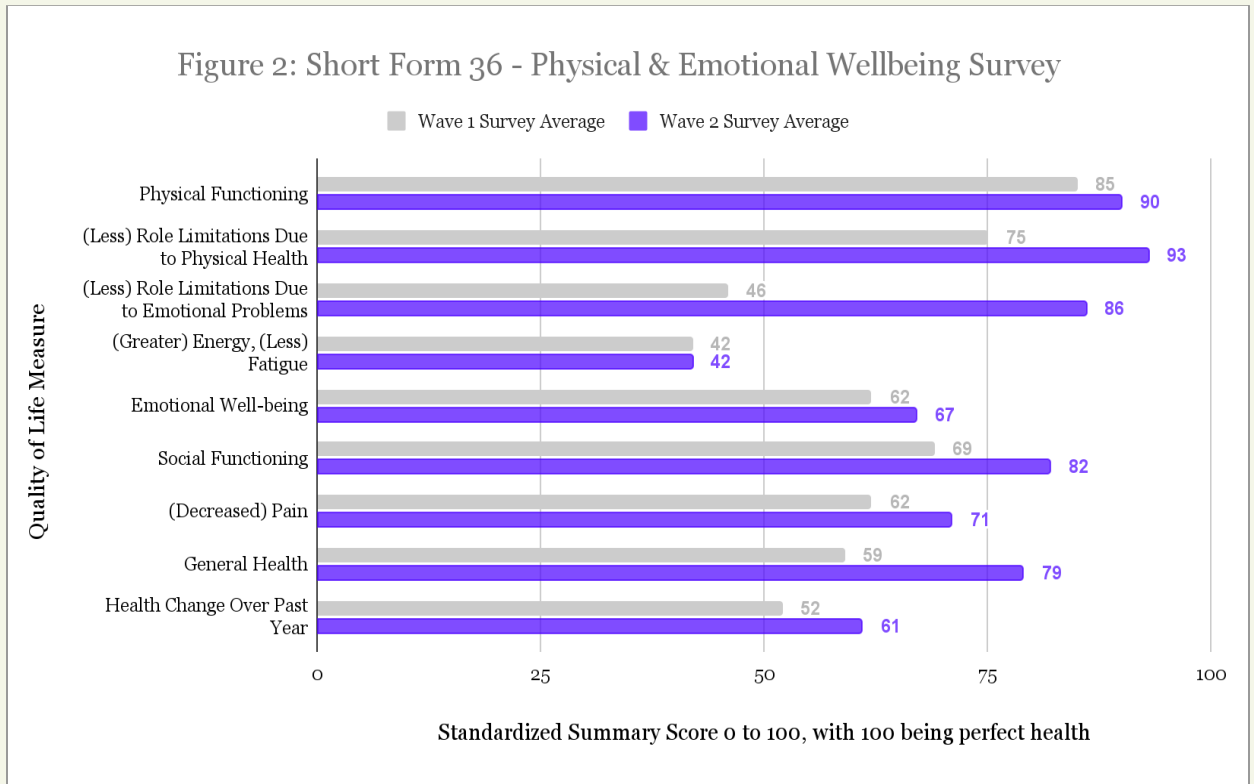
In terms of employment, at wave one, 29% worked either full-time or part-time and 50% were not working for various reasons other than retirement or disability. By wave two, in July 2021, 63% of participants were working either full-time or part-time and 38% were not working (other than retirement or disability). See Figure 1 for more information. In qualitative interviews, respondents explained how the basic income allowed them to plan for their future and improve their employment situation in the long term, such as pursuing higher education or launching small businesses. For example, participants explained that “[I] want to at least get my associates, at least to start,” “When they're [my children] in school during the day I can work and go to school at night,” and “I just graduated. I'm currently applying to [graduate] school right now.”



