

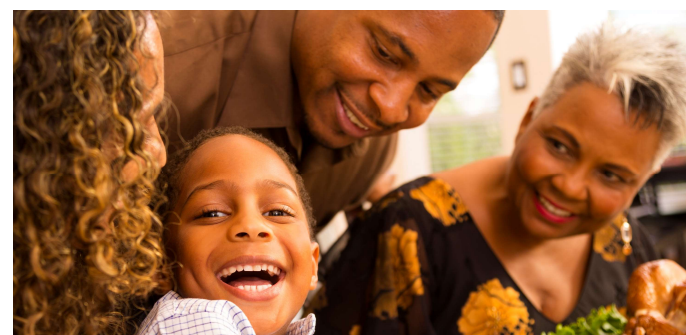
The Impacts of the St. Louis Guaranteed Basic Income Program on Economic Security

01 Evaluation Brief November 2025

Guaranteed Basic Income (GBI) programs aim to offset the effects of poverty in low-income families, provide reliable income streams that can help families reach their financial goals, and supplement gaps in the existing social safety net. These

programs provide unrestricted, regular cash transfers that people can use in whatever way best meets their individual economic circumstances. Evidence suggests that GBI can improve food insecurity,¹ increase savings,² reduce debt,² and positively impact subjective financial well-being.¹

This brief presents findings about how the City of St. Louis GBI Pilot Program impacted the economic security of participants, including their experience of economic hardships, their use of the payments, their financial goals, and their overall financial well-being. This is the first in a series of three briefs. Briefs 2 and 3 focus on credit health and quality of life, respectively.



Key Highlights

- 01** Fewer participants had experienced economic hardships and food insecurity by the end of the program.
- 02** Although participants' income levels did not change, participants were able to set aside savings. However, the one-month pause in payments resulted in short- and long-term negative consequences for participants.
- 03** Participants were less likely to use their payments toward financial goals than they had planned at baseline and more likely to spend their payments covering immediate needs.
- 04** Participants aspired to a more secure future for themselves and their children, but the end of the program and insufficient societal supports, such as low SNAP payments and inadequate Medicaid prescription coverage, created barriers for this goal.

Impact

Relief from Economic Hardship: GBI Reduced Stress in Bill Payments

GBI participants described living on extremely tight budgets with no money for simple things or extras, and financial strain was a significant source of stress for many participants. The inability to keep up with bills created ongoing economic hardship, leaving them anxious about how to make ends meet and vulnerable to the impact of unexpected expenses.

Participants worked hard to balance their finances, especially amidst the challenge of rising inflation. They described having to spread their money to pay small amounts across their bills because they could not afford to pay their bills in their entirety and having to decide which bills to skip so that others got paid. Without enough to make ends meet, participants explained that they were always behind on their bills, which has led to utility disconnection notices and disruptions in services.

The GBI program had a positive impact on perceived economic hardship. Nearly all participants agreed that the GBI program made things easier financially for themselves and their families. **Similarly, 95% agreed that the program made it easier to manage inflation costs.**



My electric was about to get cut off and it's like the money came right on time. I was able to cover that balance without it getting cut off.

Program Design

The St. Louis GBI program offered \$500 a month for 18 months to 540 selected applicants. This program was run by the Treasurer's Office and was launched in late 2023.

Eligibility: Participants had to be City residents, impacted by COVID, a parent of a child in a St. Louis school—including public and charter schools—and earn less than 170 percent of the Federal Poverty Line (for reference, this was \$51,000 for a family of four in 2023).

Study Design

The study used a mixed-methods approach, including application data, longitudinal survey, spending records, participant interviews, and anonymized monthly credit data from a major bureau.

Study Participant Snapshot

62% of program participants consented to join the study

95% identified as female

82% identified as Black or African American

65% had household incomes under \$20,000

45% had some post-secondary education

Participants lived across **all 14 wards** in the City of St. Louis

Participants Still Struggled to Pay Their Rent, Mortgage, and Utility Bills on Time and In Full, but This Improved by The End of The Program.

Even with the one-month lawsuit-driven payment pause that disrupted participants' bill paying schedules, significantly fewer participants reported missing their housing or utility payments within the past year at endline compared with baseline (Figure 1). Furthermore, participants were significantly more likely to have access to reliable transportation at the program's end.

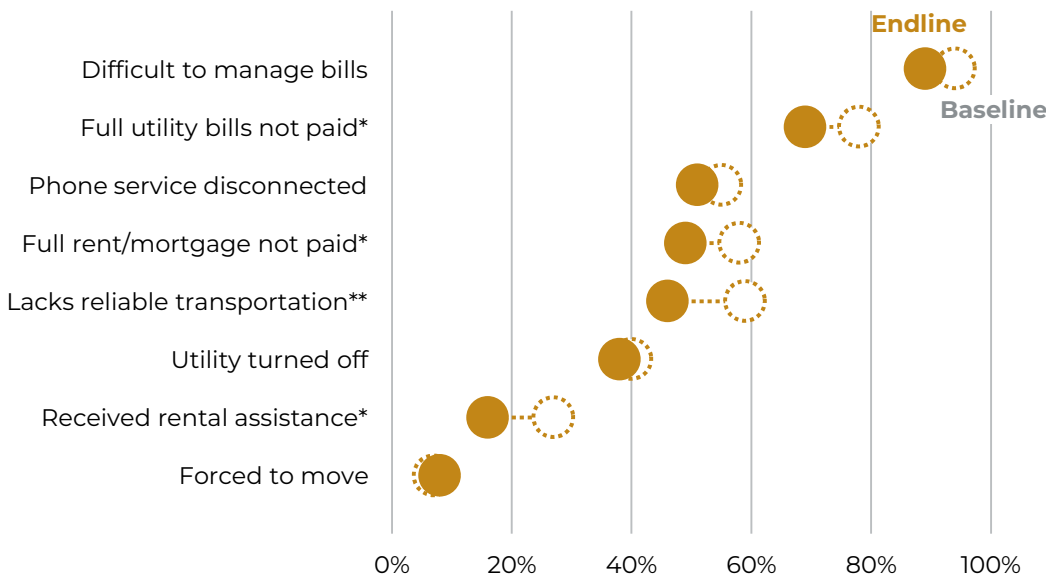
See the Program Overview for more information about the lawsuit-driven pause.



Now with extra cushion, I'd be able to pay the whole light bill.

Figure 1. Economic hardships had improved by the end of the program.

Percent of respondents reporting hardships in the previous 12 months at baseline and **endline**



I've been on point. I ain't have no late fees and nothing since this started, so I've been doing really very good.

Statistical Significance Indicators (*p<0.05, **p<0.01, ***p<0.001)
 n= 127-142
 Data source: Longitudinal Survey

Relief from Hunger: GBI Reduced Financial Barriers to Food Access

Prior to the GBI program, more than half of participants faced very low levels of food security. While low food security remained an issue for participants at the end of the program, there were significant reductions in respondents who reported going hungry or reducing their food intake due to financial pressures (Figure 2).

A large amount of GBI funds were spent on groceries and food. Spending at grocery stores, restaurants, and other food vendors typically accounted for approximately 20% of monthly spending, the second-highest category behind financial services (e.g., ATM withdrawals), according to payment usage data.

Several participants credited the program with helping them provide not just food, but higher quality and healthier options for themselves and their families. The payments also enabled participants to buy additional food to supplement the support they were already receiving through other assistance programs.