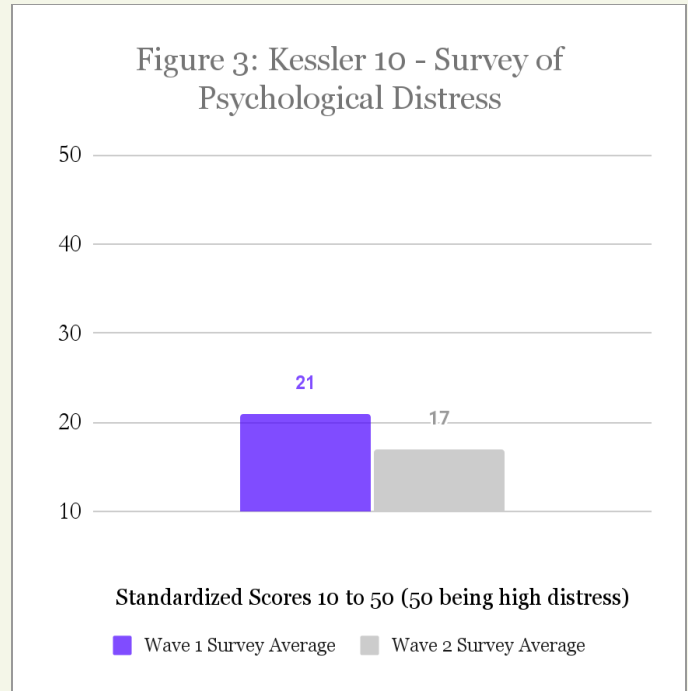
Additionally, at wave two, several participants mentioned that they had either started new jobs or that, because the pandemic was improving, they were able to return to work or their small businesses had seen renewed demand. For example, one participant explained that “Last year was awful. This year is picking up, still not what it was pre-pandemic, but it’s getting better.”

Health

In order to track participant health, we employed two validated and reliable measures, the Short Form-36, which includes multiple scales of physical and emotional wellbeing as well as the Kessler 10, which measures psychological distress. The Short Form-36 includes nine different subscales, including: Physical Functioning, Role Limitations Due to Physical Health, Role Limitations Due to Emotional Problems, Energy/Fatigue, Emotional Well-being, Social Functioning, Pain, General Health, Health Change Over Past Year. Each of these scales aggregates values across a series of questions to produce a score measured from zero to 100, with 100 representing the best possible health. For each of these scales but one, average participant scores improved between wave one and wave two. The remaining scale, Energy/Fatigue remained the same between waves one and two. In the Kessler 10, self-reported levels of psychological distress declined between waves one and two. See Figures 2 and 3 for more information.



In qualitative interviews, many participants noted that both their physical and mental health had improved since joining the program, with many describing the program as a “relief” and connecting their reduced financial strain to improvements in their physical health. “I’m not as stressed out,” commented one participant. Some explained that as a result of their decreased stress over the past year, they had begun eating healthier, sleeping better, exercising more, and drinking less alcohol. For example, various participants noted that “my health has been good. Better, I think. Well, it could be because I’ve been doing more exercise and I have time to exercise and I find that it really helps with the health,” “I’ve started jogging and I do 100 pushups a morning without stopping,” and “Sleep hygiene has been amazing. Mental health has been amazing. My ability to eat regularly and I drink less.”



Relationships

Many of the participants in this study noted that the HudsonUP program had facilitated improvements in their relationships with their families, friends, and community, either through feeling like less of a financial burden on those around them, being able to help others, or through volunteering in their community. For example, participants explained that “[I help my adult] children, because life happens, and they need something, you can just be like, ‘Okay honey, I can take care of this for you;’” Other participants echoed this sentiment of being able to support loved ones: “Now I can help my family out with anything, if they need. And I can cover all of my needs and my wants too now,” “And my friends now, I can treat them without having to worry about it too much or buy them gifts, or anything like that. So it’s nice,” and “I was able to go to caretake for my mom for a month in [another state]. Plane tickets, all of that. That costs so much money...so it affected...my friends, community, family in an amazing way.” Others noted that they were able to attain greater financial independence, “Before now, I would have been sometimes embarrassed to be asking for assistance constantly from my family. So with the assistance, I’m not in the position to be asking and asking every time. I do get help still but

it's not as much as I would have been getting if I wasn't getting [basic income]. So it has affected my family relationship and friend and community relationships for the better as well."