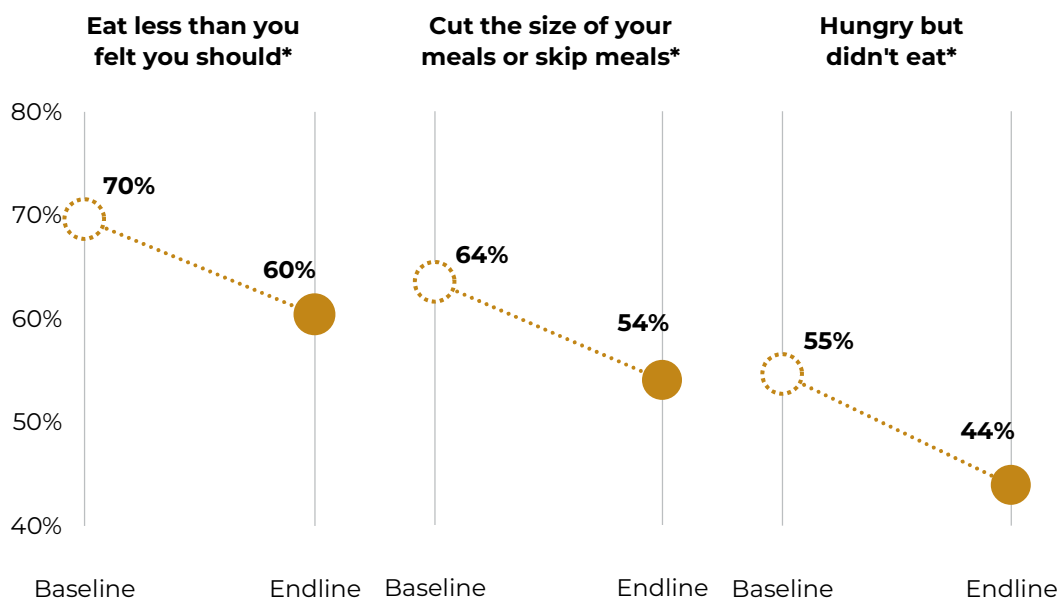
I've tried to provide organic milk, and we shop at Aldi. We really try to limit our expenses but buy the healthiest food we can.



It helped me get food for my house when there's nothing here to eat.

Figure 2. There were significant reductions in participants who reported going hungry or reducing food intake.

Percent of respondents who reported the following as "often true" due to lack of money at baseline and **endline**



Statistical Significance Indicators (*p<0.05, **p<0.01, ***p<0.001)
 n=132-137
 Data source: Longitudinal Survey

From Surviving to Saving: GBI Boosted Participants' Savings and Rainy-Day Funds

To be eligible for the GBI program, households had to have an income at or below 170% of the Federal Poverty Level. Based on self-reported income data, over 80% of GBI participants in the study were below 100% of the Federal Poverty Level with nearly two-thirds reporting household incomes less than \$20,000.

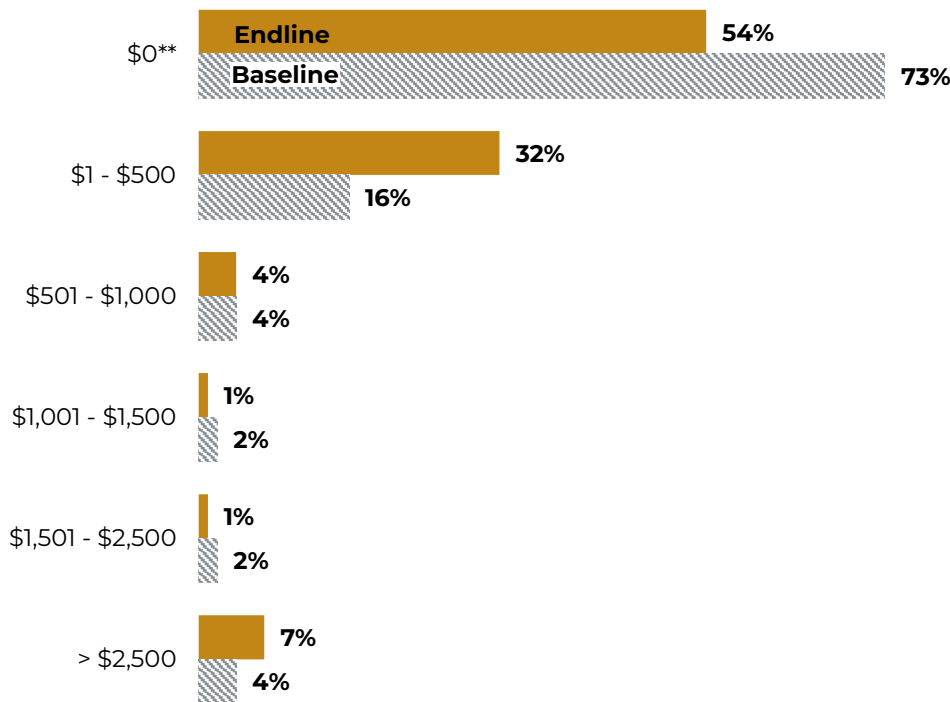
Although the program did not impact participants' income levels, it did increase participants' savings. **By the end of the program, more participants reported having savings in general (27% to 46%, $p < 0.01$), as well as savings specifically set aside in a rainy-day fund (7% to 18%, $p < 0.01$).** Figure 3 displays participants' savings amounts before the program began and at the end, illustrating that savings amounts increased by the end of the program, even if the majority of participants still had \$500 or less in savings.



I could save money! I said before I didn't have any, I don't really have bad financial habits, but I just wasn't making enough money to save money. I'm 37. In my whole life, this is the first time I have an emergency savings.

Figure 3. More participants had savings at the end of the program, but the majority have saved \$500 or less.

Participant savings at baseline and **endline**



Statistical Significance Indicators (* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$)

n=136

Data source: Longitudinal Survey

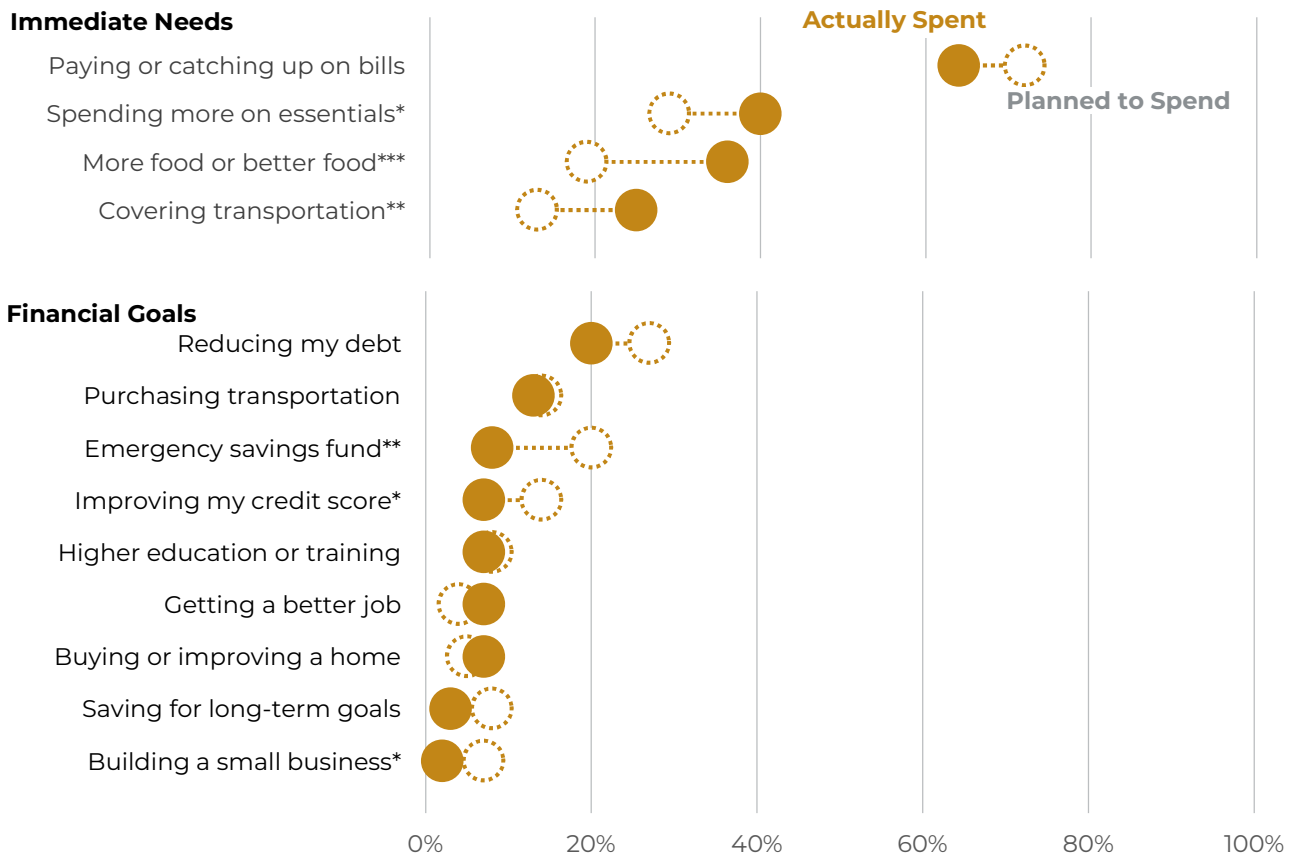
GBI Payments Used to Cover Immediate Needs and Reduce Debt