However, some participants noted that they had told very few people about being recipients of the pilot, which for now has only provided funds to a very small number of residents, as they worried about jealousy or negative reactions. For example, some explained that "when I tell people, people can be so hateful. They were really mad at [program staff] like they picked people. There are always going to be some haters," "I don't tell people about what's going on with that too much, because people are just devious. That's the word to use," and "I don't tell. I don't want it to be a thing where, 'Let's hang out with **** because she has this extra money' or 'Let's be friends with her because of this.'" These conflicting themes may help to explain why when we asked people about their family relationships via the Perceived Family Relationships Measure, average ratings remained constant between waves one and two.

Agency

In each wave of qualitative interviews, participants described improved feelings of self-efficacy and agency after joining the HudsonUP pilot. They described not feeling "like a burden" on their family members and positive feelings about the future. An interesting dynamic also arose at wave two in which participants felt more confident in setting boundaries around their personal wellbeing such as finding better work/life balance, leaving unhealthy relationships or work situations, or seeking better living conditions. A few even mentioned being able to afford small luxuries like the first vacation in years, or traveling to be with family for major birthdays and weddings. For example, some stated that "I'm trying not to overwork myself," "I moved next door [from a crowded housing situation with extended family]. It's perfect," "I don't want to go back to fast food, or retail. I want my RN, that's where my heart is," "I recently left there to work closer to home because the drive was just insane," and "I'm still going to go back to bartending, but not at a dive bar, to bartend at a restaurant. To a safer, earlier hour-style bartending."

Importantly, for several single mothers in the pilot, the primary benefit of basic income was their increased ability to provide for their children. "I actually have stability, something to look forward to that I can take care of my kids," said one mother. Other participants noted, "[HudsonUP has affected my financial situation] in a very much beneficial way. I was able to get a better vehicle to transport my kids back and forth to appointments in Albany and everything," and "I think it has affected my family because my kids don't see me stressing as much as trying to continue to keep food in the house or snacks in the cabinet. I'm not so stressed out about bills. It's like that money is just a float

of money and sometimes we get to go out and do fun activities because it's extra money left over.”

Traditional Assistance Programs

At wave one, we asked participants whether they had ever participated in traditional public assistance programs such as Temporary Assistance to Needy Families, the Supplemental Nutrition Assistance Program, Unemployment Insurance, and various disability programs. Most had positive things to say about their experiences with these programs, often due to the positive relationships they had with caseworkers at their local government agency. Other participants reported more negative experiences with public assistance or an awareness of the disincentives created by program rules. One participant noted the means-testing of other programs, commenting, “I just really wish that our social services would really look at their cutoff points. I think a lot of people just get to that point, and then you're a dollar over or you're a penny over, and I think it sends people into a landslide. That's why I think UBI is very important because social services has not been updated to allow people to sustain their financial stability in times of change, and that's what really the problem is.” Others spoke to the complex notion of “deservingness” in public assistance programs, with one participant commenting, “If you've ever had a drug problem or mental health issues, they can be really difficult to work with and they look down on you and they talk down to you. It's crazy how they speak to people who have issues.” Some participants still experienced financial burdens under traditional assistance: “Right now we're housed in a hotel. But they don't give you enough money to get an apartment, but they'll pay a hotel \$2,000 a month to stay in a hotel. But they won't get enough money to rent an apartment.”

HudsonUP

We also asked participants to give feedback on their experiences with the HudsonUP pilot. While participants consistently describe their overwhelming gratitude for the program, it is important to note that the program could not remove all barriers to their future wellbeing, including a lack of affordable housing and quality childcare in the city of Hudson. Still, when asked about the program, every single participant described it positively and praised the program staff. They explained that “It's the only program that actually gives back to the community,” “I have only had great experiences with HudsonUP. If I run into a problem, [staff] is very helpful with anything. I always receive my payments on time, there's never any issues. I don't have any problems with anything,” and “This is a gift that is just beyond, I can't even ask that they give us this, and it came at such a perfect time. I just want to thank God and you guys for pulling my name. It wasn't in your control. It wasn't in your control, but you pulled my name. Thank you.”