Participants commonly began the program with specific goals and intentions for how they would use the funds. Upon facing continued inflation and unanticipated economic challenges at both the individual and community levels, they were often forced to pivot away from their initial plans and instead use the funds to manage emergent needs and cover ongoing necessities (Figure 4). This is supported by the payment usage data, which showed that 99% of GBI spending was related to daily needs (food, transit, household goods, etc.) or financial services. Only 1% of tracked funds were spent on “Travel, Leisure, or Entertainment.”

Participants often used the funds in a flexible manner, depending on their circumstances when they received the payments. Some continued to rely on their primary income source(s), then used the GBI payments on any additional needs that came up. Many participants were aware of the stereotypes associated with public benefits programs and took care to specifically emphasize that they spent their GBI funds responsibly.

Figure 4. At endline, participants were more likely to have spent the payments on immediate needs and less likely to use the payments towards the financial goals they identified at baseline.

Percent of participants who planned to use their payments for each of the categories at baseline compared with how payments had been primarily spent at **endline**



*Statistical Significance Indicators (*p<0.05, **p<0.01, ***p<0.001)

n=138

Data source: Longitudinal Survey



I want to go back to school and just further my education so that I can do other things. I want to be a homeowner, I want to be a business owner as well. So just showing them different avenues that hey, you can still work a job, you can still be a business, you can do what it is that you want to do.



Building a Better Future: Family, Education, and Homeownership

Participants' discussions of their personal and financial goals shared a defining trait: the ultimate goal was to work towards a better future for themselves and especially their children. This was reflected in different ways, with some focusing on more tangible targets and others on investment in personal improvement. These goals included:

- Pursuit of higher education, training programs, and other career development opportunities
- Starting a business or service
- Achieving general financial stability
- Increasing financial literacy
- Buying a car
- Buying a home

While personal and financial goals varied across participants, the desire to provide a better life for their children and inspire them to consider their own options was a common uniting factor.

However, planning to achieve these goals was made more difficult by a lack of available supports, such as access to financial literacy programming.

Participants commonly reported wanting to own a home, start a business, or provide for their children's education, but a fragmented social safety net limits their opportunities to achieve these goals. For example, low-income families looking for stable housing have to wait years to get through the Section 8 waitlist, and people wanting to start a business, buy a home, or pursue higher education have to contend with strict asset limits in essential public programs that prevent them from saving for their goals.

Interrupted Support Sparked Financial and Emotional Strain

A lawsuit against the GBI program led to a temporary pause in payments. In September 2024, the regular payment was delayed for one month, resulting in a double payment in October 2024. A few participants said they were unaffected by the payment pause, but for most participants, it caused financial and emotional difficulties. Many participants shared that they felt panicked upon first learning of the payment pause, saying they had to scramble to cover their expenses.

Participants made up for this unexpected loss of income in different ways. Several said they had to rearrange their upcoming bills or change their existing plans. Some worked longer hours or took on side jobs to make up for the missed payment. Others borrowed money from friends and family members. A few relied on high-cost financial services, like taking out a short-term loan or donating plasma.