Thinking Nationally

Finally, for some participants, the pilot had stimulated them to begin thinking about the potential positive effects of a national basic income. For example, they explained that “even being part of the research, playing my role into making a reality for a lot of people,” and “It’s more just that we’ve got to take care of each other. I just wish all of this [the child tax credit debate] was more about you need this to plan a life...versus we’re going to help you poor people. I think young people just need way more help right now.” One participant spoke to the national potential of UBI, “HudsonUP really opened my eyes up to what is so needed in this country, is UBI. Since I have become a participant, a recipient, I now, whenever I see a story, I read it. It’s so inspiring. So, HudsonUP has been awesome in opening up the eyes of so many, including myself... into the world of so many. Let’s get out there and spread the word, because this is good. Our government, our administration is the place where people pretty much depend on certain services, and things like that. So, for them to undertake this would be awesome. Teamwork... As a country, this is what we need. We need to come together, and whatever that takes. And if it takes UBI programs, if it takes people volunteering, whatever it takes, we need to come together. This is a great country. It really is.”

Conclusion

In the first year of the pilot, we observed dramatic improvements in the employment and wellbeing of pilot participants. In qualitative interviews, participants reported that the basic income they receive from HudsonUP provided greater stability and security in their lives, allowed them to make plans for the future, improved both their physical and mental health, strengthened their relationships with those around them, and created greater feelings of agency in their own lives, but it did not solve all barriers to future financial stability. Participants nonetheless reported overwhelming gratitude for the program and many had begun thinking about the potential effects of a basic income if implemented nationally. The HudsonUP program will continue to track participant outcomes and well-being over the remaining four years for the pilot’s first cohort and five years for the second cohort.

Appendix A

Selection Procedures

Recruitment

An online survey to apply for the first cohort of the HudsonUP program was launched on August 10th, 2020, and closed on September 20, 2020. The online survey collected basic demographic data including name, email address, physical address, phone number, gender, racial and ethnic identity, last month's income, and a preferred contact method.

Sample

The recruited sample included 1002 original applications. The sample was cleaned to exclude those: without Hudson listed as their city or a zipcode not equal to 12534 (n=235), with duplicate first and last name (n=47), without income information (n=7), with income above the specified threshold of \$35,153 per year (n=21), without an address (n=2), with a P.O. Box instead of physical address (n=8), without an address in census tract 1200 or 1300 per the City of Hudson boundaries (n=194). This resulted in 488 eligible applications.

Weighted Randomization

The sample was randomized into a treatment (n=25) and control (n=50) condition, although the control group was later dropped due to low response rates. The randomization was weighted on income, race/ethnicity, and gender identity given location-based propensity to achieve median income as calculated by the [Opportunity Atlas](#). The likelihood to reach median income was proxied on publicly available data from the Opportunity Atlas. The income variable was dichotomized to low (less than or equal to \$25,540) or moderate (greater than \$25,540 and less than the threshold of \$35,153). The gender variable was collapsed from male, female, non-binary/non-conforming, and transgender to only two attributes: male or female. Non-binary/non-conforming and transgender respondents were categorized as "female," as there were no available data on economic outcomes of these gender identities in the Opportunity Atlas data. The race and ethnicity variable included the following attributes: White, Black, or Hispanic/Latinx. The census tract variable included either tract 1200 or 1300.

Appendix B

Research Design

This mixed-methods longitudinal inquiry follows the lives of 75 individuals receiving an unconditional monthly income of \$500 for five years, having started with a cohort of 25 recipients and expanding to add 50 additional recipients in late 2021. This type of research is an excellent fit for a constructivist phenomenological approach, which “describes the common meaning for several individuals of the lived experiences of a concept or phenomenon.”¹ As of May 2021, 15 of the first cohort participants had chosen to participate in the interviews. While phenomenological research design is best implemented with 10 or fewer participants², including more participants allows for the likelihood of attrition over the course of five years. To ensure data quality, qualitative data triangulation was achieved through peer review and “member checking.” Member checking, which is described as “the most critical technique for establishing credibility,”³ is the process of allowing participants the opportunity to give feedback on summative themes.

Our research questions explore the effects of basic income on recipients’ health, income, assets, family relationships, wellbeing, employment, and future orientation. Data collection includes biannual, semi-structured, in-depth interviews capturing changes to participants’ lives and their perceptions of the role of basic income in this trajectory. In addition to qualitative interviews, participants are asked to complete three validated and reliable scales on a biannual basis: 1) the Short Form 36 measures physical and emotional wellbeing, 2) the Kessler 10 measures psychological distress, and 3) the four-item Perceived Family Relationships Measure provides a snapshot of family wellbeing. Because the sample size is relatively small, quantitative outcomes are analyzed via descriptive statistics only.

¹ Creswell, J. W., & Poth, C. N. (2017). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches* (Fourth edition). SAGE Publications, Inc.

² Dukes, S. (1984). Phenomenological methodology in the human sciences. *Journal of Religion and Health*, 23(3), 197–203. <https://doi.org/10.1007/BF00990785>

³ Lincoln, Y. S., & Guba, E. (1985). *Naturalistic Inquiry* (1st edition). SAGE Publications.

Wave one qualitative interviews for the first pilot cohort were conducted in January and February 2021 via phone due to the Covid-19 pandemic and related travel restrictions. Wave two interviews were conducted face-to-face in July 2021. Because the study involves deeply personal discussions with potentially vulnerable populations, the research is designed to prioritize ethical procedures. University Institutional Review Board (IRB) approval was received in November 2020. All potential participants were then informed of the research process, including their absolute right not to participate or to discontinue participation at any moment. Recipients were informed that their participation in the research project has no bearing on their payments through the pilot project. Additionally, participants were informed that all data is anonymized and scrubbed of identifying data before publication.

Second Cohort

In Fall of 2021, HudsonUp launched a second cohort with 50 participants. This cohort also included the same weighted, random selection process used for the first cohort. When second cohort members were selected, they were invited to participate in one of four research avenues. First, they are always welcome to not participate at all. An unconditional basic income pilot must prioritize human agency in the research design. Secondly, participants could choose to participate only in the bi-annual quantitative survey. Third, participants could choose to participate in both the surveys and in bi-annual qualitative interviews. Finally, participants may choose not to join the formal research project and instead join a public storytelling cohort in which they would be available for media interviews or documentary features. This “four option” design was proposed in order to simultaneously maximize participant agency, maintain research rigor, and allow space for public storytelling opportunities.

The biannual survey will continue to include the health, well-being, and family functioning scales described above. Additionally, the survey for both cohorts will include two new components designed to fill gaps in the existent basic income dialogue. Firstly, while the effects of basic income are well documented, less is known about implementation best practices.⁴ For example, how can we best reach participants who are unbanked? To begin this exploration, the quantitative survey will include an open-ended question inviting participants to provide feedback on how to improve the HudsonUP pilot. It is expected that this design will evolve over time as we learn more.

⁴ Jain Family Institute. (2021). *Guaranteed Income in the U.S. - Abridged Toolkit*. Jain Family Institute.
<https://www.jainfamilyinstitute.org/assets/jfi-abridged-toolkit-on-guaranteed-income-in-the-us.pdf>

An additional pressing question for basic income scholars is how to affect public perceptions of the policy. Multiple national surveys have found that American support of basic income is roughly split.⁵ Further, attitudes towards welfare and “deservedness” appear to significantly influence individual levels of support.⁶ Because the United States is currently launching multiple “basic income-like” policies such as COVID-19 relief with the American Rescue Plan Act’s Economic Impact Payments and the temporary expansion of the Child Tax Credit, it will be informative to know whether receipt of unconditional cash influences recipients’ perceptions of deservedness and communal responsibility over time. Therefore, the survey will include a validated and reliable “welfare state attitudes inventory.”

⁵ Jain Family Institute. (2021) “Messaging Basic Income.”
<https://www.jainfamilyinstitute.org/projects/messaging-guaranteed-income/>

⁶ Hamilton, L., Yorgun, M., & Wright, A. (forthcoming). “People nowadays will take everything they can get”: What would Americans do with a Basic Income? A Mixed Methods Approach.