Participants faced a variety of negative consequences because of the payment pause. Some of these hardships were purely financial, like having to empty emergency savings or incurring late fees, overdraft charges, and interest. Participant credit data confirms that payment delinquencies and debts in collections began to increase around that time (see Brief 2 for more information).

For a few others, though, the payment pause directly affected their ability to meet their basic needs. In these situations, participants faced utility disconnections, eviction, loss of car insurance, or an inability to afford food or medication.

Some participants described how their mindset towards the program shifted after the pause. Several participants reported losing trust in the program and in government in general. A few said the pause served as a wake-up call or reality check, reminding them of the temporary nature of the GBI program.

Concerns About Program End

A large majority of participants expressed significant concerns about the end of the program, seeing it as a looming return to financial instability. Nine in 10 participants said the end of the GBI payments will have a negative effect on their finances. Of these participants, 80% characterized this negative effect as “major.” They worried that they would lose the stability they’d found and the financial gains they’d made (establishing savings, catching up on bills, reducing financial stress).

“

Oh, it affected [me] horribly. I had to take out a loan because I couldn't get around or really, I didn't have any wiggle room in finances, none at all. And I'm still paying the loan back.

“

I'm worried about the fact that I can't catch a break. As soon as I think something is a help for me, it gets snatched away. Something happens. **So that was devastating for me for not getting that payment in September and then negotiating with my bills.**

“

It's scary...I don't know what I'm going to do to supplement to fill in that portion of income at this point.

Looking Ahead: Implications for Future Financial Support Programs in St. Louis or Elsewhere



Build support programs that can help families capitalize on GBI.

For many low-income families, particularly those who qualified for the St. Louis GBI program, receiving regular cash infusion is rare. For many families, it may be their only opportunity to build savings, pay down debts, or make progress on their long-term financial goals. While GBI recipients can use their funds for any purpose, organizations implementing GBI programs should consider offering access to economic empowerment services in conjunction with the GBI, such as savings programs, credit counseling, financial education, banking services, or other wraparound services. Many cities have Offices of Financial Empowerment that aim to improve residents' financial wellness. These offices and GBI programs could provide effective complements to each other by simultaneously providing people with the financial knowledge, financial services, and (most importantly) the financial resources to pursue their goals.



Fighting asset poverty should be a long-term priority.

Nearly three-fourths of GBI recipients had \$0 in savings prior to the program. Though that number had improved by the end of the program, a majority still had functionally no liquid assets. Emergency savings are families' first line of defense against the financial volatility (e.g., unexpected expenses, job loss, etc.) common in low-income families' lives. Access to these savings is also the single strongest predictor of financial well-being in the U.S.³

To help low-income families build these savings, they need direct supports like GBI programs, but they can also benefit from other programs that can boost cash flow. In particular, supporting and expanding access to Volunteer Income Tax Assistance sites can ensure that more low-income households are receiving tax refunds—often the single largest payment these households receive all year—and doing so without paying large fees to tax preparers.



Leverage transitional benefits and community resources to support participants after the program ends.

The GBI program represented a substantial income increase for participating households. While our research shows that these payments benefited families in key ways, it also calls into question what these families will do as the program ends. In Brief 2, we show that even a temporary, unexpected one-month pause in the payments was associated with difficulties making debt payments on time. It is likely that these families will face similar struggles now that the program has ended.

In the future, these risks could be offset through different approaches. For example, programs could offer benefits counseling at the end of GBI programs to ensure that participants have enrolled in all the public benefits programs for which they are eligible, which can help cover their expenses and financial needs once the GBI payments stop. Programs could also partner with local community organizations to offer GBI participants the opportunity to receive additional services and supports as they transition off the program.



Conclusion

The GBI program had substantial impacts on participants' economic security. Across quantitative data sources and interviews, we saw that the monthly payments allowed participants to flexibly meet their family's basic needs, build up savings, and work towards future financial goals. Despite these economic gains, some participants were still in precarious financial situations at the end of the program, and many worried about how they would make ends meet after the program concluded.

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